

PRESENTATION TO THE PUBLIC WORKS PORTFOLIO COMMITTEE

COUNCIL FOR THE BUILT ENVIRONMENT 2017/18 ANNUAL REPORT



10 October 2018

CBE Delegation

Mr Isaac Nkosi – CBE Council Chairperson

Ms Priscilla Mdlalose – Chief Executive Officer

Mr Mokgema Mongane – Chief Operations Officer

Ms Lindy Jansen van Vuuren – Chief Financial Officer

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Purpose

To provide an account of the CBE's Performance for the 2017/18 financial year, as per the commitments made in the 2014 - 2019 CBE strategic plan and 2017/18 annual performance plan.

Vision and Mission

Vision

An environment built to meet **people's** needs and aspirations

Mission

Implementing projects and programmes that address built environment issues and add value to the built environment
professions, government and the **general public**

Mandate of the CBE

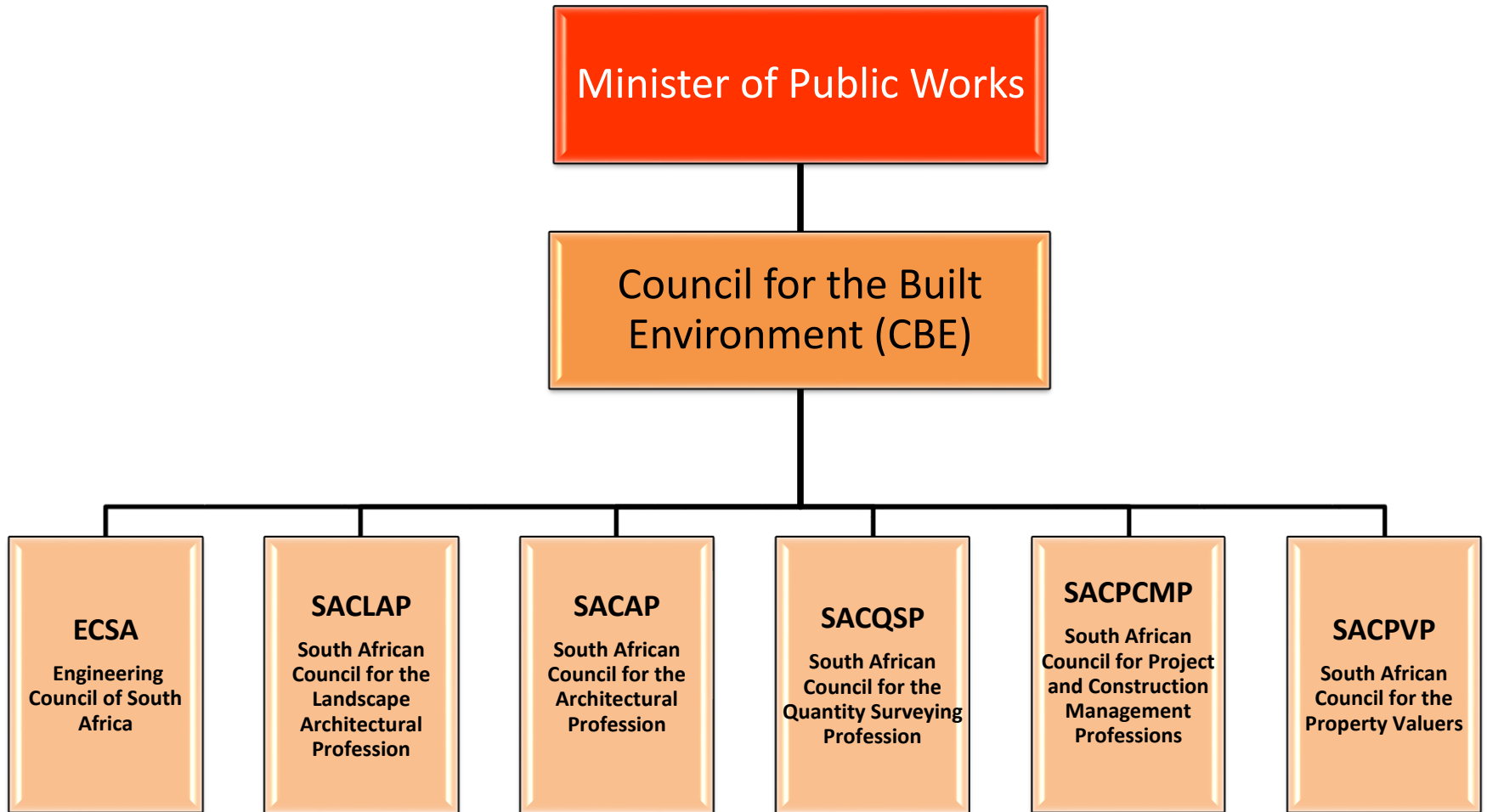
The CBE was established in terms of the Council for the Built Environment Act No. 43 of 2000 as a juristic person. It is an entity of the Department of Public Works (DPW), with the mandate to:

- a) Promote and protect the interest of the public in the built environment;
- b) Promote and maintain a sustainable built environment and natural environment;
- c) Promote ongoing human resources development in the built environment;
- d) Facilitate participation by the built environment professions in integrated development in the context of national goals;
- e) Promote appropriate standards of health, safety and environmental protection within the built environment;

Mandate of the CBE cont'd

- f) Promote sound governance of the built environment professions;
- g) Promote liaison in the field of training in the Republic and elsewhere and to promote the standards of such training in the Republic;
- h) Serve as a forum where the built environment professions may discuss the relevant
 - i) required qualifications
 - ii) standards of education
 - iii) training and competence
 - iv) promotion of professional status
 - v) legislation impacting on the built environment; and
- i) Ensure uniform application of norms and guidelines are set by the councils for the professions throughout the built environment.

Built Environment Organogram



Five-Year Strategic Goals and Key Priorities

The CBE embraces the National Development Plan (NDP), the 2014 -2019 Medium Term Strategic Framework and the Industrial Policy Action Plan – as reflected in the following Key Outcomes:

- **Outcome 4:** Decent employment through inclusive growth
- **Outcome 5:** A skilled and capable workforce to support an inclusive growth path
- **Outcome 12:** An efficient, effective and development-oriented public service

Five-Year Strategic Goals and Key Priorities cont'd

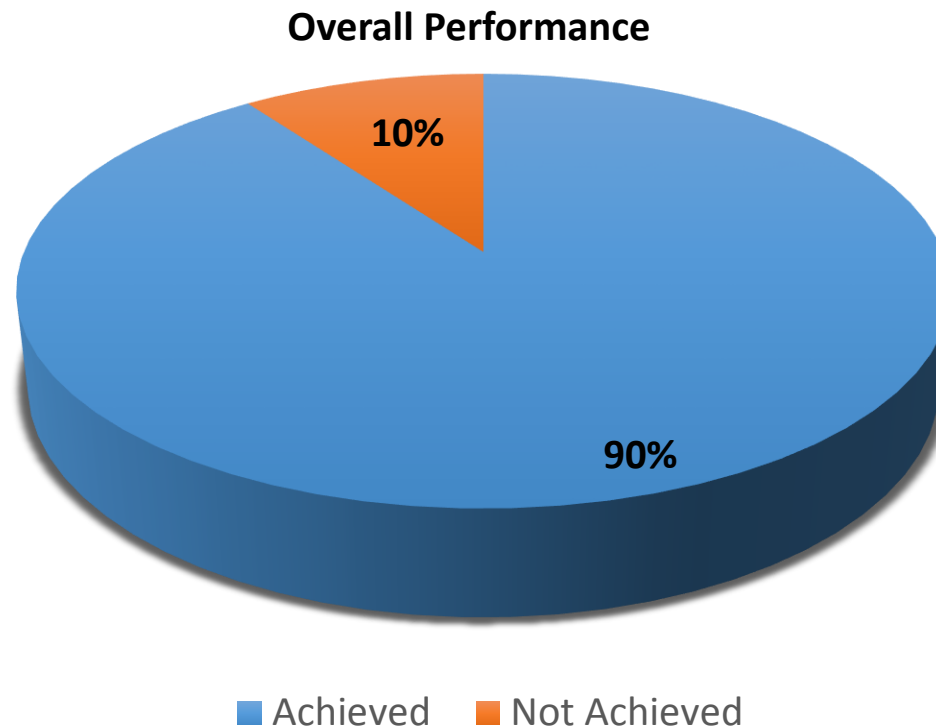
Strategic Goals	Programmes	NDP Alignment
Provide support to CBE, thus contributing directly and indirectly to the delivery of all strategic outcome-oriented goals of CBE	Programme 1: Administration	<p>Outcome 4 – decent employment through inclusive growth (Chapter 3 of the National Development Plan [NDP])</p> <p>Outcome 6 – an efficient, competitive and responsive economic infrastructure network (Chapter 4 of the NDP) and</p> <p>Outcome 12 – an efficient, effective and development orientated public service (Chapter 13 of the NDP).</p>
A transformed built environment with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery needs	Programme 2: Skills for Infrastructure Delivery	
An optimally functioning built environment with a responsive and relevant policy and legislative framework based, on informed and researched positions	Programme 3: Built Environment Research, Information and Advisory	
Built Environment Professionals (BEPs) that operate within a regulated policy and legislative framework	Programme 4: Regulation and Oversight of six CBEP	
A built environment that is responsive to the developmental and economic priorities of Government	Programme 5: Government Policies and Priorities	

PART A

PERFORMANCE INFORMATION

Performance Highlights

- There were 20 annual targets - **18 annual targets** were achieved and 2 targets were not achieved
- This constitutes **90% achievement** of the annual targets



Performance Highlights cont'd

- CBE obtained a **clean audit** in 2017/18 and also obtained a clean audit in 2016/17.
- **IT Governance Framework**, in line with the Department of Public Service Administration's (DPSA) Corporate Governance of ICT Policy Framework was developed and implemented.
- Two implementation plans for the production and development of **high demand Built Environment Professional (BEP)** skills categories - landscape architects and property valuer professionals - was completed.
- CBE's partnerships with Universities of Technology (UoTs) and host employers worked very well, which made it possible to place **152 interns**. CBE concluded a Memorandum of Understanding (MoU) with Walter Sisulu University on the placement of interns for working integrated learning (WIL).
- 150 Grade 12 learners were enrolled in the **Maths and Science support programme**.
- 50 Candidates were placed in **workplace training**.

Performance Highlights cont'd

- Final report on the state of readiness of municipalities to implement the Standards for Infrastructure Procurement and Delivery Management (**SIPDM**) was developed.
- CBE's revised **Corporate Governance Framework** with the King IV Principles of Governance was developed.
- **Transformation Road Shows** held with KwaZulu-Natal DPW and Eastern Cape DPW, other provinces will be engaged in the current financial year.
- CBE successfully held its annual **Transformation Indaba** which addressed BE issues relating to transformation. A Declaration of Intent, committing partners to collaborate on transformation initiatives, was signed.
- All **appeals lodged** were finalised within the statutory time limit as required, except for one.

Key Challenges and Remedial Actions

- The ability to **operationalise the CBE mandate** affects its impact (or lack thereof) upon its stakeholders.
- Through the support of the **Government Technical Advisory Centre (GTAC)**, there is confidence that CBE will strengthen its capacity to focus on its core mandate and thus achieve greater impact within the built environment sector.

Key Challenges and Remedial Actions cont'd




- **Indicator 4.1** involves processing and concluding received **appeals** within the prescribed period of 60 days from lodgement.
- This target was not achieved because one appeal was not decided within the prescribed period of 60 days due to a **protracted SCM process** of procuring the members of the appeal committee. The appeal was eventually decided on 10 October 2017.
- In an effort to address this challenge, recommendations were submitted and approved by the Council to establish a **standing Appeal Committee**, instead of procuring members of the appeal committee through an SCM process to avert such a delay in the future.

Key Challenges and Remedial Actions cont'd

- **Indicator 4.6** was the submission of the six CBEP' **strategic plans, annual performance plans and annual reports** to DPW.
- This target was not achieved, four out of six CBEP did not submit their annual performance plans, citing **governance issues, lack of capacity** and **resource constraints**.
- To address this challenge, the CBE conducted a **training workshop** to develop their annual reports, strategic plans and annual performance plans.







Performance: Programme 1

- Programme 1 aims to ensure that CBE has the **necessary capacity** and capability to support Government's development.
- Programme 1 comprised **3 annual targets**, which were **all achieved** as follows:

Programme 1		
	Targets	
1.1	Implement IT Governance Framework , in line with DPSA's Corporate Governance of ICT Framework	
1.2	Develop business enabling ICT Plan with 95% network up-time	
1.3	An unqualified audit report, with no material financial findings	




Performance: Programme 2

- Programme 2 aims to drive and facilitate **skills development and transformation** in the BE.
- Programme 2 comprised **6 annual targets**, which were **all achieved** as follows:

Programme 2		
	Targets	
2.1	Two categories of high demand professions' implementation plans developed in support of Landscape Architect and Property Valuer professionals for SIPs	
2.2	150 Grade 12 learners enrolled in a Maths and Science support programme	
2.3	50 New intake of Candidates /BE graduates in workplace training	
2.4	100 Interns placed for work integrated learning	
2.5	One oversight report on the Accredited Academic Programmes	
2.6	Nine Provincial Public Works Departments engaged on the implementation of the CBE Structured Candidacy Framework	







Performance: Programme 3

- Programme 3 aims to fulfill CBE's mandate to provide **informed and researched advice** to Government and the public on BE priority matters identified in the 2014 MTSF.
- Programme 3 comprised **3 annual targets**, which were **all achieved** as follows:

Programme 3		
	Targets	
3.1	One report on initiatives to support infrastructure skills within Government	
3.2	One research report on the state of readiness of municipalities to implement the Standards for Infrastructure Procurement and Delivery Management (SIPDM)	
3.3	Research report on analysis of the impact of CBE's Maths and Science support programme focusing on the built environment	



Performance: Programme 4

- Programme 4 aims to fulfill CBE's mandate to act as an **appeal body** on matters of law referred to it in terms of legislation regulating the BEPs, and to promote and enhance high **standards of professional ethics** within the BE; Assessment of the six CBEP' compliance with the CBE's **Corporate Governance Framework and the PFMA**, the alignment of their policies with Ministerial approved policy Frameworks, and the adoption and implementation of the CBE Monitoring and Evaluation Framework by the six CBEP
- Programme 4 comprised **6 annual targets**, 4 were **achieved** as follows:

Programme 4		
	Targets	
4.1	Process and decide received appeals within the prescribed period of 60 days from lodgement.	
4.2	Develop an IDoW Action Plan approved by Council.	
4.3	Review and align the CBE Corporate Governance Framework with the King IV principles of Corporate Governance	
4.4	Assessment report on the six BEPCs Policies alignment with the seven (ministerial approved) Policy Frameworks	
4.5	50 Percent of the PFMA workshop outcomes implemented	
4.6	The six BEPCs Strategic Plans, APPs and Annual Reports are submitted to DPW	

Performance: Programme 5

- Programme 5 aims to ensure that BE **academic curricula** and CPD programmes embody **health and safety** in construction; **environmental sustainability**; job creation through **labour intensive construction**, and the **IDMS and SIPDM**
- Programme 5 comprised **2 annual targets**, which were **all achieved** as follows:

Programme 5		
	Targets	
5.1	Implementation plan to incorporate health and safety, sustainability, labour intensive construction and the IDMS into BE academic curricula	
5.2	A bench marking study on Transformation best practice	

PART B

FINANCIAL INFORMATION

Financial Performance

- The CBE received a grant allocation of R48.568 million from DPW.
- With additional revenue from the CBEP levies and interest income, the CBE had a total revenue budget of R52.206 million.
- The total budgeted expenditure for the year was R52.206 million, which resulted in a zero deficit budget.
- The actual financial performance of the CBE resulted in a surplus of R1.309 million.
- Refer to page 97 of the annual report for a detailed break down of the financial statement.

Financial Performance cont'd

- The total actual revenue earned for the year amounted to R52.435 million against the budgeted revenue of R52.206 million.
- This resulted in a favourable variance of R0.229 million (0.44%) on revenue.

Report of the Auditor General

Year	Audit Opinion	Performance
2013/14	Unqualified	86%
2014/15	Unqualified	96%
2015/16	Unqualified	73%
2016/17	Clean audit	76%
2017/18	Clean audit	90%

Report of the Auditor General cont'd

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council for the Built Environment as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Financial Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Management of Audit Issues

Finding	Classification					Rating			Number of times reported in previous three years	Status of implementation of previous year(s) recommendation
	Misstatements in financial statements	Misstatements in annual performance report	Non-compliance with legislation	Internal control deficiency	Service delivery	Matters affecting the auditor's report	Other important matters	Administrative matters		
Predetermined objectives										
Predetermined objectives: Actual achievements not complete		x					x		0	N/A – None identified in previous years
Predetermined objectives: Actual achievements not valid and accurate		x					x		0	N/A – None identified in previous years
Predetermined objectives: Differences between the annual performance report and supporting listings		x					x		0	N/A – None identified in previous years
Predetermined Objectives: Inconsistencies between the annual performance plan and annual performance report		x					x		0	N/A – None identified in previous years
Other										
Statement of Comparison of Budget and Actual cash versus accrual amounts	x						x		0	N/A – None identified in previous years
Differences in lease expense	x						x		0	N/A – None identified in previous years
Procurement										
Publication of bidders			x				x		1	Addressed

Management of Audit Issues (cont'd)

Finding	Classification					Rating			Number of times reported in previous three years	Status of implementation of previous year(s) recommendation
	Misstatements in financial statements	Misstatements in annual performance report	Non-compliance with legislation	Internal control deficiency	Service delivery	Matters affecting the auditor's report	Other important matters	Administrative matters		
Payables										
Accruals: Accrued Expenditure	x						x		1	In progress
Receivables										
Receivables and revenue former skills manager transactions	x						x		0	N/A – None identified in previous years
Expenditure										
Expenditure: credit notes administration	x						x		0	N/A – None identified in previous years
Classification of expenditure	x						x		0	N/A – None identified in previous years
Employee cost										
Employee cost: Pay-As-You-Earn (PAYE)	x						x		0	N/A – None identified in previous years
Employee cost: Performance management				x			x			N/A – None identified in previous years
Other										
Travel Cost: Prior approval not obtained for travel				x				x	0	N/A – None identified in previous years
Information Technology: No anti-virus program				x				x		

Management of Audit Issues (cont'd)

- There were 18 findings in the prior year vs 15 findings in 2018. Only two from the prior year were repeat findings: one was resolved and the other will be addressed by year end.
- All of the seven IT governance audit findings were resolved.
- An Audit Matrix of all external and internal audit findings is used to track the progress of resolving the audit findings.
- The progress of each audit finding is updated every quarter by the responsible manager, reviewed by the Executive Management and submitted to the Audit and Risk Committee.
- Target = Clean audit 2018/2019.

Human Resources

MALE

Level	<u>African</u>		<u>Coloured</u>		<u>Indian/Asian</u>		<u>White</u>	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	1	1	0	0
Senior Management	2	2	0	0	0	0	2	1
Professionally Qualified	1	3	0	0	0	0	0	0
Skilled	3	3	0	0	0	0	1	1
Semi-skilled	1	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	8(66.7)	9(80.8)	0 (0.0)	0(8.7)	1(8.3)	1(2.6)	3 (25.0)	2(7.9)

FEMALE

Level	<u>African</u>		<u>Coloured</u>		<u>Indian/Asian</u>		<u>White</u>	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	2	0	0	0	0	0	0
Senior Management	2	3	0	0	0	0	1	0
Professional qualified	3	3	0	1	1	1	0	0
Skilled	2	2	0	0	1	0	1	1
Semi-skilled	8	8	1	1	0	0	1	1
Unskilled	2	2	0	0	0	0	0	0
TOTAL	18(75.0)	20(80.8)	1(4.2)	2(8.9)	2(8.3)	1(2.4)	3 (12.5)	2(8.0)

Part C

Councils for the Built Environment Professions

CBEP Mandates

- Education:
 - Accreditation and validation of Accredited Learning Sites (ALSs)
 - Research
- International Recognition
- Continuing Professional Development
- Professional Practice Examination
- Recognition of Prior Learning
- Recognition of Voluntary Associations
- Professional Registration
- Identification of Work
- Professional Code of Conduct
- Investigations and Disciplinary Tribunals
- Professional Fees

Auditors Reports for the CBEP

CBEP	Audit Opinion
ECSA	Unqualified
SACPCMP	Unqualified
SACLAP	Unqualified
SACQSP	Unqualified
SACAP	Unqualified
SACPVP	Unqualified

Professional Registration Statistics

CBEP	2014/15	2015/16	2016/17	2017/18	Percentage of increase/decrease by 2018
ECSCA	28713	29349	29340	30235	3
SACPMP	2247	2258	2605	2668	2
SACLAP	171	179	206	223	8
SACQSP	2093	2042	2105	2192	4
SACAP	8321	7997	7997	8426	5
SACPVP	1405	1343	1324	1319	0
Total	42950	43168	43577	45063	3

Gender Representation of Registered Professionals

CBEP	Gender	Racial Representation				
		African	White	Indian/Asian	Coloured	Total
ECSA	M	5 491	20 170	1 807	639	28 107
	F	1203	645	229	51	2 128
	F %	18	3	11	7	7
SACAP	M	990	4 413	464	493	6 360
	F	159	1 709	69	129	2 066
	F %	14	28	13	21	25
SACQSP	M	311	1 248	166	39	1 764
	F	138	243	40	7	428
	F %	31	16	19	15	20
SACPMP	M	526	1 786	145	99	2 556
	F	66	34	6	6	112
	F %	11	2	4	6	4
SACPVP	M	139	816	48	43	1 046
	F	80	163	18	12	273
	F %	37	17	27	22	21
SACLAP	M	8	116	0	3	127
	F	0	94	1	1	96
	F%	0	45	100	25	43
Total	M	7 465	28 549	2 630	1 316	39 960
	F	1 646	2 888	363	206	5 103
	Total	9 111	31 437	2 993	1 522	45 063

Registered Candidates

CBEP	African	White	Indian/Asian	Coloured	Total
ECSA	13 656	5 986	2 208	562	22 412
SACAP	707	1 171	212	149	2 239
SACLAP	17	55	2	2	76
SACPVP	276	252	40	30	598
SACPCMP	3 097	1 422	329	378	5 226
SACQSP	1 179	670	195	103	2 147
Total	18 932	9 556	2 986	1 224	32 698

Gender Representation of Registered Candidates

CBEP	Gender	Racial Representation				
		African	White	Indian/Asian	Coloured	Total
ECSA	M	10 185	5 118	1 690	424	17 417
	F	3 471	868	518	138	4 995
	F%	25	15	23	25	22
SACAP	M	571	728	144	119	1 562
	F	136	443	68	30	677
	F%	19	38	32	20	30
SACQSP	M	648	540	147	70	1 405
	F	531	130	48	33	742
	F%	45	19	25	32	35
SACPMP	M	2 054	1 169	184	310	3 717
	F	1 043	253	145	68	1 509
	F%	34	18	44	18	29
SACPVP	M	145	193	33	21	392
	F	131	59	7	9	206
	F%	47	23	18	30	34
SACLAP	M	8	25	2	0	35
	F	9	30	0	2	41
	F%	53	55	0	100	54
Total	M	13 611	7 773	2 175	969	24 528
	F	5 321	1 783	748	318	8 170
Total		18 932	9 556	2 923	1 287	32 698

Recognition of Prior Learning (RPL)

CBEP	Applications received	Applications registered	Applications rejected	Applications pending
ECSA	71	58	28	0
SACPMP	33	5	0	22
SACLAP	13	10	3	0
SACQSP	13	11	2	0
SACAP	0	0	0	0
SACPVP	0	0	0	0
Total	130	84	33	22

International Agreements

CBEP	Partnerships and Agreements
SACPVP	International Valuation Standards Council Member of African Real Estate Society
ECSA	Washington Accord Sydney Accord Dublin Accord Engineers Mobility Forum Engineering Technologist Forum Mutual Exemption Agreement with the Institution of Civil Engineers (ICE) (UK) Mutual Exemption Agreement with Engineers Ireland Federation of African Engineering Organisations (FAEO)
SACPCMP	MoU with the National Home Builders Council (NHRBC)
SACLAP	Opened negotiations with International Federation for Landscape Architects (IFLA)
SACQSP	RICS/SACQSP Mutual Recognition of Competence Agreement
SACAP	Commonwealth Association of Architects

Complaints

CBEP	Complaints Received	Complaints Completed	Complains in Progress	Complains Withdrawn
ECSA	39	7	15	17
SACAP	147	42	105	0
SACLAP	0	0	0	0
SACPCMP	5	1	4	0
SACPVP	63	45	18	0
SACQSP	23	6	16	1
Total	233	14	201	18

Voluntary Associations

CBEP	Number of recognised VAs	Number of VAs not recognised
ECSA	49	0
SACAP	13	4
SACLAP	1	2
SACPCMP	13	3
SACPVP	3	0
SACQSP	1	1

ECSA's Transformation Initiatives

- Opened four satellite centres in the following provinces - Western Cape, Eastern Cape, Free State and Kwazulu-Natal
- A new registration model which has significantly shortened the turn-around time from nine months to four months
- A concept of the registration of the Academies

SACAP's Transformation Initiatives

- SACAP supports a number of transformation programmes such as RPL, Women in Architecture South Africa (WiASA) and National Architectural Student Forum (NASF)
- The Council collaborates with Accredited Learning Sites, Voluntary Associations and Registered Professionals to drive transformation in the local and global built environment

SACLAP's Transformation Initiatives

- The Council will be increasing its drive to implement its RPL policy
- Awareness campaigns to motivate unregistered persons to register with the Council
- Awareness campaigns in schools in partnership with the DPW and the CBE

SACPCMP's Transformation Initiatives

- The Council has introduced Historically Disadvantaged Individuals (HDIs) Youth Marketees to conduct youth activation to promote the profession. Youth portal is being established to provide career information and guidance
- School outreach: “Youth on the radar is a guide to assist learners to choose project and construction management careers
- The Council received funding from Sector Education Training Authority (Seta) to support 100 learners over one year

SACPVP's Transformation Initiatives

- A youth desk was established to address declining numbers
- The Council has established pre-examination workshops to support and prepare candidates – this initiative has improved the number of candidates who passed admission exams to become registered professionals
- An interactive IT platform allows registered persons to update their information

SACQSP's Transformation Initiatives

The progression to professional registration is very slow. The Council implement the amnesty option for candidates registered for over 10 years but who have not progressed.

This route exempts candidates from submitting their daily diaries, but they still have to submit the general report and project specific report for evaluation. This initiative resuscitated close to 50 % of the registrations.

Recommendations to the Portfolio Committee

Honourable members of the Portfolio Committee to note the CBE and CBEP 2017/18 financial year performance report

Thank you