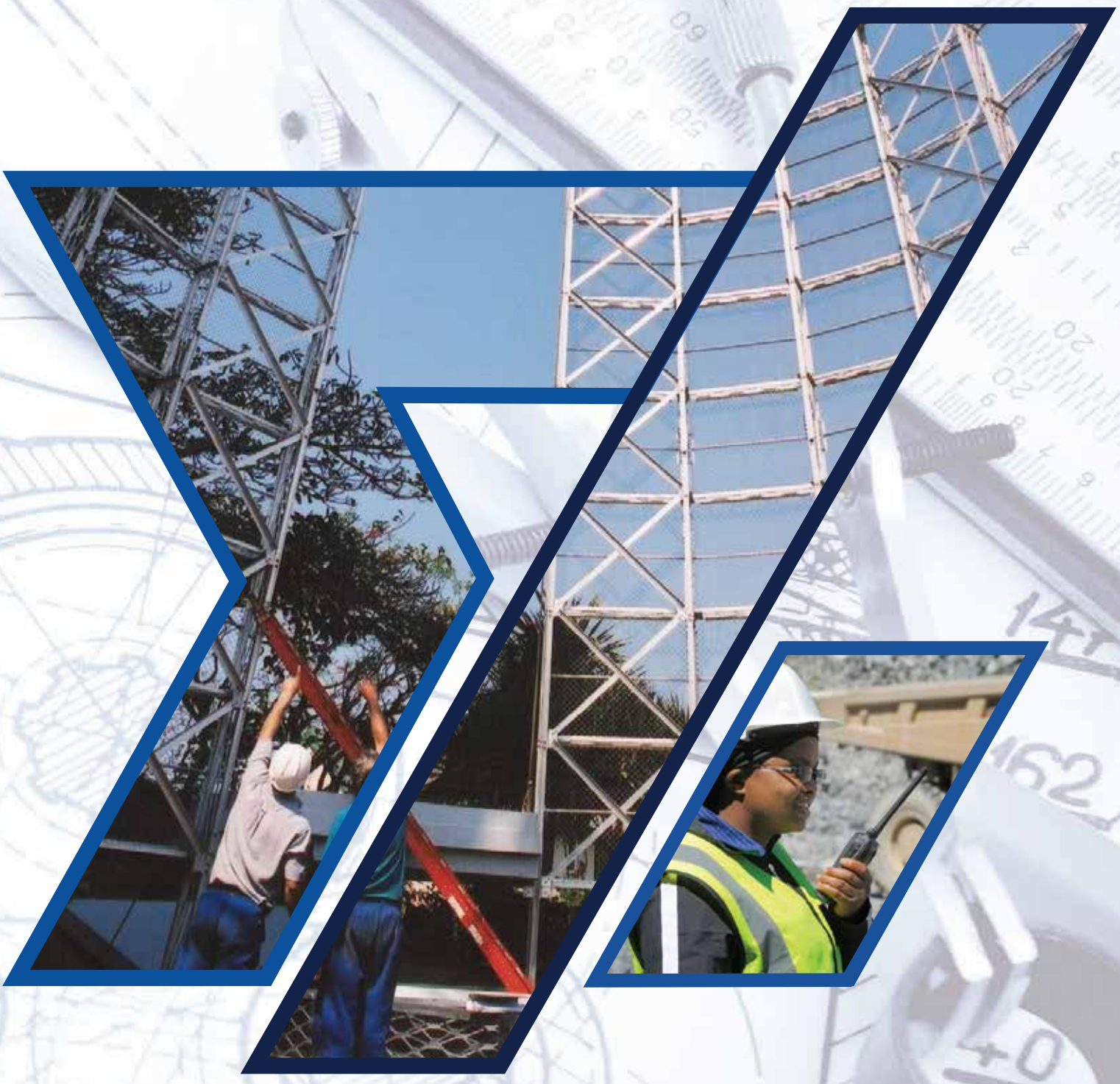
ECSA

ENGINEERING COUNCIL OF SOUTH AFRICA



ANNUAL REPORT
2015/2016

Contents

Part A
General Information

1. ECSA General Information

REGISTERED NAME:	Engineering Council of South Africa
REGISTRATION NUMBER (if applicable):	N/A
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WEBSITE ADDRESS:	www.ecsa.co.za
EXTERNAL AUDITORS:	PricewaterhouseCoopers Inc. 2 Eglin Road Sunninghill 2157 www.pwc.com/za
BANKERS:	Standard Bank East Gate Bedfordview
COMPANY/BOARD SECRETARY	None, Administration Department performs some of the secretarial duties

2. List of Abbreviations/Acronyms

AEW	Africa Engineering Week
AoPI	Audit of performance information
ARC	Audit, Risk and Compliance Committee
BE	Built Environment
CPUT	Cape Peninsula University of Technology
CBE	Council for the Built Environment
CC	Competition Commission
CEO	Chief Executive Officer
CERTAC	Certificated Engineer Accreditation Committee
CESA	Consulting Engineers South Africa
CHE	Council on Higher Education
CIDB	Construction Industry Development Board
CIM	Communication, Information and Marketing
COP	Code of Practice
CPD	Continuing Professional Development
CPUT	Cape Peninsula University of Technology
CRC	Central Registration Committee
CUT	Central University of Technology
DEA	Department of Environmental Affairs
DHET	Department of Higher Education and Training
DME	Department of Minerals and Energy
DoL	Department of Labour
DPW	Department of Public Works
DST	Department of Science and Technology
DUT	Durban University of Technology
EC	Education Committee
ECN	Engineering Council of Namibia
ECSA	Engineering Council of South Africa
ECZ	Engineering Council Zimbabwe
ELOs	Exit Level Outcomes
EMF	Engineers Mobility Forum
EP	Engineering Profession
EPA	Engineering Profession Act, 2000 (Act No 46 of 2000)
EPAC	Engineering Programme Accreditation Committee
EPQEC	Engineering Programme Qualifications and Examinations Committee
ESA	Employer Surplus Account
ESGB	Engineering Standards Generating Body
ETMF	Engineering Technologists' Mobility Forum
EXCO	Executive Committee
F&S	Finance and Staff Committee
GGI	Gillian Gamsy International
GRAP	South African Standards of Generally Recognised Accounting Practice
GSSA	Geological Society of South Africa
HEQC	Higher Education Qualification Council
HEQF	Higher Education Qualifications Framework
HESA	Higher Education South Africa
HR	Human Resources
IAC	International Affairs Committee
IC	Investigating Committee
ICE	Institution of Civil Engineers

2. List of Abbreviations/Acronyms (cont.)

IDOEW	Identification of Engineering Work Steering Committee
IFEES	International Federation of Engineering Education Societies
IFRS	International Financial Reporting Standards
IMESA	Institute of Municipal Engineering of Southern Africa
IMSSA	Institute of Mine and Surveyors of South Africa
IT	Information Technology Committee
JIC	Joint Implementation Committee
LMI	Lifting Machinery Inspectors registration committee
MoU	Memorandum of Understanding
MUT	Mangosuthu University of Technology
NATED	National Technical Education
NDP	National Development Plan
NBS	National Beneficiation Strategy
NC	National Certificate
NHBRC	National Home Builders Registration Council
NIP	National Infrastructure Plan
NQF	National Qualifications Framework
NRCS	National Regulator for Compulsory Specifications
NRS	New Registration Systems
PAC	Professional Advisory Committee
PICC	Presidential Infrastructure Coordinating Commission
PLATO	South African Council for Professional and Technical Surveyors
QEC	Qualifications Evaluation Committee
SAC	Strategic Advisory Committee
SACNASP	South African Council for Natural Scientific Profession
SACPE	South African Council for Professional Engineers
SAGI	South African Geomatics Institute
SAICA	South African Institute of Chartered Accountants
SAIMM	Southern African Institute for Mining and Metallurgy
SALGA	South African Local Government Association
SAQA	South African Qualifications Authority
SASEE	South African Society of Engineering Education
SAYEP	South African Youth into Engineering Programme
SCM	Supply Chain Management
SEESA	Society of Engineering Educators South Africa
TECHNO SGG	Technology Standard Generating Group
TPAC	Technology Programme Accreditation Committee
TPQEC	Technology Programme Qualifications and Examinations Committee
TUT	Tshwane University of Technology
TT	Task Team
UCT	University of Cape Town
UK	United Kingdom
UKZN	University of KwaZulu Natal
UNESCO	United Nations Education Scientific and Cultural Organisation
UP	University of Pretoria
VA	Voluntary Association
VC	Vice -Chancellor
WA	Washington Accord
WFEO	World Federation of Engineering Organisations
WSU	Walter Sisulu University

3. Foreword by the President

Cyril Vuyani Gamede
ECSA President

I feel very privileged to have served the engineering profession and to contribute to the growth and prosperity of the South African society, as I ponder over the events that took place within the four year term of this outgoing Council. I am overwhelmed with humility in the acknowledgement that a new and impactful chapter of history has been written. A sequence of achievements took shape at the helm of Council representatives that consisted of ambitious, experienced and motivated individuals. Several members were engineering practitioners; some members of the community; and there was a diverse group of consulting experts, private and state owned enterprises. I am particularly grateful to Council representatives for having successfully steered this chapter towards a direction of endless possibilities. They served ECSA diligently and provided strategic leadership to committees and management. ECSA was able to deliver its mandate from the constitutional purpose of ECSA as detailed in the Annual Performance Plan and Operational Plan which is a year by year prognosis of the strategies of the Council.

I also reflect on a term that was characterised by change. Change is a term and process that is defined differently for varying organisations, but within the context of ECSA, it refers to consistent efforts of ensuring viable and relevant responses for:

- Engineering practitioners to enjoy the benefit of world class education and registration.
- Promote public awareness of the profession and its standards and regulation to ensure the implementation of those standards in the public interest.
- Engineering practitioners to proactively respond to local and national socio-economic requirements.
- Ensuring a sustainable, transformed and coherent organisation that is capable of delivering the impact desired by its stakeholders and society.

These responses are an integral part of ECSA operations as they each focus on an inclusive and well balanced value creation system over the short, medium and long term. The New Registration System (NRS) is a good example. The NRS is a registration tool to ensure that ECSA delivers a convenient, innovative and quicker service to its primary stakeholders, the engineering practitioners within the built environment. NRS is still top on operational priorities as the roll out for its paper based version continues for various categories of registration. An online version of NRS is concurrently being developed not only to assist in the registration process but also to give access to registered persons to update details personally, log queries and also to log Continuing Professional Development (CPD) activities and renew their registrations. This integrated project is indicative of how the organisation's value creation process is impacted by its internal and external environment and the drive to strive for improvement of organisational infrastructure for the betterment of its culture and realisation of its mandate.

Various high impact committees have played a key role in advancing the objectives of ECSA. The Audit and Risk Committee (ARC), Strategic Advisory Committee (SAC) and Transformation Committee (TC) for example, amongst others strived to ensure impact within strategy, governance, performance and future outlook of ECSA by reworking several policies that determined key decisions. It worked on capacitating the organisation to be financially viable and ensuring a culture of accountability.

There was also significant progress that was made with strategic initiatives such as Identification of Engineering Work that need to be reserved for registered persons. These negotiations continue with key stakeholders such as the Competition Commission and the Department of Public Works (DPW) so that an effective system for regulating work becomes a priority for the safety of the environment within which ECSA exists and is mandated to protect. Noteworthy strides have been taken to broaden the international platform that ECSA can use to participate and gain more credibility. These platforms include the World Federation of Engineering Organisations (WFEO) which covers the national and international engineering fraternities. As a result, the Southern African Federation of Engineering Organisations (SAFEO) forum is still at the stages of establishment. These also give the origin of the Central Engineering Consultancy Bureau (CECB) project capacity building forum that ECSA will be overseeing. The African Engineering Alliance is a mobilisation unit that seeks to ensure the implementation of projects in the continent. In hindsight, the vision is for ECSA to influence and lead the engineering developmental agenda of the African continent.

In conclusion, ECSA concludes the 2015/16 chapter with considerable triumphs but nonetheless still confronting some on-going challenges. The Council, volunteers and staff remain committed to discharging their duties with commitment to improve the organisation. I wish to thank each and every recognised Voluntary Association for your valued inputs to the constitutional and operational strategy of the Council. This report seeks to provide a transparent and balanced appraisal of all contributions considering both qualitative and quantitative matters that are material to our operations.

I would like to thank the entire staff collective of ECSA, from Executive level to general workers. Your invaluable efforts continue to add value towards engineering excellence in South Africa.

Yours sincerely,

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Cyril Vuyani Gamede
ECSA President

4. Chief Executive Officer's Overview

1. Overview

a. Interpretation of the mandate

Section 22 of the Constitution of the Republic of South Africa states that, "Every citizen has the right to choose their trade, occupation or profession freely. The practice of a trade, occupation or profession may be regulated by law". South Africa took a decision to regulate the engineering profession through the Engineering Profession Act (EPA). The EPA gave rise to the establishment Engineering Council of South Africa (ECSA) and grants the Council power to regulate the profession sequentially through the development of policies, standards and procedures; registration, accreditation and quality assurance; professional conduct management and through management of Continuing Profession Development (CPD). Furthermore, ECSA is mandated to develop the Identification of Engineering Work (IDoEW) for registered persons together with related fees thereto. This goes along with the development and gazzeting of the scope of services and fees for practicing engineers.

Sipho Madonsela
ECSA CEO

However, there are other unlegislated but additional mandates that flow our way from time to time, emanating from expectations from government, registered persons and voluntary associations. These include, inter alia:

- From government – ECSA is expected to play a role towards socio-economic development and to align its plans with government's 14 outcomes which are intended to achieve the goals of vision 2030 through the National Development Plan (NDP).
- From the professionals (on matters of public discourse, particularly those who have interest in the matters of the profession) – ECSA is expected to become the voice of the profession where it articulates the aspirations of its registered persons regarding what should happen in the engineering space and also to serve and protect their turf.
- From candidates – ECSA is expected to act as a voice of the profession and intervene to ease the skills pipeline through which candidates get developed towards professional registration.
- From Voluntary Associations (VA's) (these are societies of engineering knowledge) – ECSA is expected to maintain a tradition of a peer-led institution as it regulates the profession.

It is therefore paramount for our stakeholders to appreciate this disposition where there are common and contradicting views, expectations and mandates regarding ECSA's role. This annual report will seek to report on the mandate, strategic objectives and operational plans to give effect to our mandate and expectations of our stakeholders.

b. Areas informed by the mandate

A new unit was created called the Policy Development and Standard Generation division to deal with issues of excellence, relevance, educational, global and competency standards. The division is populated with 3 employees, with another one being added in the next financial year.

• The New Registration System (NRS).

The New Registration System (NRS) was introduced and migration from the legacy system was initiated to give way for the outcome-based system for registration. One hundred and ten (110) voluntary peer assessors had been trained as at the end of the 2015/16 financial year. The project could not be completed under the period under review due to complexities and multiplicity of categories and disciplines of registration as well as integration with other existing enterprise operations. These include making application for registration, financial record of registered people and CPD. This remains work in progress until a special purpose IT platform is designed and implemented. We are also developing a web based IT online system platform for the entire organization which will integrate all the systems for the purpose of efficiency. We are also looking into expanding the scope of registered persons by looking closely at the registration of specified categories.

c. Financial Performance

During the 2015/16 financial year we received revenue of R81,549,781 which showed an increase of 18% as compared to the 2014/15 financial year. However, with this marked increase, the funds available are still not adequate to finance all the projects in our plans. We also received an unqualified audit report from the auditors for the 2015/16 financial year. This achievement is despite the fact that all revenue comes from subscriptions of registered persons including a challenge of defaulters who constitute 4% of all registered persons.

Since ECSA is not an organ of state, it is not registered as a Public Finance Management Act (PFMA) organization in accordance with Treasury. However, we continue to make efforts to follow the PFMA principles.

d. Financial Sustainability Plan

Council took a resolution to craft a financial sustainability plan for the future, indicating a plan which depicts medium to long term interventions that are being put in place in order to ensure the sustainability of the organization in the long run. The interventions include, inter alia, savings from the reduced discount for registered persons belonging to voluntary associations as recognized by ECSA, the generation of revenue from Africa Engineering Week, specified categories and the regulation of Continuing Professional Development (CPD).

2. Transparent and Fair Processes

Council has piloted a project of recording of interviews at all stages of registration process. This is to ensure that the previous allegations of ECSA being a gate-keeper are alleviated. However, it is very unfortunate that the VA's, who are our key partners in this process, have shown outright resistance to cooperate with us. This has forced ECSA to carry out its mandate directly with their members and non-members who are in our database of assessors. We are still expanding the database and are encouraged by the response and the outcome borne out of this alternative process.

Council has also decided to hear all appeals against registration on its plenary sessions so as to apply collective wisdom to bring about fairness in the registration process as per; "the Council may delegate any of its powers in terms of this Act to a committee, a staff member or a member of the council or any other person or body of persons, excluding the power to hear an appeal" (EPA, Section 40(2)), whereas in the past it was dealt with differently.

3. Growth and Retentions

For the first time in the history of ECSA, the number of registered persons have gone beyond the 50 000 mark. There was an expected growth of registered persons that depended on the exemption application with the Competition Commission (CC) on the IDoEW. Unfortunately on 10 February 2016, the CC rejected the exemption application in respect of the Guideline Fees of all the six Built Environment Professional Councils (BEPCs). Furthermore, On 20 January 2016, the Competition Commission (CC) rejected the exemption application in respect of the Draft Identification of Work Regulations of all the six Built Environment Professional Councils (BEPCs). Therefore, the growth targets which will be in place in the future may have to happen organically because of this important outcome.

4. Promotion of Public Awareness

This area was achieved through rigorous efforts towards engineering capacity building. The following programmes have been implemented in the promotion of, and public awareness about engineering and what role ECSA plays in the engineering space:

Sakhimfundo Trust – the trust has been established in order to collect funds for the purposes of improving the "talent pipeline" and talent pool from schools into University or other Tertiary Educational Provider by providing full bursaries for deserving poor students and mentorship to Engineering students and graduates. The Trust has been registered as a Public Benefit Organization (PBO) in order to attract donors and that the donors may be able to claim on their tax deductions.

Engenius – this programme exposes learners at school levels to engineering career and gives them the opportunity to showcase their engineering aligned ideas through elementary tools. In the 2015/16 financial year, Engenius managed to interact with 22 381 learners.

Africa Engineering Week (AEW) – The national AEW is held annually in collaboration with the Department of Science and Technology (DST) with the aim of increasing the visibility of engineering and its role in sustainable development and also to encourage students to study engineering. The event was held at the Mangosuthu University of Technology, Durban, where 1248 delegates were hosted and 2 580 learners attended the exhibitions. The event was sponsored by ECSA, DST and the Ethekwini Municipality and in this regard we would like to express our gratitude for their support.

Visits to corporate companies – In our drive to forge relationships with corporate companies and government, we visited nine (9) companies regarding the steps towards professional registration. Furthermore, we visited 5 institutions, including Ethekwini and Ekurhuleni Municipalities regarding the development of specified categories.

5. Protection of Health

Through the management of conduct of ECSA 's registered persons, ECSA regulates the profession to give effect to protection of health and safety and the interests of the public. To this extent, we have finalised 24 out of 49 cases at the end of the 2015/16 financial year, including the investigation on the collapse of the Greyston pedestrian bridge in Sandton.

Our failure to secure the exemption from the Competition Competition on IDoEW erodes our authority to enforce engineering standards that will give effect to the protection of health, safety and interest of the public.

6. Research into strategic contribution

Thought Leadership – This is a means and space whereby engineers are recognized as authority and whose expertise is sought and often rewarded. It is a vehicle by which ECSA and the engineering profession is contributing to national debate, influence public policy and make the expertise and knowledge of the profession available to government, and also make the ECSA an advisor of choice to government and various stakeholders. Through this platform, we have engaged various stakeholders and identified on-going research topics of interest to the national agenda where improvements and resources could be channeled for the betterment of service delivery, poverty alleviation and curb against unemployment in South Africa. The research work is done in-house with collaboration from other strategic stakeholders.

7. ECSA's international standing through compliance with international accords and agreements

We have continued to be recognized members in the Washington, Dublin and Sydney Accords which sets and benchmark internationally engineering programmes for Engineers, Technicians and Technologists, respectively. We are also party to the Competence Agreements such as the International Professional Engineers Agreement (IPEA), International Engineering Technologist Agreement (IETA) and Agreement for International Engineering Technicians (AIET) where the International Engineering Alliance (IEA) serves as a presiding body. ECSA's Council members Dr Keith Jacobs and Mr Jones Moloisane serve as Chairperson and deputy chairperson of AIET and IETA, respectively.

In May/June of 2015, a delegation from ECSA representing South Africa attended a meeting in Instabul, Turkey - where various resolutions to recognize National Registers for International Register and to establish new Technician competency agreement – Agreement for International Engineering Technicians (AIET) were taken.

We also participate at the World Federation of Engineering Organizations (WFEO) where Mr Yashin Brijmohan, ECSA's Council member, serves as one of the Vice –Presidents presiding over engineering Capacity Building at a global scale. He also serves as the Chairperson of the Chairpersons of the other nine (9) Vice-Presidents who preside over various portfolios.

In December of 2015, another delegation went to Kyoto, Japan at the World Engineering Conference and Convention.
A delegation from ECSA also attended the SAFEO UNESCO AEW in September 2015 at Victoria Falls, Zimbabwe.
ECSA was appointed to organize the UNESCO Africa Engineering Week which was held at the Mangosuthu University of Technology in September 2015.

8. Responsiveness to decision-makers through excellent stakeholder relationships

Our response to media interviews and press releases has since improved. We have taken some of our executives through media training for effective communication and interview skills as we continue to uphold and protect the ECSA brand. Some of the interviews that have been on the main headlines in the 2015/16 period include, inter alia, the Media reports on the Prasa matter where there was acclaim of unregistered person designated for the rail infrastructure registration status and the collapse of the Greyston pedestrian bridge in Sandton.

9. Development of funding proposals

We have received funding from Council for the Built Environment (CBE) towards the development of the New Registration System (NRS). The project is still on course to revamp the whole registration process.

Furthermore, Council took a resolution to diminish the discount of registered members who are also members of the VA's by 10%. The funds from this discount will be redirected and used for the following projects:

- The Review of Framework for Recognition of VA's and CPD Regulation
- Audits of VA's Manual
- Engineering South Africa Accord – this project seeks to drive a common and shared commitment between industry and the profession forward and align it with the NDP and NIP.

10. Managing a sustainable and transformed ECSA

In October 2015, the entire compliment of ECSA staff met with the Minister of Public Works, Honourable Thulas Nxesi at Stellenbosch, Western Cape to deliver for the first time our organizational strategy for 2015-2020 and the 2015/16 Annual Performance Plan. In our discussion, we implored the Minister to review the legislation together with certain rules and regulations. At this meeting, the Chairperson and the CEO of the Engineering Council of Zimbabwe (ECZ), Engineers Martin Manhuwa and Ben Rafemoyo, respectively, were in attendance. Also attending were some members of the EXCO of Council.

In conclusion, we extend sincere gratitude to the Council for the Built Environment (CBE) for their continued support and inputs towards the programmes and policies of ECSA. We are well aware that we function within a much broader built environment society as we strive to make meaningful contributions for the legacy of this Council. We thank all the Voluntary Associations and volunteers who tirelessly contribute towards the livelihood of this organisation. We also wish to thank all Council members for their standing contributions towards the delivery of the ECSA mandate and ECSA staff members who give effect to ECSA strategy.

Yours sincerely,

Sipho Madonsela, Pr Eng.
ECSA CEO

5. Statement of responsibility and confirmation of accuracy for the annual report

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the PricewaterhouseCoopers Inc.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the South African standards of Generally Recognised Accounting Practice (GRAP) applicable to the public entity.

The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The accounting authority is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2016.

Yours faithfully

Chief Executive Officer
Mr Sipho Madonsela
26 August 2016

President of the Council
Mr Cyril Vuyani Gamede
26 August 2016

6. Strategic Overview

ECSA Vision

Engineering excellence, transforming the nation.

ECSA Mission

ECSA seeks to achieve this vision through:

- Determining standards for education and accreditation of educational programmes as well as registration of engineering practitioners
- Developing and sustaining a relevant, transformed, competent and internationally recognised engineering profession
- Educating the public on expected engineering quality standards and protecting the interest of the public against sub-standard quality of engineering work;
- Regulatory efforts to ensure environmental protection, and
- Engaging with government to support national priorities

ECSA Values

- Professional – Conduct beyond reproach to the highest ethical standards underpinned by quality, timelines, trust and respect;
- Accountable – Doing what we commit to do in an environment of trust and respect and being answerable for our failures to meet our committed obligations;
- Collaborative – Working as a team to achieve exceptional results;
- Transparent – Honest and open communication and sharing of information between stakeholders

7. Legislative and Other Mandates

The Engineering Council of South Africa (ECSA) is a statutory body established in terms of the Engineering Profession Act, 2000 (Act No. 46 of 2000) (EPA). This Act superseded the Acts of 1990 and 1968 and progressively extended ECSA's scope beyond the original purpose, namely to regulate Professional Engineers. ECSA and its predecessor have thus regulated engineering practice for forty (40) years.

ECSA exists as a regulatory body for the profession of engineering because of the recognition that, while engineering activity is essential and beneficial to society and the economy, substantial risks to health, safety and the environment accompany engineering activity that must be managed by competent professionals. In addition, engineering services must be of adequate quality in the interests of economy and avoidance of waste.

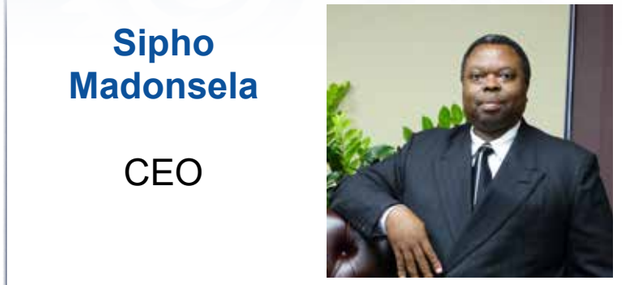
With these objectives in mind, the EPA requires and empowers ECSA to perform the following functions:

- Establish an engineering standards generating body (ESGB) and develop standards for engineering education and professional competency
- Visit education providers to evaluate programmes and accredit educational programmes that meet the educational requirements toward registration in each of the categories;
- Register persons in professional categories who demonstrate competency against the standards for the categories;
- Evaluate educational qualifications that are not already accredited or recognised;
- Register persons who meet educational requirements in candidate categories;
- Establish specified categories of registration to meet specific health and safety licencing requirements and register persons in these categories;
- Require registered persons to renew registration at intervals and under conditions that the council prescribes;
- Enter into international agreements for the recognition of educational programmes and registration;
- Develop and maintain a code of conduct, supported where necessary by codes of practice;
- Investigate complaints of improper conduct against registered persons and conduct enquiries and impose sanctions as each case requires;
- Annually publish guideline professional fees and scope of work;
- Recognise Voluntary Associations (VA's);
- Recommend to the Council for the Built Environment (CBE) ECSA's identification of the type of engineering work which may be performed by persons registered in any category.

In addition, ECSA is empowered to advise government and other parties and to take necessary steps to protect the public interest, health and safety, improve standards of engineering services, create awareness of the need to protect the environment and conduct research.

Professional Regulation of engineering in South Africa dates from the Professional Engineers' Act 1968 (Act 81 of 1968) that provided for the registration of Professional Engineers. The Engineering Profession Act, 1990 (Act No 114 of 1990) expanded registration to engineering technologists, engineering technicians and certificated engineers. The EPA established ECSA in its present form and gave professional status to Engineering Technologists, Engineering Technicians and Certificated Engineers.

8. Organisational Executive Structure



Sipho Madonsela

CEO

Ms. Conny Phalane
Executive: Corporate Services
(Responsible for Finance, Supply Chain Management and Human Resources)

Adv. Rebaone Gaoraelwe
Executive: Statutory Function
(Responsible for education, registrations, CPD professional conduct and legal Services)

Mr Edgar Sabela
Executive: Strategic Services - until end of January 2016.
(Responsible for strategy, stakeholder relations, marketing and communications, research, thought leadership and business development)

Mr John Cato
Executive: Policy Development & Standards Generation
(Responsible for Development & Management of Policies, Standards and Procedures and IT)

Ms. Thoko Machimane
Acting Executive: Strategic Services - until end of March 2016

Part B

Performance Information

9. Performance Information

9.1 Situational Analysis

9.1.1 Service Delivery Environment

Most of the targets as expressed in the APP for the year under review were not achieved mainly because efforts were focused on restructuring and realignment of the business processes, review of the organogram, developing of reporting and monitoring instruments, orientation of the staff on the new processes and the recruitment of key personnel such as the Quality Manager in order to operationalise the new strategy. Council considered the targets and approved for the roll-over of the performance targets to the 2016/17 financial year.

9.1.2 Organisational Environment

The Council approved the 2015-2020 Strategic Plan on the 19 March 2015. At the beginning of the year under review, administration embarked on developing the Annual Performance Plan (APP). The APP was approved on the 27 August 2015, which was followed by the review of the organogram that was approved on the 24 March 2016 in order to support the newly approved strategy. It was a historic moment for ECSA as the very first ECSA APP (2015/16) and the Strategic Plan (2015-2020) was unveiled in Cape Town and the event was graced by the Honourable Minister of Public Works, Minister Thulas Nxesi.

On rigorous appraisal of the business in line with the 2015-2020 Strategic Plan, it became evident that the current business configuration presents with structural problems that needs remodelling. Central to the challenges is that ECSA carries out its mandate primarily through the 3 output arms being:

- Administration, led by the CEO;
- Committees comprising of peers; and
- Voluntary Associations recognised in terms of section 25 of the EPA.

Accountability for performance is not equitably shared amongst the three arms of delivery of the ECSA mandate. Plans are underway to ensure that all the three arms of delivery will share responsibility and accountability equitably towards the delivery of the mandate. The identified key structural problem has a causal effect on the following:

- blurred hierarchical reporting lines between the three arms of delivery;
- unclear areas of responsibility and accountability;
- adversarial relationships;
- A new developing trend of deviating from the culture of volunteerism in performing ECSA's work, and that is replaced by expectation of monetary compensation"

The focus in the coming financial year will be on addressing the identified problematic areas in order to create a conducive business environment.

9.1.3 Key Policy Development and Legislative Changes

9.1.3.1 Publication Guideline of Professional Fees and Identification of Engineering Work

In terms of Section 34 of the Engineering Profession Act 46 of 2000 (the Act), the Engineering Council of South Africa (ECSA), in consultation with the voluntary associations, representatives of service providers and clients in the public and private sector, is required to publish Guideline of Professional Fees.

Section 34(2) of the Act mandates ECSA to annually review the Guideline of Professional Fees and to publish them in the Government Gazette. The Guideline of Professional Fees (GPF) is applicable from the first of January to the 31st December per year.

Section 26 of the Act mandates ECSA to make recommendations to the Council for the Built Environment (CBE), regarding the type of engineering work which may be performed by persons registered in any of the categories referred to in section 18, including work which may fall within the scope of any other profession regulated by the professions' Acts referred to in the Council for the Built Environment Act 43 of 2000(CBE Act).

In terms of section 20 of the CBE Act, the CBE is required to consult with the Competition Commission (CC) before finalization of the identification of work (IDOW).

In March 2014, the CBE applied to the CC, for exemption of the IDOW and GPF of all the 6 Built Environment Professional Councils (BEPCs); Architecture, Engineering, Landscape Architects, Project and Construction Management, Property Valuation, and Quantity Surveying.

On 20 January 2016, the Competition Commission (CC) rejected the exemption application in respect of the IDOW and subsequently rejected the exemption application in respect of the GPF of all the BEPCs on 20 February 2016.

At the first Council meeting of the year, 24 March 2016, Council resolved to follow a two-pronged approach by engaging the CC in order to discuss its reasons for declining the exemption application and simultaneously lodging an appeal through the CBE.

The CBE has been attempting to confirm a meeting with the CC since February 2016.The intention of the CBE was to have a high level meeting between the Commissioner and Deputy Commissioner of the CC and the Minister of Public Works as well as CEOs and Registrars of the 6 BEPCs.

The CBE requested the CC for an extension to appeal till 30 April2016, which was granted. The CC and CBE then agreed to put the lodgment of the appeal in abeyance until the said high level meeting takes place with the intention to reach a settlement, failure which the CBE will apply for condonation then lodge the appeal.

9.2 Strategic Outcome Oriented Goals

Strategic Goal 1:

Professional Thrust - Engineering practitioners enjoy the benefit of world class education and registration

Strategic objective 1.1	Engineering practitioners are recognised through excellent, relevant and globally accepted education standards
Strategic objective 1.2	Engineering practitioners are registered through accessible, fair, transparent, efficient and credible system
Strategic objective 1.3	Growth and retention of registered engineering practitioners
Strategic objective 1.4	The Engineering profession is grown by increasing the number of engineering practitioners to meet existing and future demands
Strategic objective 1.5	Practitioners successfully renew their registration through fair, credible, transparent and accessible processes

Strategic Goal 2

Public awareness of the profession and its standards and regulation to ensure the implementation of those standards in the public interest

Strategic objective 2.1	Public awareness of the engineering profession and its standards through public education, information and awareness programmes
Strategic objective 2.2	Protection of the health, safety and interest of the public through effective regulation of the profession
Strategic objective 2.3	Regulate the profession in accordance with legislative requirements

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Strategic Goal 3

Engineering practitioners proactively responsive to local and national socio-economic requirements

Strategic objective 3.1	Research undertaken into strategic contributions the profession could be making to support national programmes including but not limited to NDP, NIP and National Beneficiation Strategy
Strategic objective 3.2	ECSA is responsive to the decision makers through excellent stakeholder relationships. ECSA is represented in or structurally linked to key Government decision making bodies and SOEs such as PICC, NDP, ESKOM, Transnet, Sasol, etc
Strategic objective 3.3	Proposals are developed and implemented for specific projects and funding sought from Government and other stakeholders

Strategic Goal 4

A sustainable, transformed and coherent organisation that is capable of delivering the impact desired by its stakeholders and society within the provisions of the EPA

Strategic objective 4.1	A relevant organisation that significantly meets the needs of both internal and external stakeholders within the ECSA mandate.

9.3 Performance Information by Programme

Programme 1

Education and Registration

Strategic Goal: Engineering practitioners enjoy the benefit of world class education and registration

Strategic Objectives: An efficient, inclusive, transparent registration and education practices that promote demand, employability, marketability, mobility and protection of work environment.

Table 1:

Strategic objective (S.O)	Actual achievement 2014/15	Planned target 2015/2016	Actual achievement 2015/16	Deviation from the planned target to actual achievement for 2015/2016	Comment on deviation
S.O 1.1 Engineering practitioners are recognised though excellent, relevant and globally accepted educational standards	6 accreditation visits conducted	Accreditation of engineering programmes in 6 institutions of higher learning	Achieved	7 accreditation visits	N/A
	100% compliance with the requirements for the international accords and standards	Submission of reports on ECSA activities in line with the educational accords and competency agreements.	Achieved.	N/A	N/A
S.O 1.2 Engineering practitioners are registered through accessible, fair, transparent, efficient and credible system	N/A	Launch New Registration System (NRS) phase 1.	Not achieved	There were technical problems with the developed online platform.	The target was dependant on finalisation of the online platform.
	N/A	Train 170 volunteers on paper based assessment and 260 volunteers on the online system	Not achieved	81 volunteers were trained.	This is a demand driven target. Invitations were made to the engineering practitioners but few came forth for training. ECSA managed to train only 81 volunteers
	N/A	Review 11(eleven) NRS policies	Achieved	N/A	N/A
S.O 1.3 Growth and retention of registered engineering practitioners	N/A	Host Africa Engineering Week according to plan and support the international Event	Achieved	N/A	N/A
	N/A	A revised Voluntary Association recognition framework.	Achieved	N/A	NA
	N/A	A joint transformation plan for the industry	Not achieved	No joint plans were entered into.	The Joint Transformation Strategy is dependent on the finalization of the Voluntary Association recognition Framework which is currently underway.
	N/A	A draft retention strategy.	Partially achieved	N/A	A draft retention strategy was developed but put on hold pending the review of the virtual shop concepts
	N/A	Launched virtual shopping mall on ECSA website	Not achieved	N/A	The virtual mall concept needs a review to include a broader spectrum of partners

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Strategic objective (S.O)	Actual achievement 2014/15	Planned target 2015/2016	Actual achievement 2015/16	Deviation from the planned target to actual achievement for 2015/2016	Comment on deviation
S.O 1.4 The Engineering profession is grown by increasing the number of engineering practitioners to meet existing future demands	N/A	Feasibility study for specified categories	Not achieved	N/A	Feasibility study for specified categories was not completed. It was resolved that there is a need to develop and reviewing policies and procedures before the development of actual policies.
	N/A	Conduct 12 stakeholder consultation roadshows on specified categories	Not achieved	N/A	No stakeholder consultation roadshows took place; the KPI is dependent on the development and approval of specified categories.
	N/A	Open registration for 1 specified category	Not achieved	N/A	Registration of new specified categories was not rolled out as the KPI is dependent on the approval of new specified categories.
S.O 1.5 Practitioners successfully renew their registration through fair, credible, transparent and accessible processes	N/A	A report on an effective and functional CPD system and implementation plans to roll-out the new CPD system	Not achieved	N/A	ECSA could not find suitable CDP system. A service provider will commence with the development of a custom made CPD system.

Programme 2

Public awareness of the engineering profession

Strategic goal: Public awareness of the profession and its standards and regulation to endure the implementation of those standards in the public interest

Strategic objectives: An informed public that can hold the profession accountable to the regulation standards

Table 2:

Strategic objective	**Actual achievement 2014/15**	**Planned target 2015/2016**	**Actual achievement 2015/16**	**Deviation from the planned target to actual achievement for 2015/2016**	**Comment on deviation**
S.O 2.1 Public awareness of the engineering profession and its standards through public education , information and awareness programme	14 000 learners reached through Engenius information session	15 000 learners reached through Engenius information session	Achieved	N/A	N/A
	Train 150 role models for Engenius	Train 60 role models for Engenius	Not achieved	N/A	The process of training role models were put on hold pending the finalisation of the development of the terms of engagement of the role models to ensure proper representation of ECSA.
	N/A	Publish ten (10) engineering marketing	Achieved	N/A	N/A
	N/A	Launch capacity building compendium	Achieved	N/A	N/A
	Implement ECSA brand strategy according to plan	Implement ECSA brand strategy according to plan	Achieved	N/A	N/A

Strategic objective	Actual achievement 2014/15	Planned target 2015/2016	Actual achievement 2015/16	Deviation from the planned target to actual achievement for 2015/2016	Comment on deviation
S.O 2.2 Protection of the health, safety and interest of public through effective regulation of the profession	N/A	Finalise 80% of disciplinary cases backlog	Not achieved	N/A	The finalisation of disciplinary cases is dependent on the participation of the respondent and the respondent's legal representatives. Prompt response from the Respondent's or Respondent's legal representatives determines the duration in finalising a case.
	N/A	Finalise 90% of new disciplinary cases	Not achieved	N/A	The finalisation of disciplinary cases is dependent on the participation of the Respondent and the Respondent's legal representatives. Prompt response from the Respondent's or Respondent's legal representatives determines the duration it will take to finalise a case.
	N/A	Development of a case management system	Not achieved	N/A	On review of the process, it was resolved that case management should form part of the ECSA comprehensive IT infrastructure.

Strategic objective	Actual achievement 2014/15	Planned target 2015/2016	Actual achievement 2015/16	Deviation from the planned target to actual achievement for 2015/2016	Comment on deviation
S.O 2.3 Regulate the profession in accordance with legislative requirements	N/A	Report on the need to review the Act and advise CBE	Not achieved	N/A	ECSA awaits the office of the Minister of Public Works to trigger the process as communicated by him. This process will commence once the Minister has communicated the process to be followed
	N/A	An approved framework of collaboration to uphold the code of conduct	Not achieved	N/A	This target is dependant to the finalisation of the framework of collaboration with employer bodies which is under development.
	N/A	An approved framework of collaboration to investigate poor quality engineering work	Not achieved	No MoU was signed during the period.	Framework of collaboration to investigate poor quality engineering work is in draft format and has not been approved. There is currently a MoU between ECSA and Dept. of Labour (DoL) and National Home Builders Regulations (NHBRC).

Programme 3

Proactive response to socio-economic requirements

Strategic Goal — Engineering practitioners are proactively responsive to local and national socio-economic requirements

Strategic objectives — High impact socio-economic interventions in response to national and other priorities

Table 3:

Strategic objective	Actual achievement 2014/15	Planned target 2015/2016	Actual achievement 2015/16	Deviation from the planned target to actual achievement for 2015/2016	Comment on deviation
S.O 3.1 Research undertaken into strategic contributions the profession could be making to support national programmes including but not limited to NDP, NIP and National Beneficiation	To conduct Research on two topics	To conclude two research reports	Not achieved	N/A	The process was modelled around task teams representing various recognised Voluntary Associations. The task teams that were constituted to support the process did not meet to take the process forward. Several workshops were convened but none materialised.
S.O 3.2 ECSA is responsive to decision makers through excellent stakeholder relationships. ECSA is represented in or structurally linked to key Government decision making bodies and SOE's e.g. PICC, NDP, Eskom, Transnet, Sasol, etc	To build strategic relationships with Government and SOEs to enable ECSA to achieve its goals	Enter into 4 x MoUs with any Government Department or SOEs.	Not achieved	N/A	The Executive responsible for the portfolio fell sick, and on review, management decided to develop a framework of collaboration between ECSA and employer bodies which is currently underway.
S.O 3.3 Proposals are developed and implemented for specific projects and funding sought from Government and other stakeholders	To develop two funding proposals and engage strategic partners	Raise R3m for strategic projects	Not achieved	N/A	The Researcher appointed at the time did not have the ability to manage the magnitude of the assignment. The officer has since left the employment. Previously she did receive counselling regarding her performance.

Programme 4

A sustainable, transformed and coherent organisation

Strategic Goal — A sustainable, transformed and coherent organisation that is capable of delivering the impact desired by its stakeholders and society within the provisions of the EPA (Engineering Profession Act)

Strategic Objectives — A coherent and well run organisation

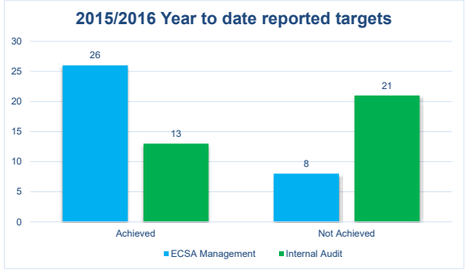
Table 4:

Strategic objective	Actual achievement 2014/15	Planned target 2015/2016	Actual achievement 2015/16	Deviation from the planned target to actual achievement for 2015/2016	Comment on deviation
S.O 4.1 A relevant organisation that significantly meet the needs of both internal and external stakeholders within the ECSA mandate	N/A	A quality management roll-out plan	Achieved	N/A	N/A
	N/A	Review organogram	Achieved	N/A	N/A
	N/A	Review Governance policies	Not achieved	N/A	This target is depended on the finalisation of the review process of the Governance structures.
	unqualified audit opinion	unqualified audit opinion	Achieved	N/A	N/A
	N/A	IT infrastructure plan in support of strategy	Not achieved	N/A	The IT plan was reconfigured to develop an integrated platform for the entire business
	N/A	Increased revenue collection by 8% from last financial year base	Achieved	N/A	N/A

The analyses of performance information

- A total of 34 performance targets were reviewed.
- Management reported 26 targets as achieved for year to date; however due to insufficient supporting documentation, Internal Audit confirmed only 13 as achieved.
- Management had reported 8 targets as not achieved year to date; however Internal Audit confirmed 21 as not achieved.

The graph to the right reflects a comparison of the Performance Information as reported by management vs. the Internal Audit assessments:



9.3.1 Registration Overview

9.3.1.1 Registration

The Engineering Profession Act (EPA), 46 of 2000, is ECSA's current founding legislation which empowers ECSA to register persons applying for registration as Professionals and persons applying for registration as candidates or candidates in specified categories. In the case of persons applying for registration as professionals, they must have demonstrated their competence as measured against standards determined by the Council for the relevant category of registration and have passed any additional examinations that may be determined by the Council.

In the case of persons applying for registration as candidates or candidates in specified categories, they must have relevant educational outcomes determined by Council by having passed accredited or recognized examinations at any educational institution offering educational programmes in engineering and should have passed any other examination that may be determined by council or present evidence of prior learning in engineering.

The above conditions and requirements are encapsulated in section 19 of the Engineering Professions Act (Act 46 of 2000). There are four categories of professional registrations namely: Professional Engineers, Professional Engineering Technologists, Professional Engineering Technicians and Professional Certificated Engineers. Furthermore, there are four categories of candidacy to registration and these are Candidate Engineers, Candidate Engineering Technologists, Candidate Engineering Technicians and Candidate Certificated Engineers. Candidates are registered to professional status subject to applicants meeting the prescribed competency and educational requirements under each category.

In 1999, ECSA sought and obtained international recognition of its educational qualification standards and registration processes with the International Standards and subsequently became a signatory to the International mutual professional agreements and competency standards such as the Washington, Dublin and Sydney Accords. Through these agreements and competency standards, professionals in the engineering field who come from countries that are signatories to the International accords, are recognized and only subjected to minimum assessment when applying for registration with ECSA. ECSA participation in international accords also facilitates mobility of South African engineers across various international jurisdictions consistent with section 13 (e) of the Engineering Profession Act of 2000.

Registration with ECSA is a legislative mandate for Engineering professionals practicing under categories designated by ECSA in terms of section 18 (1) of the Engineering Professions Act. A person may not practice in any of the categories contemplated in section 18 (1), unless he or she is registered in that category.

9.3.1.2 New Outcome-based Registration and Online System

The outcomes based registration system is proving to be an effective and transparent system. The outcomes based registration system is to be supported by an integrated online platform which will improve accessibility, efficiency and transparency by providing an interactive platform, whereby applicants can track the progress of applications online, automatic reminders are sent to relevant parties involved in the process to ensure maximum efficiencies are achieved. The online platform will improve turnaround times and increase accessibility for existing and future registered persons, the outcome based registration system is one of the major initiatives implemented by ECSA to improve registration outputs in conjunction with integrated online system that is currently being developed. Through this outcome based system, ECSA will provide a process which is transparent, efficient and with clear guidelines as well as supporting policies on how applicants are expected to complete their reports and how the assessment process will be conducted. The online system on the other hand will improve accessibility, efficiency and transparency through its interactive nature which will consistently send reminders and updates to all parties involved in the process. The process will yield shortened turnaround times and potentially increase registration numbers with a more user- friendly system to submit and processing of applications for registrations.

9.3.1.3 Registration Trends

In the 2014/15 financial year, the number of registered persons was standing at 45 806, whereas by the end of the 2015/16 financial year the number of registered persons was at 50 009 which shows an incremental trajectory of 9% in the database. This is an indication that more government and private entities are seeking quality assured professionals in the field of engineering which, to a considerable extent, are as a result of ECSA's awareness campaigns, initiatives, presentations regarding registration imperatives to the industry and career guidance initiatives at institutions of higher learning. Most of the cancellations of registrations experienced have been largely due to cases where a registered professional is deceased.

The purpose of this overview is to project the registration statistics per race and gender during the current reporting period and also show the existing trend of registration within a period of 5 years. These statistics are attached herewith as per the following tables.

REGISTRATION STATISTICS

TABLE 5: PROFESSIONAL CATEGORY REGISTRATION STATISTICS

		TOTAL REGISTRATIONS	NEW REGISTRATIONS	TRANSFERS FROM CANDIDATES	CANCELLATIONS	DEREGISTRATIONS
PROFESSIONAL ENGINEER						
TOTAL REGISTERED		16526	504	352	13	81
GENDER	MALE	16753	438	295	12	77
GENDER	FEMALE	773	66	57	1	4
RACE	AFRICAN	1671	158	121	0	0
RACE	WHITE	13657	277	176	11	79
RACE	INDIAN	1023	60	48	2	2
RACE	COLOURED	175	9	7	0	0
PROFESSIONAL ENGINEERING TECHNOLOGIST						
TOTAL REGISTERED		5491	354	192	5	29
GENDER	MALE	5145	307	161	4	29
GENDER	FEMALE	346	47	31	1	0
RACE	AFRICAN	1487	208	120	0	1
RACE	WHITE	3311	101	62	5	28
RACE	INDIAN	474	28	19	0	0
RACE	COLOURED	219	17	12	0	0
PROFESSIONAL CERTIFICATED ENGINEER						
TOTAL REGISTERED		1076	25	9	4	12
GENDER	MALE	1069	25	9	4	12
GENDER	FEMALE	7	0	0	0	0
RACE	AFRICAN	71	6	5	0	0
RACE	WHITE	952	17	3	3	12
RACE	INDIAN	40	1	0	1	0
RACE	COLOURED	13	1	1	0	0
PROFESSIONAL ENGINEERING TECHNICIAN						
TOTAL REGISTERED		5214	444	234	4	29
GENDER	MALE	4509	347	181	4	29
GENDER	FEMALE	705	97	53	0	0
RACE	AFRICAN	2434	361	213	1	4
RACE	WHITE	2299	53	16	3	24
RACE	INDIAN	283	12	0	0	1
RACE	COLOURED	198	18	5	0	0

NB: 31 REGISTERED PERSONS ON OUR ECSA DATABASE ARE REGISTERED BY ECSA ON SOUTH AFRICAN DATABASE OF THE ENGINEERS. MOBILITY FORUM AND THE ENGINEERING TECHNOLOGIST FORUMS INTERNATIONAL REGISTERS.

Table 6:

PROFESSIONAL REGISTRATIONS STATISTICS BY CATEGORY	
PROFESSIONAL ENGINEER	16526
PROFESSIONAL ENGINEERING TECHNOLOGIST	5491
PROFESSIONAL CERTIFICATED ENGINEER	1076
PROFESSIONAL ENGINEERING TECHNICIAN	5214

Figure 1

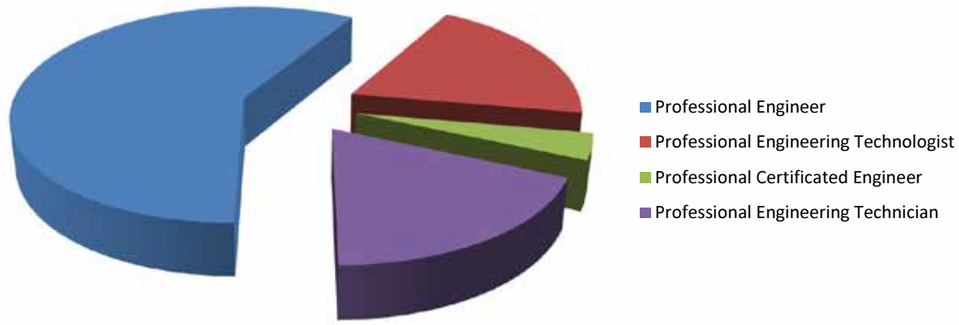


Table 7:

PROFESSIONAL REGISTRATIONS STATISTICS BY GENDER & CATEGORY		
CATEGORY	MALE	FEMALE
PROFESSIONAL ENGINEER	16526	773
PROFESSIONAL ENGINEERING TECHNOLOGIST	5491	346
PROFESSIONAL CERTIFICATED ENGINEER	1076	7
PROFESSIONAL ENGINEERING TECHNICIAN	5214	705

Figure 2

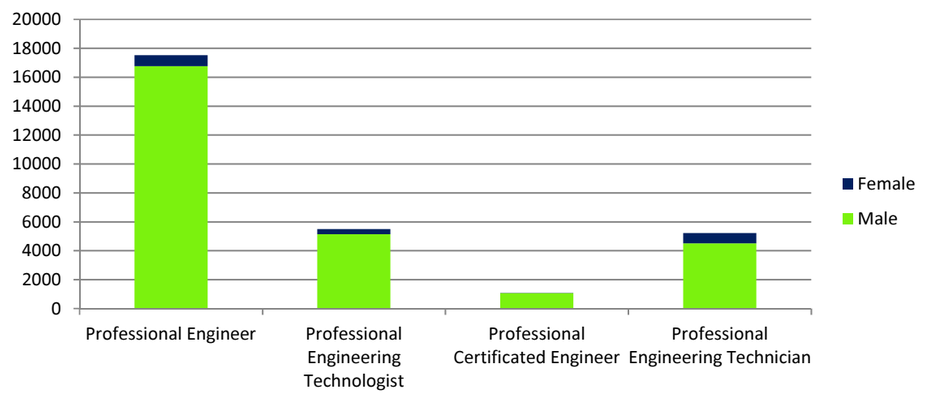


Table 8:

PROFESSIONAL REGISTRATIONS STATISTICS BY RACE & CATEGORY					
CATEGORY	AFRICAN	WHITE	INDIAN	COLOURED	TOTAL
PROFESSIONAL ENGINEER	1671	13657	1023	175	16526
PROFESSIONAL ENGINEERING TECHNOLOGIST	1487	3311	474	219	5491
PROFESSIONAL CERTIFICATED ENGINEER	71	952	40	13	1076
PROFESSIONAL ENGINEERING TECHNICIAN	2434	2299	283	198	5214

Figure 3

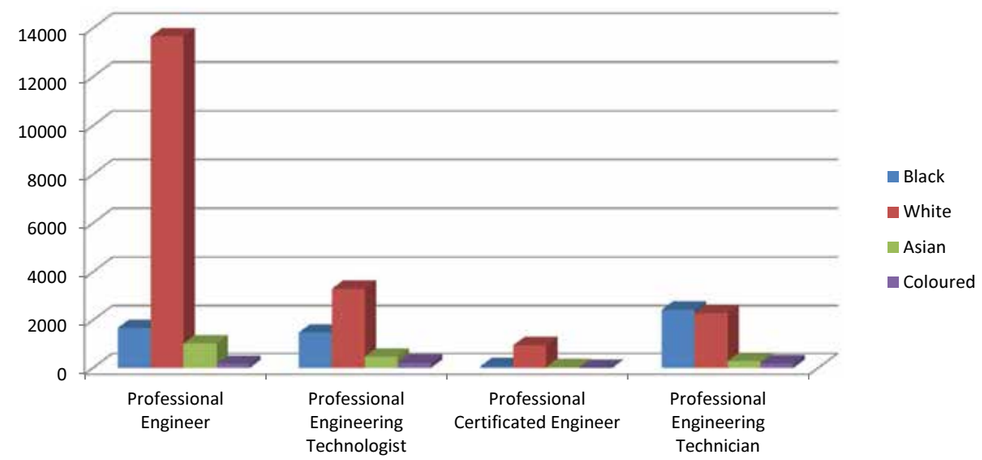


TABLE 9:		CANDIDATE CATEGORIES: REGISTRATION STATISTICS			
CANDIDATE ENGINEER					
		TOTAL REGISTRATIONS	NUMBER OF CANDIDATES REGISTERED (3 YEARS AND LESS)	NUMBER OF CANDIDATES REGISTERED (4 - 5 YEARS)	NUMBER OF CANDIDATES REGISTERED (OVER 6 YEARS)
TOTAL REGISTERED		8975	4326	1911	2967
GENDER	MALE	7326	3403	1502	2433
	FEMALE	1649	923	409	534
RACE	AFRICAN	2946	1757	635	776
	WHITE	4497	1877	906	1718
	INDIAN	1315	588	303	427
	COLOURED	217	104	67	46
CANDIDATE ENGINEERING TECHNOLOGIST					
TOTAL REGISTERED		4252	2430	768	1150
GENDER	MALE	3345	1907	600	934
	FEMALE	907	523	168	216
RACE	AFRICAN	3011	1807	543	662
	WHITE	721	345	132	244
	INDIAN	366	185	61	120
	COLOURED	154	93	35	29
CANDIDATE CERTIFICATED ENGINEER					
TOTAL REGISTERED		316	104	79	133
GENDER	MALE	310	101	78	131
	FEMALE	6	3	1	2
RACE	AFRICAN	155	74	46	35
	WHITE	123	0	24	79
	INDIAN	27	9	4	14
	COLOURED	11	20	5	5
CANDIDATE ENGINEERING TECHNICIAN					
TOTAL REGISTERED		6936	3653	1616	1658
GENDER	MALE	5083	2690	1121	1263
	FEMALE	1853	963	495	395
RACE	AFRICAN	5664	3141	1351	1166
	WHITE	717	262	117	323
	INDIAN	368	142	84	142
	COLOURED	187	108	51	27

Table 10:

PROFESSIONAL REGISTRATIONS STATISTICS BY CATEGORY	
CANDIDATE ENGINEER	8975
CANDIDATE ENGINEERING TECHNOLOGIST	4252
CANDIDATE CERTIFICATED ENGINEER	316
CANDIDATE ENGINEERING TECHNICIAN	6936

Figure 4

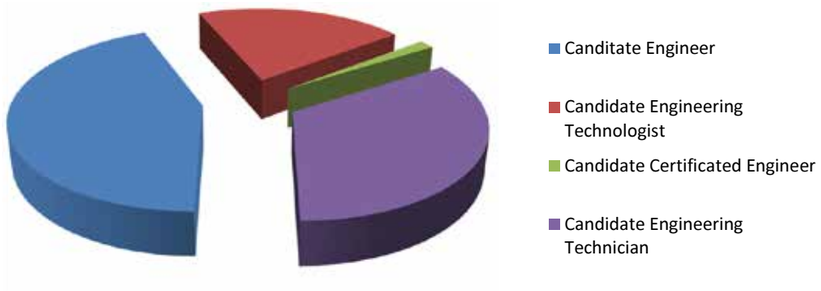


Table 11:

PROFESSIONAL REGISTRATIONS STATISTICS BY GENDER & CATEGORY		
CATEGORY	MALE	FEMALE
CANDIDATE ENGINEER	7326	1649
CANDIDATE ENGINEERING TECHNOLOGIST	3345	907
CANDIDATE CERTIFICATED ENGINEER	310	6
CANDIDATE ENGINEERING TECHNICIAN	5083	1853

Figure 5

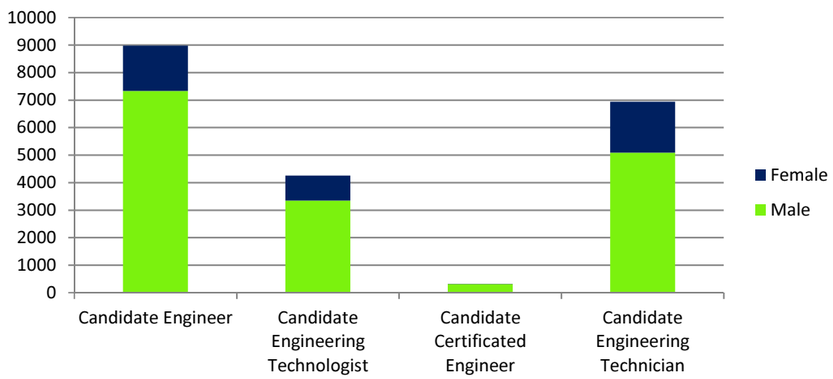


Table 12:

PROFESSIONAL REGISTRATIONS STATISTICS BY RACE & CATEGORY					
CATEGORY	AFRICAN	WHITE	INDIAN	COLOURED	TOTAL
CANDIDATE ENGINEER	2946	4497	1315	217	8975
CANDIDATE ENGINEERING TECHNOLOGIST	3011	721	366	154	4252
CANDIDATE CERTIFICATED ENGINEER	155	123	27	11	316
CANDIDATE ENGINEERING TECHNICIAN	5664	717	368	187	6936

Figure 6

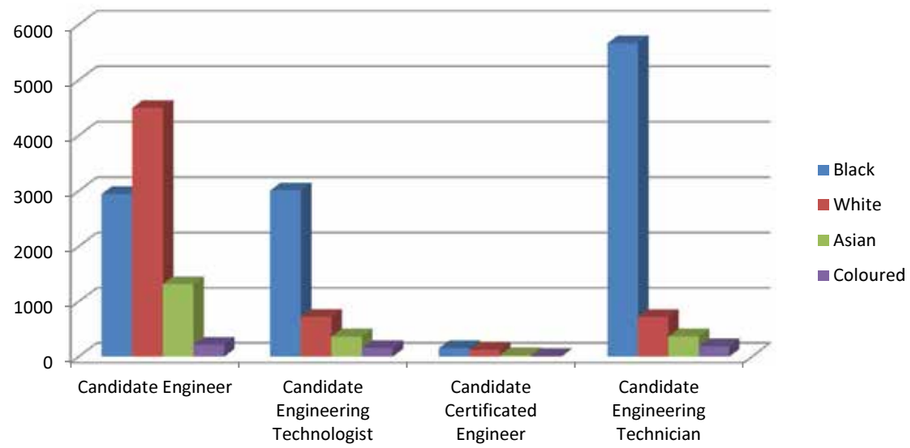


TABLE 13:		SPECIFIED CATEGORIES: REGISTRATION STATISTICS			
		REGISTERED LIFTING MACHINERY INSPECTORS	REGISTERED MEDICAL EQUIPMENT MAIN-TAINERS	REGISTERED FIRE PROTECTION SYSTEMS INSPECTORS	REGISTERED LIFT INSPECTORS
GEN-DER	MALE	1021	5	4	155
	FEMALE	4	1	1	1
RACE	AFRICAN	98	1	1	8
	WHITE	836	5	4	121
	INDIAN	62	0	0	19
	COLOURED	29	0	0	8
GRAND TOTAL REGISTERED		1025	6	5	156

Table 14:

PROFESSIONAL REGISTRATIONS STATISTICS BY CATEGORY	
REGISTERED LIFTING MACHINERY INSPECTORS	1025
REGISTERED MEDICAL EQUIPMENT MAINTAINERS	6
REGISTERED FIRE PROTECTION SYSTEMS INSPECTORS	5
REGISTERED LIFT INSPECTORS	156

Figure 7

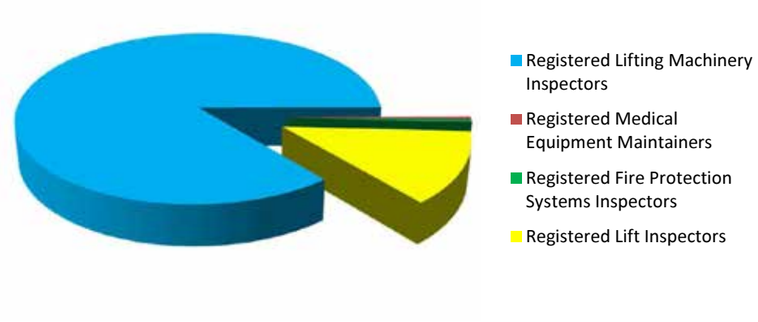


Table 15:

PROFESSIONAL REGISTRATIONS STATISTICS BY GENDER & CATEGORY		
CATEGORY	MALE	FEMALE
REGISTERED LIFTING MACHINERY INSPECTORS	1021	4
REGISTERED MEDICAL EQUIPMENT MAINTAINERS	5	1
REGISTERED FIRE PROTECTION SYSTEMS INSPECTORS	4	1
REGISTERED LIFT INSPECTORS	155	1

Figure 8

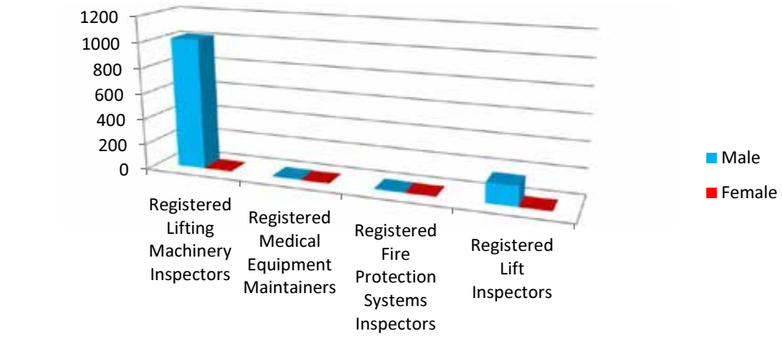
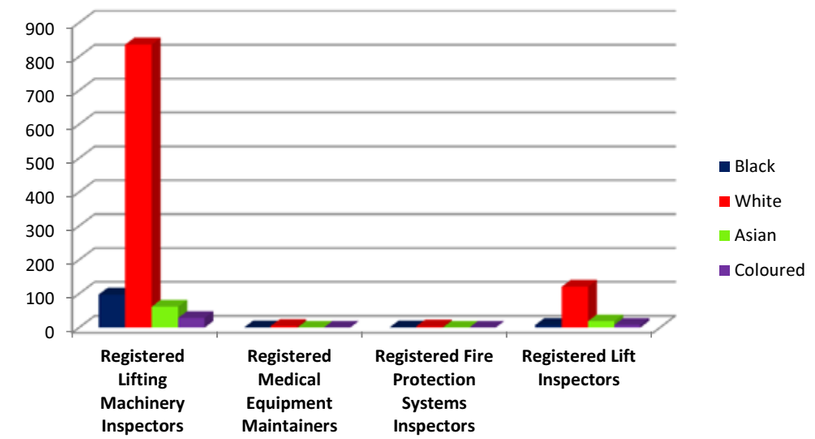


Table 16:

REGISTRATION STATISTICS BY RACE & CATEGORY					
CATEGORY	AFRICAN	WHITE	INDIAN	COLOURED	TOTAL
REGISTERED LIFTING MACHINERY INSPECTORS	98	836	62	29	1025
REGISTETED MEDICAL EQUIPMENT MAINTAIN-ERS	1	5	0	0	6
REGISTERED FIRE PROTECTION SYSTEMS INSPECTORS	1	4	0	0	5
REGISTERED LIFT INSPECTORS	8	121	19	8	156
GRAND TOTAL	108	966	81	37	1192

Figure 9



Registration Statistics

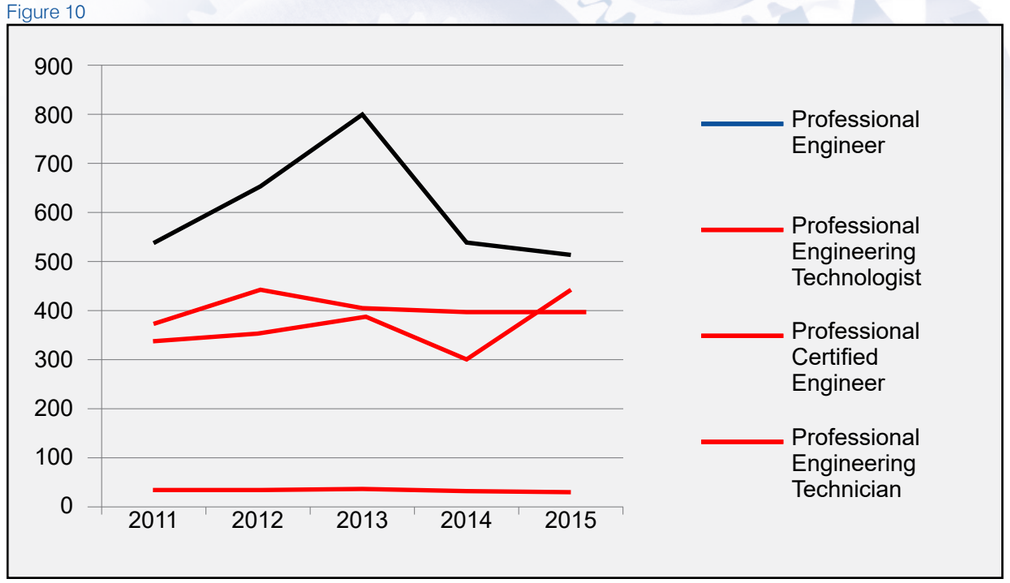
New Registration statistics from 2011 to 2015 (per calendar year)

Table 17

Professional Category	2011	2012	2013	2014	2015	Total
Professional Engineer	547	650	801	556	516	3070
Professional Engineering Technologist	372	435	412	400	398	2017
Professional Certified Engineer	29	25	30	26	24	134
Professional Engineer Technician	340	353	392	315	432	1832
Candidate Category						
Candidate Engineer	1261	1146	1178	1433	1522	6540
Candidate Engineering Technologist	645	520	690	804	904	3563
Candidate Certificated Engineer	58	39	24	23	48	192
Candidate Engineering Technician	1216	1261	1178	1237	1459	6351
Specified Category						
Registered Lifting Machinery Inspector	75	60	65	46	66	312
Registered Lift Inspector	0	5	9	2	1	17
Medical Equipment Maintainers	5	1	0	0	0	6
Fire Protection System Inspectors	0	4	0	0	1	5
Intenational Register						
International Professional Engineers Agreement	0	1	1	2	2	6
International Engineering Technologist Agreement	0	1	0	2	1	4
Grand Total	4548	4501	4780	4846	5374	24049

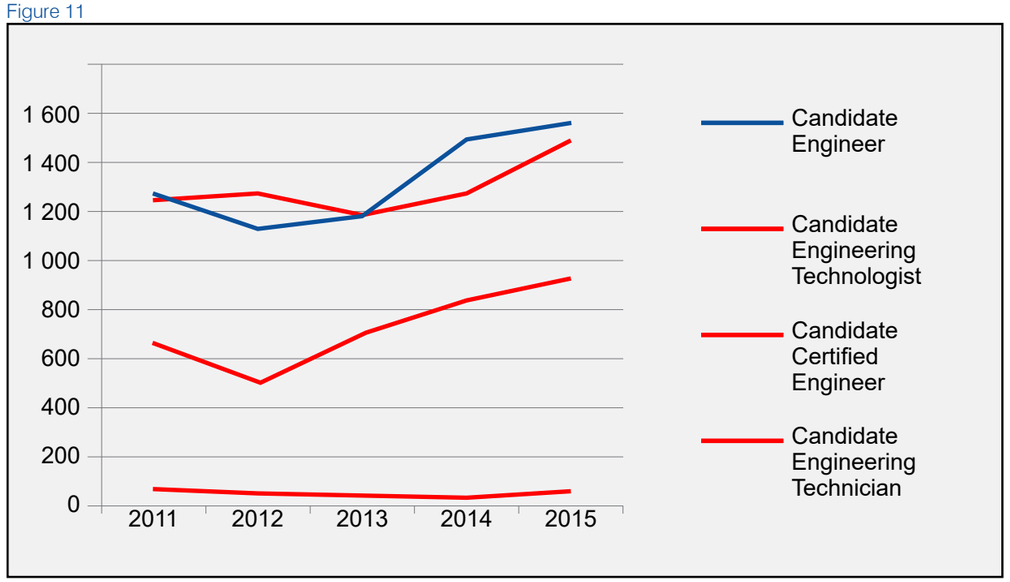
Professional Categories

Figure 10



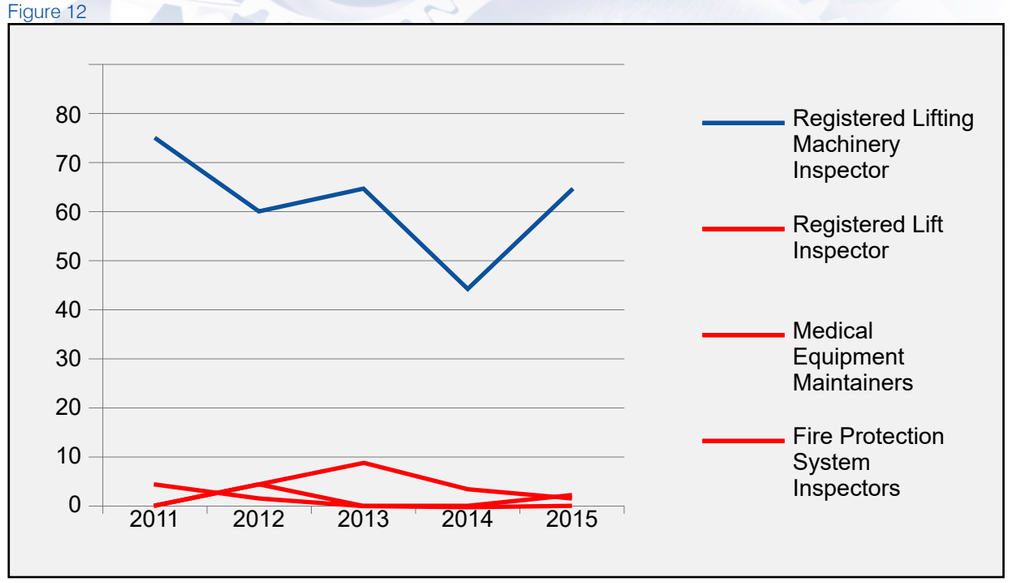
Candidate Categories

Figure 11



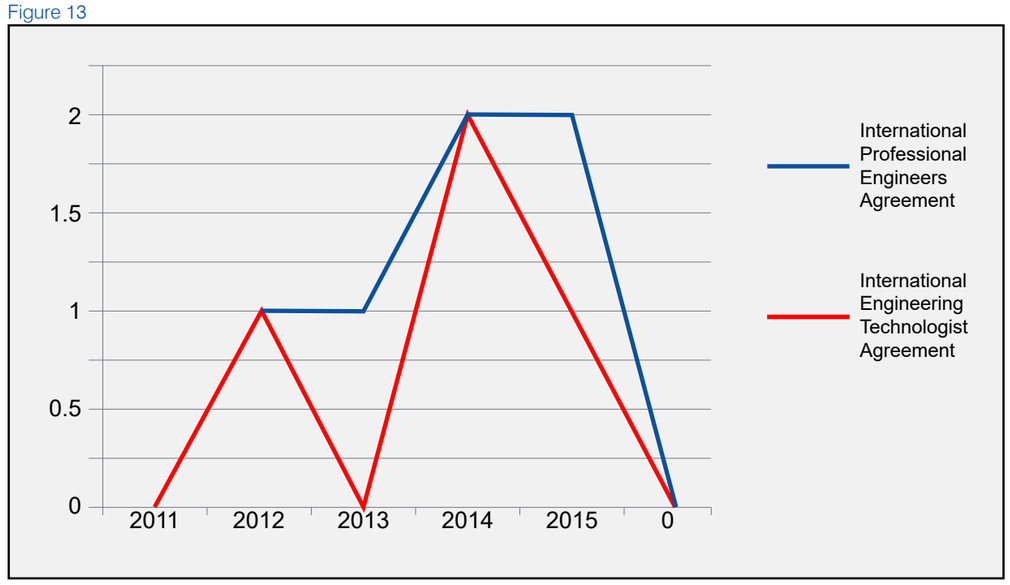
Specified Categories

Figure 12



International Registration

Figure 13



9.3.2 Education Overview

The Engineering Profession Act, Act No. 46 of 2000, empowers ECSA, in collaboration with the Council on Higher Education (CHE) and the South African Qualifications Authority (SAQA), to evaluate and maintain standards in the provisioning of engineering programmes by institutions of higher learning in the country. The highest standard of quality in engineering education is maintained through the following key functions:

Education: Visit education providers to evaluate programmes and accredit educational programmes that meet the educational requirements toward registration in each of the categories. Accreditation of a programme is a public acknowledgement that the programme meets defined criteria as a result of an evaluation

Evaluation of educational qualifications: Qualifications that are not already accredited or recognised are subjected to an evaluation to determine their substantial equivalence to a South African accredited qualification.

Continuing Professional Development (CPD): In terms of section 13(k) of the Engineering Professions Act, Act 46 of 2000 ECSA may determine, after consultation with the voluntary associations and registered persons, conditions relating to and the nature and extent of continuing education and training.

The discretion provided for in the Act to make use of Continuing Professional Development (CPD), gives Council the opportunity to comply with the CPD legislative requirements and to use CPD as part of the ECSA policy requirement for both the renewal of registration and the maintenance of registration status for the ECSA registered practitioners.

ECSA received good co-operation from registered persons whose registration became due for renewal during 2015/16. Of the 5004 registered persons due for renewal, 1716 are marked Retired/Exempted on the ECSA database. Of the 1716 retired registered persons 405 renewed their registration with the Council which contributed to the considerable decline in the renewal rate for the financial year under review. An additional 4.1% could not be renewed for reasons such as cancellations, death, etc. The renewal rate received per month for the 2015/16 Calendar year is as per table attached as Table 9.3.2.3

It should be noted that in the absence of Identification of Engineering Work (IDoEW) and the fact that CPD has never been used as a compulsory precondition for renewal at ECSA, it remains a challenge to achieve higher levels of renewal.

It is envisaged that the development on the new CPD Online Management system will commence in August 2016. Additional fact-finding and information-gathering visits to two professional bodies, Health Professions Council of South Africa (HPCSA) and South African Pharmacy Council (SAPC) were conducted during the month of February 2016. The main focus of these visits was to gather more information on their CPD policies and procedures, CPD Administration IT platform and the relationship between CPD and renewal of registration.

During these visits, it was established that the Healthcare Professionals are required to complete a series of accredited continuing education activities each year and that these activities are recorded manually by way of completing record forms and submitting these to the Council for uploading/confirmation whereas, the Pharmacy Act does not regulate CPD and therefore, their professionals do not need to comply. A set of regulations relating to Continuing Professional Development for persons registered in terms of the Pharmacy Act is currently being developed and will be implemented in the near future.

All lessons learnt from the above visits will invariably lead to the successful development and implementation of the new CPD Online Management system which will provide permanent solutions to problems currently grappled by ECSA in the monitoring and implementing the CPD policy and processes.

The automated email notification system is currently under development by ECSA's current CPD service provider. This improved system will be used to send out notifications to all registered persons due for renewal during a specific period in electronic format. This intervention is part of a broader endeavor to make CPD efficient, effective and user-friendly for the expedition of CPD renewals.

Herewith, find a picture of the activities related to the key functions in the Education Department:

9.3.2.1 Accreditation

9.3.2.1.1 TECSA Accredited Programmes

Table 18:

Qualification Title	Number of Programmes	Number of Institution
BEng/Bsc (Eng)	50	8
BTECH	89	10
National Diploma	77	10

9.3.2.1.2 Accreditation activities during the reporting period

Table 19:

Name of Institution	Type of Visit	Number of Programmes	Date of Visit
Cape Peninsula University of Technology	Provisional visit	1	24 & 25 February 2015
UNISA	Regular visit	28	17 & 18 March 2015
Tshwane University of Technology	Final visit	1	21 May 2015
Nelson Mandela University of Technology	Regular visit	9	20 & 21 August 2015
Durban University of Technology	Interim visit	2	10 September 2015
Walter Sisulu University of Technology	Regular visit	9	10 & 13 November 2015
Vaal University of Technology	Regular visit	19	14 17 March 2016

9.3.2.2 Evaluation of Educational Qualifications

Table 20:

Application status/decision	Considered by TPQEC	Forwarded to EPQEC	Total
New applications allocated to each QEC	279	229	508
Washington Accord recognition	2	109 (BTECH)	
Substantially equivalent to the type of qualification shown	104	59 (ND)	
ECSA recognised	11	47 (ALT)	
Interview	104		
Not recognised/File closed (no response)	1		
Refused Candidate Engineer	0		
Information outstanding/ Awaiting Interview	55	14	
Applications in process: Next EPQEC/TPQEC	2		

9.3.2.3 CPD Renewal Statistics

Table 21:

Month	Renewals Due	Renewals Received	Renewals Date
April	398	173	43.40%
May	595	318	53.40%
June	357	160	44.80%
July	448	227	50.60%
August	312	144	46.20%
September	358	258	47.90%
October	312	135	43.20%
November	566	280	49.40%
December	187	84	44.90%
January	284	123	43.30%
February	404	160	39.60%
March	603	131	22.00%
Totals	4824	2193	44.10%

9.4 Cross Border Assistance

ECSA, in compliance with its international obligations, continuously avails its members to, inter alia, attend meetings of international bodies and conduct reviews of international countries that are signatories to international accords.

The following are international activities which have been undertaken as part of ECSA cross-border assistance.

Table 22:

Member	Activity	Counttry
Prof Herman Vermaak	ICACIT Review for Sydney nomination	Peru
Dr. Keith Jacobs	Accreditation	Ireland
Mr Chris Stuurman	Accreditation	Canada
Ms Sy Gourrah	Accreditation	Malaysia
Prof. Brandon Collier-Reed	Accreditation	Australia

ECSA has been instrumental in providing assistance to countries in the South African Development Community (SADC) and Africa as part of the South African Federation of Engineering Organisation (SAFEO) and has further participated in the global space as part of the World Federation of Engineering Organisation.

9.5 Relationship with Key Education Stakeholders

The Engineering Council of South Africa (ECSA) is in collaboration with the Council on Higher Education (CHE) and other Professional Councils (PCs) to contribute towards the development of a framework for the accreditation of professionally – oriented programmes. The Council on Higher Education published a document “Towards a national framework: The roles and responsibilities of the CHE and professional councils regarding the accreditation of professional programmes and related quality assurance functions” and invited professional councils to submit comments. The Engineering Council of South Africa has established a task team to look into contributing toward the development of the framework.

The Engineering Council of South Africa is again in close consultation with CHE regarding the revised Higher Education Sub-Framework (HEQSF), which would see the phasing out of non-aligned programmes which would have an impact on our accredited Universities of Technology.

9.6 CHE Standards Development Process

According to the NQF Act the CHE is the sole Quality Council for Higher Education (CHE) and in terms of the HEQSF, one of the mandates of the CHE is to develop qualification standards. The purpose of the Standards is to provide benchmarks (both internally and externally, of the programmes that lead to qualifications) i.e. accreditation, implementation, development and quality assurance. The framework for Standards Development can be found on the CHE website.

ECSA continues with the process established at a previous Deans meeting, whereby CHE contract individuals to draft new standards which follow the fundamental principles of the standards completed by ECSA. CHE have since completed and published two standards (Bachelor of Engineering & Diploma in Engineering), with two other new standards currently in the process of being developed (Bachelor of Engineering Technology & Advanced Diploma in Engineering), where after another five (5) standards are due to be developed.

CHE and ECSA have worked well together and have a mutual understanding of their responsibilities, which are clearly defined in the Memorandum of Understanding (MoU), which highlights the symbiotic relationship.

9.7 International Accord Matters

South Africa, through the Engineering Council of South Africa is a signatory to the following international agreements:

- Washington Accord: A mutual recognition of educational qualifications for the Education of Engineers
- Sydney Accord: The mutual recognition of educational qualifications for the Education of Engineering Technologists.
- Dublin Accord: The mutual recognition of educational qualifications for education of Engineering Technicians.

The Washington Accord (WA) review of South Africa is in the cards. This will be taking place in the coming financial year (2016/2017), with the Universities of Johannesburg and North West being the institutions identified and chosen by ECSA for the Washington Accord (WA) accreditation and monitoring visits. The three WA Reviewers from abroad will be coming over to observe how ECSA conducts accreditation visits and to monitor if ECSA systems and processes are in line with the Washington Accord standards. The ECSA Education Team, in collaboration with the ECSA Education Programmes Accreditation Committee (EPAC) have already commenced with the preparations wherein the following has already happened:

- Visit leaders, team leaders and team members have already been constituted.
- The Universities have already been trained on the latest requirements that they would need to produce for the accreditation visits.
- Draft itinerary and programmes for the International Engineering Alliance (IEA) Washington Accord review have already been prepared.







10. Strategic Services Functions

10.1 Marketing and Communications

The 2015/16 financial year has been full of significant events in promoting ECSA as a preferred advisor of choice in the engineering field, an engineering regulatory body responsible for generating registration standards and policies. ECSA paced up as a representative and ambassador of the engineering profession in the country and displayed commitment towards stakeholder relations.

ECSA continued to engage in corporate communications activities as a reliable voice on matters pertaining to the engineering profession.

10.2 Stakeholder Relations

ECSA has to engage with different stakeholders at different levels, this includes: International visits as ECSA is a signatory to the international Professional Engineers Agreement (IEPA) and the International Engineering Technologists Agreement (IETA); strengthening of stakeholder relations with all institutions that work closely with ECSA; engaging with government departments; hosting other engineering institutes from across Africa and supporting ECSA recognised voluntary associations. ECSA continued to engage with their stakeholders, in order to strengthen the relationship in the best interest of the engineering profession.

Below are the strategic stakeholder engagement activities that took place in the 2015/16 financial year:

Table 23:

Event	Date	Venue
Gauteng Department of Infrastructure Development pre-budget vote	17 June 2015	Gallagher, Midrand
Visit to Istanbul	22 and 26 June 2015	Istanbul, Turkey
Tanzanian delegation visit to ECSA	10 July 2015	ECSA
Consulting Engineers SA Young Professionals Imbizo	11 – 12 August 2015	Premier Hotel, Kempton Park
ECSA support to the National Development plan (Leaderex)	17 September 2015	Sandton Convention Centre
University of KwaZulu -Natal Engineering post graduate day	22 September 2015	UKZN campus, Pietermaritzburg
Africa Engineering Week 2015	28 – 30 September 2015	MUT, Umlazi, Durban
Public Works Minister Nxesi addresses ECSA	22 October 2015	Stellenbosch, Cape Town

10.3 Promotion of the ECSA Brand

ECSA continued to promote their brand, highlighting the benefits of registration as well as the process of being registered. These are initiatives aimed at promoting the ECSA brand, educating the public about ECSA and promoting the engineering profession, it also extends to brand positioning, increasing ECSA visibility, as well as building and maintaining a reputation for ECSA. This was done through participation in exhibitions, conducting Engenius workshops to learners as well as making registration presentations at different conferences.

All corporate communication events for the 2015/16 financial year are listed below:

Table 24:

Event	Date	Venue
Department of Public Works Career initiative	22, 24 and 29 April 2015	Rakgotso High School, Soshanguve South High School and WF Nkomo High School
Engineering Week	04 – 08 May 2015	Sci-Bono, Science Centre, Johannesburg
Africa Utility Week	12 – 14 May 2015	Cape Town International Convention Centre
Limpopo Rural Education Festival (RED Fest)	11 – 15 May 2015	Mopani District Limpopo
SABC Education Career Indaba	18 – 19 May 2015	Sandton Convention Centre
South African Industry and Technology Fair (INDUTEC)	20 – 22 May 2015	Gallagher Convention Centre – Midrand
KwaZulu-Natal Industrial Technology Fair	09 – 12 June 2015	Durban Exhibition Centre
Sustainability Week	23 – 25 June 2015	CSIR Convention Centre, Pretoria
Southern African Transport Conference (SATC)	06 – 09 July 2015	CSIR convention Centre, Pretoria
National Minquiz Science competition	14 July 2015	Mintek, Randburg
Department of Basic Education Careers Jamboree	20 – 24 July 2015	Bohlabela District, Bushbuckridge, Accornhoek, Tulamahashe, and Hazy-view villages (Mpumalanga)
Northern Cape Department of Education Career Expo	23 July 2015	SANDF 3 SAI Battalion Military Base, Kimberley
You Only Matriculate Once (YOMO) Career Expo	7 August 2015	Middleburg, Mpumalanga
Leaders of Tomorrow Career fair	24 July 2015	Mount Frere, Eastern Cape
Bauma Connexpo Africa	15 – 18 September 2015	Johannesburg Expo Centre, Nasrec
Infrastructure Africa Conference	01 – 02 September 2015	Sandton Convention Centre
IMESA Conference	27 – 30 October 2015	Grandwest Hotel & Casino, Cape Town from
CESA conference	09 – 10 November 2015	Emperors Palace, Kempton Park
Africa Energy indaba	16 - 17 February 2016	Sandton Convention Centre
Working World Exhibition (WWE)	16 – 18 February 2016	Nelson Mandela Bay Stadium
My Future Career Exhibition	18 February 2016	False Bay College, Khayelitsha, Cape Town

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10.4 Promoting and profiling the ECSA brand through advertising:

This is aimed at publicising ECSA and the benefits of registration through advertising on print – trade media, online and digital platforms. ECSA has continued to retain its corporate visibility and brand positioning through advertising on a range of media platforms such as:

Table 25:

Graduate 2015 Edition
Engineering News - Eskom
Government Digest
Engineering News - Africa Utility Week
SAICE
NDP 20130
IMIESA magazine (Conference)
South African Business Integrator
Municipal Focus

10.5 External Communication – Newsletter (E-bulletin)

This is a communication platform used to disseminate information to ECSA registered persons, updating them on all ECSA activities, regulatory and policy content. ECSA has shared information quarterly with their stakeholders through the E-Bulletin, which has now been made modern and user-friendly on a digital copy. The E-Bulletin is disseminated every 3 months.

For copies of the E-Bulletin, please follow this link:

https://www.ecsa.co.za/news/SitePages/Bulletins.aspx

11. Engenius Report

This programme seeks to address three strategic objectives:

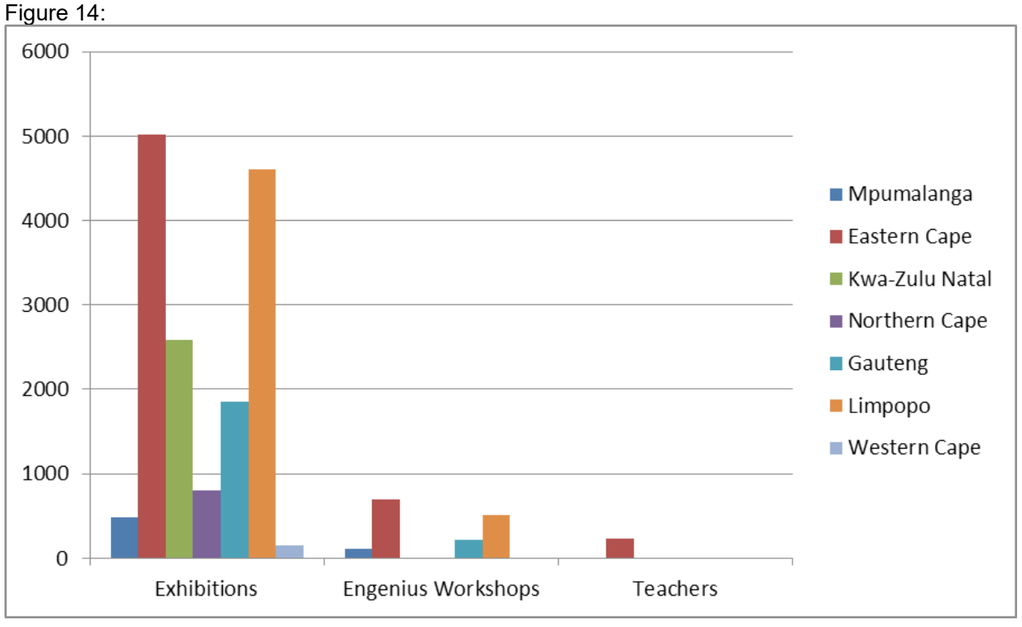
- To promote national collaboration, coordination and support amongst partner organisations (including the engineering department & VA's)
- To promote the engineering profession to primary and high school learners nationally
- Empower partners to spread the driving message. This speaks to the training of young engineers.

In the financial year under review, Engenius has continued to deliver on its mandate: the promotion of engineering to primary and high school learners across the country to ensure a growth in the profession. The focus is broadly around the peripheral areas of the country as most of the learners in these areas have been identified to lack information for informed career decision making.

11.1 Engenius Exhibitions and Workshops

Within the year 2015/16 year the following outreaches were concluded:

Figure 14:



In total, 16 329 learners were reached through exhibitions and 924 were reached through interactive engineering workshops across all aforementioned provinces.

11.2 Schools reached per province

Table 26:

Province	Name of School
1. Mpumalanga - Middleburg (07 August 2015) - Bohlabela District Municipality (20-24 July 2015)	Ekwazini Secondary School; Phumelela Secondary School; Middleburg Combined; Middleburg Institute of Learning; Phendulani; Sehlakabje; Hoedspruit Independent College; Maphuthaditshaba and Hoyohoyo High Schools.
2. Eastern Cape - Mount Frere (24 July 2015) - Lady Frere (6-7 August 2015) - Grahamstown (2-8 March 2016) - Port Elizabeth (16-18 February 2016)	Colana, Lutateni and Mvenyane Senior Secondary Schools; Nonkqubela, Machibini, ST Cyprians, Joho's Glen and Lamplovigh Secondary Schools and many learners who came from the Nelson Mandela and Makana Municipality districts.
3. Kwa Zulu Natal - Umlazi and Pinetown Districts (28-30 September 2015)	Vukuzakhe, Open Air, Dabeka, St. Julius, Brettonwood, Dassenhoek, Ndengetho, Esizibeni and Ilanga high schools.
4. Northern Cape - Kimberley (23 July 2015)	Dr Lekhela High, Vuyolwethu High; Tetlanyo High, Tlwa-halang High, Elizabeth Conradie, Boresetse, Thabane High, Pampierstad and Homevale.
5. Gauteng - DPW Tshwane programme (24-29 April 2015) - DBE Jamboree School Holiday programme (8 July 2015) - Minquiz finals (14 July 2015) - Scibono National Engineering Week (4-8 May 2015)	Dr Nkomo H.S Atteridgeville; Soshanguve S.S; THS Lan-glaagte & Aurora Girls High School Thuthukani; Finetown; Mid-Ennerdale; Motheo; Ithubalethu; Jiswa and Regutlile. Various learners were reached from Minquiz finals as well.
6. Limpopo - Mopani District Municipality Rural Education Festival (11-15 May 2015) - Greater Tzaneen and Malamulele Central Municipalities National Science Week programme (1-7 August 2015)	Mopani District Municipality: Mathibadifate; Masehlone; Thabanatshwana; Motsheudi; Sekgosese; Sebelaolo; Mokope; Molai Jubilee; Tshweni HS; Kgola-ka-leleme; Kgapane; Mapatla; Khesethwane; Kolobetona and Abel Secondary.
7. Western Cape - My Future Expo (18 February 2016)	There were several students from Mitchells Plain and Khayelitsha high schools and FET colleges.

ECSA remarks:
We thank our stakeholders for their support in making sure that learners are fully equipped with knowledge. In particular, we thank the Chemical Industries Education and Training SETA for their support towards the promotion of the chemicals industry. The MoU that was co-signed is reaping good rewards for the development of learners. The Department of Public Works is doing commendable work in integrating the Engenius programme into their career awareness campaigns as well.

We request for the support of young engineering practitioners who can assist as role models in reaching out to more learners and adopt them for mentorship and career guidance. It remains evident that there is more work still to be done to grow and nurture the scarce engineering skills in South Africa.

12. UNESCO
Africa Engineering Week (AEW)

The main objective of the AEW is the continuation of youth and the general public about the significance of engineering as the profession.

ECSA CEO at the UNESCO Africa Engineering Week held at Mangosuthu University Technology, Durban (Umlazi Township) – South Africa

ECSA Counsil Member (middle - Mr Yashin Brijmohan) and other dignitaries at the Africa Engineering Week held at Mangosuthu University Technology, Durban (Umlazi Township) – South Africa

Message from UNESCO

The second Africa Engineering Week, held in Victoria Falls, Zimbabwe from 15 to 19 September, comes at a critical juncture, as we advance towards the target date for the Millennium Development Goals, as we shape a new global development agenda to follow 2015. Later this Month, the UN General Assembly in New York, will adopt the draft outcome document on the post-2015 development agenda entitled: “Transforming Our World: The 2030 Agenda for Global Action”. Agenda 2030 presents a universal agenda, for all countries, which emphasizes the need for transformational shifts to achieve the dual objective of poverty eradication and sustainable development. Such transformational shifts will be needed in a number of sectors, such as energy, food production, water management, sustainable cities, and others. These transformational shifts, however, will not happen by themselves – we need to ‘engineer’ the road towards a sustainable future.

In doing so, we need more engineering, and we need more engineers. The shortage of engineers is a major concern in Africa and across the world where there has been declining interest and enrolment of young people, especially women. Engineering is vital in addressing basic human needs, improving the quality of life and creating opportunities for sustainable prosperity on a local, regional, national and global level. More young people need to take up engineering careers and making that choice depends on access to the necessary science, technology, engineering and mathematics (STEM) curriculum as well as having access to effective guidance, communications and role models.

Addressing sustainable development within current climate change challenges will require innovative engineering and technology-based solutions. Engineering capacity and competence building activities are critical to ensure an adequate supply of engineers to work on these global challenges. Such activities are particularly important in Africa, where the per capita number of engineering professionals is lower than in other regions. Given this engineering deficit, activities that promote awareness of engineering as a career as well as show how youth studying science, technology, engineering and mathematics STEM can become part of the solution have high priority. To increase engineering capacity in Africa, UNESCO, in cooperation with our partners, established the Africa Engineering Week.

Almost all of the 17 proposed Sustainable Development Goals under Agenda 2030 (SDGs) relate to engineering. With the creation of the SDGs, engineers will need to play a decisive role in their success. The activities during Africa Engineering Week will increase the visibility of engineering as a discipline; it will strengthen the position of engineering in Africa; it will raise awareness on the importance of engineering, science and technology for the successful implementation of the Agenda 2030. As such the Africa Engineering Week fulfills an important advocacy role towards attracting younger generations to engineering to achieve a much higher goal, which is to ensure that transformational change, inclusive economic empowerment, peace and sustainable development, will characterise Africa’s further development towards the future we want for all people in Africa.

Prof. Hubert Gijzen
UNESCO Regional Director

Standing from left:
Prof. Thomas Jo Afullo (UKZN), Mr Cecil Masoka (DST), Dr Innocent Davidson (DUT), Prof. Senzo Malinga (MUT), Mr. Dave Renwick (eThekwini Municipality), Mr Yashin Brijmohan (ECSA Council Member).

Sitting from the left:
Mr Martin Manuhwa (WFEO), Ms Benitta Senyatsi (Nissan SA), Ms Julia Baah (NUT), Ms. Hema Vollabh (SA-Women-Eng.), Mr Greg Evans (eThekwini Municipality), Mr Thembinkosi Madikane (ECSA), Ms Thoko Machimane (ECSA).

13. International Engagements

13. 1 Needs and Numbers Study

The overall objective of the study is to get a better understanding of the actual numbers of engineers, Technology and Technicians in the SADC countries and the needs of SADC Member States to allow for better planning for the attainmentof sustainable development in the region. The SADC Needs and Numbers Technical Working Group meeting was held on 2 September 2015 in Pretoria, South Africa.

13.2 South African Women Engineers Award

ECSA Council Member (left - Mr Yashin Brijmohan) and Ms Mmampei Chaba - DST (3rd from left) with SA Women Engineers who received the Recognition Awards at the African Union Meeting held in Addis Ababa 2015.

ECSA President and ECSA CEO with other dignitaries at the World Federation of Engineering Organisations meeting held in Japan 2015.

14. Revenue Collection

The invoicing of revenue items exceeded the budget by 7.2%. As the budget assumptions include a provision for bad debt of 5%, the invoiced revenue exceeded an unadjusted budget by roughly 2%. The actual collection of the invoiced revenue was not satisfactory, as portrayed in the Provision for Impairment (refer to note 8 of the Annual Financial Statements).

The reason for the poor revenue collection is partly due to economic factors impacting in the registered persons' ability to make payment and a debtors' database not meeting standards. It is crucial that ECSA's IT system under development is completed in order for the registered person to access and update his profile on his own accord.

15. Capital Investment

ECSA's capital investments are fairly limited, the bulk of investment being pooled into the replacement of IT Equipment and Furniture and Fixtures (see note 4 and 5 of the Annual Financial Statements). It is envisaged to our current office space could still meet ECSA's demands for roughly five years, where-after it would be necessary to obtain additional office space. The matter will be investigated during 2016/17 to determine the way forward.

Key Strategic Partnerships

Recognised Voluntary Associations

Curently ECSA has 48 Recognised Voluntary Associations:

Table 27: ANNEXURE 1

Category A				
No	Acronym	Name	Ref No.	Date Recognised
1	AeSSA	Aeronautical Society of South Africa	VA A0022	11 August 2011
2	AMMSA	Association of Mine Managers of South Africa	VA A0031	24 January 2007
3	AMRE	Association of Mine Resident Engineers	VA A0032	22 August 2013
4	CEASA	Clinical Engineering Association of South Africa	VA A0040	26 August 2010
5	COET	The Chamber of Engineering Technology	VA A0001	19 October 2010
6	CSSA	Concrete Society of Southern Africa	VA A0019	11 August 2011
7	ICMEESA	Institution of Certificated Mechanical and Electrical Engineering	VA A0002	24 November 2010
8	IEEE	Institute of Electrical and Electronic Engineers South African Section	VA A0036	22 August 2013
9	IMESA	Institution of Municipal Engineering of Southern Africa	VA A0003	14 April 2011
10	IPET	Institute of Professional Engineering Technologists	VA A0004	19 October 2010
11	LIASA	Lift Inspectors Association of South Africa	VA A0026	15 March 2012
12	NSBE	National Society of Black Engineers	VA A0037	23 May 2013
13	SAAMA	South African Asset Management Association	VA A0025	14 May 2009
14	SACEA	South African Colliery Engineers' Association	VA A0005	11 August 2011
15	SACMA	South African Colliery Managers Association	VA A0029	23 May 2013
16	SAIAE	South African Institute of Agricultural Engineers	VA A0020	11 August 2011
17	SAICE	South African Institution of Civil Engineering	VA A0006	24 November 2010

18	SAIChE	South African Institution of Chemical Engineers	VA A0007	11 August 2011
19	SAIEE	South African Institute of Electrical Engineers	VA A0008	14 April 2011
20	SAIIE	Southern African Institute of Industrial Engineers	VA A0009	11 August 2011
21	SAIMechE	The South African Institution of Mechanical Engineering	VA A0021	14 April 2011
22	SAIMENA	South African Institute of Marine Engineers and Naval Architects	VA A0010	11 August 2011
22	SAIMENA	South African Institute of Marine Engineers and Naval Architects	VA A0010	11 August 2011
23	SAIMM	South African Institute of Mining and Metallurgy	VA A0011	14 April 2011
24	SAIRAC	South African Institute of Refrigeration and Air-Conditioning	VA A0028	10 May 2012
25	SAT	Society for Asphalt Technology	VA A0043	26 August 2010
26	STE	Society of Telkom Engineers	VA A0035	22 August 2013
27	INCOSE	International Council of Systems Engineering (SA Chapter)	VA A0030	24 January 2007
28	SANCOLD	South African National Committee on Large Dams	VA A0046	4 December 2014
29	SASRE	South African Society for Railway Engineers	VA A0047	4 December 2014
30	LEEASA	Lifting Equipment Engineering Association of South Africa	VA A0048	4 December 2014

Category B

No	Acronym	Name	Ref No.	Date Recognised
31	SAFHE	South African Federation of Hospital Engineers	VA B0023	11 April 2011
32	SAID	South African Institute of Draughting	VA B0033	22 August 2013
33	SAIMC	South African Institute of Measurement and Control	VA B0024	11 August 2011
34	WISA	Water Institute of Southern Africa	VA B0038	12 June 2008
35	SABTACO	South African Black Technical and Allied Careers Organisation	VA B0045	23 May 2013

Category C

36	AMEU	Association of Municipal Electricity Undertakings	VA C0027	11 August 2011
37	BEPEC	Built Environment Professions Export Council	VA C0044	24 November 2010
38	CESA	Consulting Engineers South Africa (p.n.a. SAACE)	VA C0013	14 April 2011
39	IESSA	Illumination Engineering Society of South Africa	VA C0012	11 August 2011
40	IQSA	Institute of Quarrying Southern Africa	VA C0014	11 August 2011
41	ITC	Institute for Timber Construction	VA C0015	11 August 2011
42	SAFA	South African Flameproof Association	VA C0016	26 August 2010
43	SAFCEC	South African Federation of Civil Engineering Contractors	VA C0017	11 August 2011
44	SAFPA	South African Fluid Power Association	VA C0039	26 November 2008
45	SAISC	South African Institute of Steel Construction	VA C0018	11 August 2011
46	SAIW	South African Institute of Welding	VA C0034	22 August 2013
47	SARF	South African Road Federation	VA C0042	26 August 2010
48	SASTT	Southern African Society for Trenchless Technology	VA C0041	26 August 2010

Part C
Governance

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ECSA Council

From left: Front Row (sitting):
Mr Brijmohan, Ms Nkambule, Ms Botha, Mr Peters,
Mr Gamede, Mr Madonsela, Dr Mathe, Dr Tutu, Dr Jacobs,
Mr Moloisane

From left: Middle Row (standing):
Prof Lacquet, Dr Lawless, Dr Singh, Ms Phiri,
Ms Mangakane, Ms Maphumulo, Mrs Zuma,
Mr Maswanganyi, Mr Ngcobo, Mr Myataza, Mr Zitha

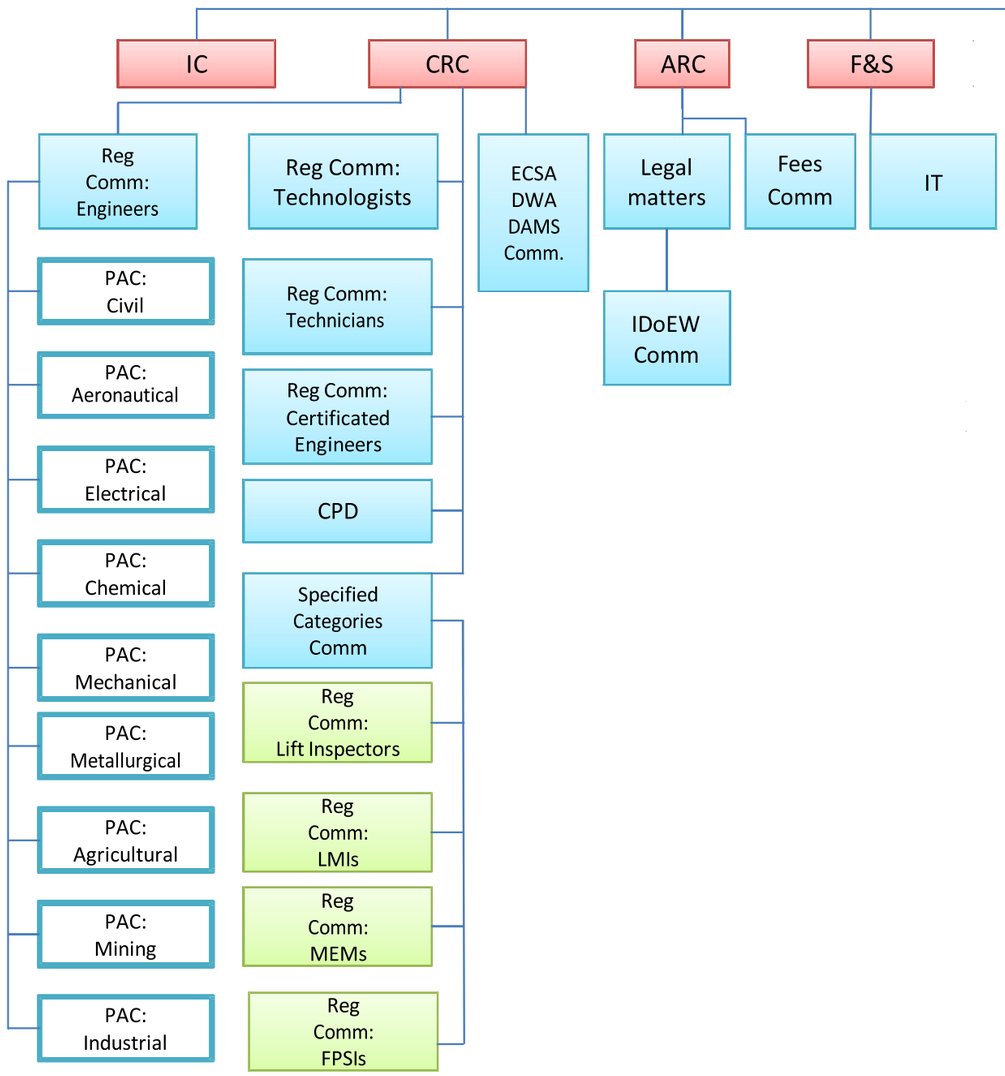
From left: Back Row (standing):
Mrs Padayachee-Saman, Mr Greenwood, Mr van Niekerk,
Mr Leburu, Mr Jennings, Mr Erasmus, Prof Masu,
Mr Jacobs, Mr Jele, Mr Stuurman, Mr Thunzi, Mr Petlane,
Mr Mistry, Mr Nqandela, Mr Van den Berg, Prof Van Wyk

Absent from the photo:.
Mr Gxamza, Mr Mashile, Dr Mwaka, Mr Nyangoni
Mr Patel, Mr Soga, Ms Magubane, Ms Sassenberg
Mr Dhlamini, Mr Burger, Mr Makhetha, Prof Marwala
Mr Matthee

16. Composition of the Council

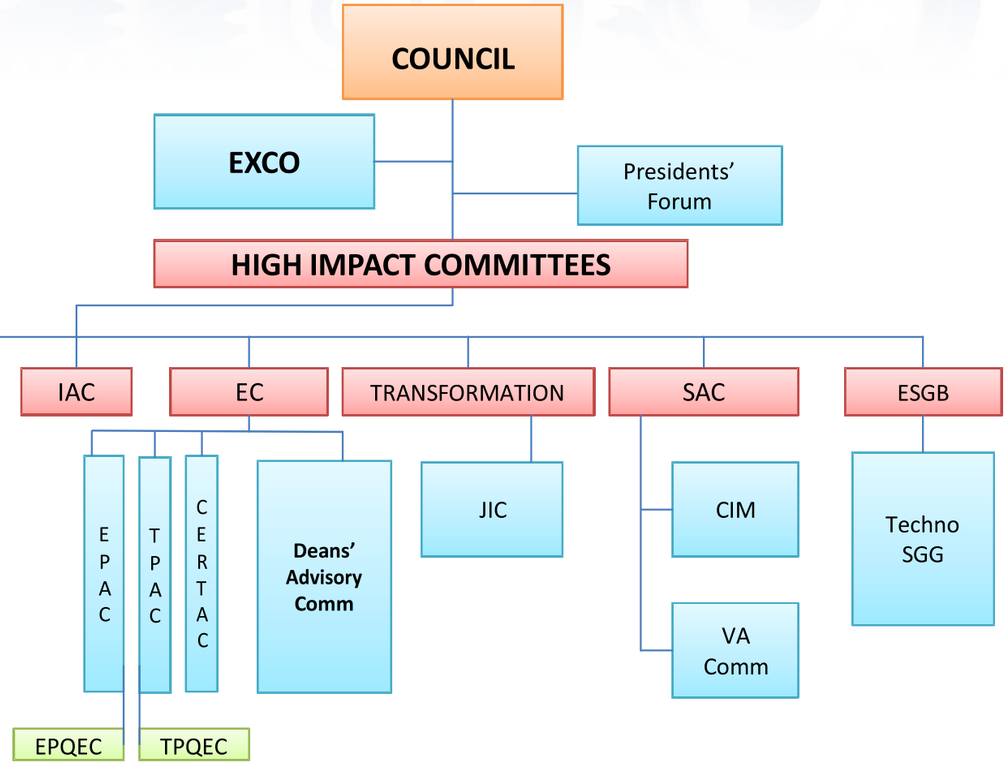
The EPA establishes the Council as the governing body of ECSA. Section 3 of the EPA provides for the composition of the Council. It consists of 50 members appointed by the Minister of Public Works as the Executive authority of the Council.

ECSA COMMITTEE STRUCTURE



17. Committee Structures

The Council has 44 committees with delegated functions to enable the execution of ECSA mandate. The Committee structure is as per below;



IC -	Investigating Committee
CRC -	Central Registration Committee
ARC -	Audit, Risk and Compliance Committee
F&S -	Finance and Staff Committee
IAC -	International Affairs Committee
EC -	Education Committee
TRANSFORMATION -	Transformation Committee
SAC -	Strategic Advisory Committee
ESGB -	Engineering Standards Generating Body
TECHNO SGG	Technology Standards Generating Group
IT -	Information Technology Committee
IDoEW -	Identification of Engineering Work Steering Committee
EPAC -	Engineering Programme Accreditation Committee
EPQEC -	Engineering Programme Qualification & Examination Committee
TPAC -	Technology Programme Accreditation Committee
TPQEC -	Technology Programme Qualification & Examination Committee
CERTAC -	Certificated Engineer Accreditation Committee
JIC -	Joint Implementation Committee
CIM -	Communications , Information & Marketing
VA -	Voluntary Associations
CPD -	Continuing Professional Development Committee
PAC -	Professional Advisory Committee

18. Executive Authority:

- Section 3(1)(a) – Thirty (30) registered persons, excluding candidates, of whom at least 20 are actively practicing in the Engineering Profession.
- Section 3(1)(b) – ten (10) persons of whom at least 6 must be professionals in the service of the State.
- Section 3(1) (c) - ten (10) members of the public nominated through an open process of public participation.

19. Accounting Authority

The term of office for the Council is four years and the term of the current Council ends in July 2016.

In line with governance best practice:

- All members of the Council are non-executive and independent.
- The Council actively plays its role of oversight and giving strategic direction.
- Council has approved charters for high impact committees and the Terms of Reference for all other committees.

19.1 Members of the Council for the year under review are listed below:

Table 28: Members of the ECSA Council

No	Name	Designation (in terms of the public entity board structure)	Date appointed	Date resigned/ Death	Qualifications	Other committees served	Number of council meetings attended
1	Mr Derick Norman Matthee	Profession	31 January 2012	N/A	BEng Aeronautical Engineering; MSc Flight Test & Evaluation Test Flight Engineer Commercial Pilot Licence	PAC: Aeronautical Reg Comm. Pr Eng	2/5
2	Dr Zwanani Titus Mathe	Profession	31 January 2012		PhD in Chemical Engineering MBL	EXCO CRC TC	3/5
3	Mr Nicholas van den Berg	Profession	31 January 2012		BSc Eng (Civil)	TC	2/5
4	Ms Malani Padayachee-Saman	Profession	31 January 2012		BSc Eng (Civil) GDE (Civil) Cert.Arb	PAC: Civil	5/5
5	Dr Allyson Lawless	Profession	31 January 2012		BSc Eng; MSc; DEng hc	JIC	4/5
6	Mr Ranthekeng Jones Moloisane	Profession	31 January 2012		MSc (Civil); MTech (Civil) cum laude; BSc (Honours) (Transport-ation Techno-logy); BTech: (Transport-ation Eng.); NDip (Civil) Diploma (Project Manageme-nt)	EXCO CRC EC ESGB IAC IDoEW SAC TPAC TPQEC VA Reg Comm. Technicians Reg Comm. Technologists	5/5
7	Ms Anne Marie Sassenberg	Profession	31 January 2012		NHDT (Eng) Civil (Pret) CPMP	TC CIM Pr Techno	3/5
8	Mr Mbuleleni Ambrose Ngcobo	Profession	31 January 2012		NHD (Civil)	EXCO ARC Reg Comm. Technologists	5/5
9	Ms Tumisang Maphumulo	Profession	31 January 2012		BEng Electrical and Electronics (Honours)	PAC: Elect. Reg Comm. Pr Eng	4/5

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No	Name	Designation (in terms of the public entity board structure)	Date appointed	Date resigned/ Death	Qualifications	Other committees served	Number of council meetings attended
10	Mr Yashin Brijmohan	Profession	31 January 2012	N/A	BSc Eng (Electrical); Diploma: Eng Bus Manageme-ent; MEng Engineering	EXCO SAC IAC	3/5
11	Ms Thandiwe Nkambule	Profession	31 January 2012	N/A	BSc (Eng); MEng (Electrical); MBA	TC F&S SAC	5/5
12	Mr Pelei Petlane	Profession	31 January 2012	N/A	BEng (Electrical) PDE (Electrical); MEng (Engineering Management	IC	4/5
13	Prof Barend Van Wyk	Profession	31 January 2012	N/A	NDip Telecoms NHDip Education NHDip Electrical BTech Electrical BCom MSc PhD	ESGB Deans' Advisory Comm.	1/5
14	Mr Christian Stuurman	Profession	31 January 2012	N/A	MTech (Electrical)	EPAC TPAC TPQEC	5/5
15	Mr Philippus Erasmus	Profession	31 January 2012	N/A	NHDip Eng (Electrical) Mid Management Certificate	SAC IDoEW Techno SGG ESGB CRC Reg Comm. Technologists Reg Comm. Technicians Reg Comm. LMI Reg Comm. MEMs Reg Comm. FPSIs JIC	5/5
16	Ms Revona Botha	Profession	31 January 2012	N/A	Postgraduate Certificate (Bus Eng Management), National Diploma (Financial Information Systems), National Diploma (Engineering), Certificate Installation Electrician	EXCO F&S VA IC IDoEW Reg Comm. Technicians	4/5

No	Name	Designation (in terms of the public entity board structure)	Date appointed	Date resigned/ Death	Qualifications	Other committees served	Number of council meetings attended
17	Prof Beatrys Lacquet	Profession	31 January 2012	N/A	BSc (Hons) Electrical & Electronic; MEng (cum laude) DEng	EC EPAC	3/5
18	Ms Philisa Mangakane	Profession	31 January 2012	N/A	NDip Industrial Engineering; Certificate: Project Management BTech (Industrial)	F&S Reg Comm. Technicians CIM	3/5
19	Mr Kenneth Greenwood	Profession	31 January 2012	N/A	Certificate in Fuel Injection Mechanics	Reg Comm. LMI	3/5
20	Mr Mathuba Zitha	Profession	31 January 2012	N/A	Postgraduate Economics BSc (Civil)	PAC: Civil	3/5
21	Mr Nkosinathi Myataza	Profession	31 January 2012	N/A	NDip (Mechanical Eng); NHDip (Mechanical Eng); GCC (OHS);NDip (Project Management); BSc; Adv Programme (Risk Management) MSc (Operational Research) Executive Development Programme Post Graduate Certificate: Business Research Methods	IDoEW SAC	4/5
22	Mr Kudzai Nyangoni	Profession	31 January 2012	N/A	MBA, BSc (Hons) Mech.Eng, Grad Dip Mkt Mgt (IMM)	EXCO F&S IDoEW PAC: Mechanical	3/5
23	Mr Cyril Gamede	Profession	31 January 2012	N/A	BSc(Eng) Mechanical, MSc(Eng) Industrial, EMBA; Advanced Diploma in Labour Law; Certificate in Corporate Governance	EXCO	5/5

No	Name	Designation (in terms of the public entity board structure)	Date appointed	Date resigned/ Death	Qualifications	Other committees served	Number of council meetings attended
24	Prof Tshilidzi Marwala	Profession	31 January 2012	N/A	PhD MEng Mechanical BSc Mechanical	EXCO EC CRC	0/5
25	Prof Leonard Masu	Profession	31 January 2012	N/A	BSc (Hons) ; MSc Eng PhD Eng; PGDip BAdmin; MBA	None	4/5
26	Mr Onkgopotse Lord Leburu	Profession	31 January 2012	N/A	NDip; NHDip; BTech Mechanical Engineering	CRC Reg Comm. Technologists JIC TPQEC IAC CPD	5/5
27	Dr Keith Jacobs	Profession	31 January 2012	N/A	PhD	EXCO IAC TPAC Techno SGG ESGB Reg Comm. Technicians CPE	3/5
28	Mr Kanak Mistry	Profession	31 January 2012	N/A	BSc (Metallurgy & Material) MBL (Business Leadership)	EPAC CRC Reg Comm. Pr Eng PAC: Metallurgical CIM	5/5
29	Mr Richard Jennings	Profession	31 January 2012	N/A	NHDT; Mine Managers Cert; MDP; AEP	SAC Reg Comm. Cert Eng IDoEW	5/5
30	Mr Dirk van Niekerk	Profession	31 January 2012	N/A	BSc Eng (Mining); BSc Eng (Hons); MEng (Mining); MBL; GCC: Mine Manager GCC: Mine Manager	IAC IDoEW Techno SGG PAC: Mining JIC EPQEC	5/5
31	Mr Camagu Soga	State	31 January 2012	N/A	BSc (Physics (Distinction); applied Mathematics (University of Fort Hare); BSc (Civil)	SAC F&S	4/5
32	Mr Mongezi Gxamza	State	31 January 2012	N/A	BEng	IDoEW	5/5

No	Name	Designation (in terms of the public entity board structure)	Date appointed	Date resigned/ Death	Qualifications	Other committees served	Number of council meetings attended
33	Mr Adrian Michael Peters	State	31 January 2012	N/A	BSc Eng (Civil) , GDE, MBA	EXCO LMC IC IDoEW	4/5
34	Mr Lungile Dhlamini	State	19 March 2012	N/A	NDip (Agriculture Land Use Planning)	TC ARC F&S	3/5
35	Mr Willem Schalk Brand Burger	State	11 May 2012	N/A	NDip (Agriculture Land Use Planning)	None	3/5
36	Dr Beason Litungilu Mwaka	State	11 May 2012	N/A	Phd; MSc; BSc (Agricultural Engineering)	None	5/5
37	Mr Samuel Stephanus Jacobs	State	17 April 2012	N/A	BEng (Mech); MBA	IDoEW IC Reg Comm. Technicians	4/5 1/5
38	Ms Tebogo Phiri	State	17 April 2012	N/A	NDip Eng (Civil); MDP	IDoEW	1/5
39	Mr Nqaba Nqandela	State	09 October 2012	N/A	National Diploma Electrical Engineering; Programme in Project Management; Certificate in Telecomms Policy, Regulation & Management (TPRM); Certificate in Convergence and New Media in the Information Society; Master in Business Administration (MBA)	TC ARC	3/5
40	Mr Thomas Boy Maswanganyi	State	14 December 2012	N/A	NDip (Mech) Eng; BSc Mech	None	5/5

No	Name	Designation (in terms of the public entity board structure)	Date appointed	Date resigned/ Death	Qualifications	Other committees served	Number of council meetings attended
41	Mr Rashid PateL	Public	31 January 2012	N/A	B(Proc)	LMC	1/5
42	Dr Anirood Singh	Public	31 January 2012	N/A	HND (Civil Eng); Postgraduate Certificate in Medicine & Law; BA; BProc; LLB; MA; LLM; LLD	IAC SAC LMC IC	5/5
43	Mr Mphikeleli Jele	Public	31 January 2012	N/A	BSc Hons (Applied Sciences) Transportation Planning cum laude; BTech Civil Eng cum laude; NDip Civil cum laude	None	4/5
44	Mr Lemias Mashile	Public	31 January 2012	N/A	BTech (Civil) Eng	TC SAC TPAC JIC	1/5
45	Ms Trustworthy Zuma	Public	17 April 2012	N/A	BComm; APM; MDP; MP (Supply Chain Management); EMLog	None	5/5
46	Dr Nomzamo Tutu	Public	17 April 2012	N/A	PDM; DOH;MB-ChB; BSc	EXCO TC SAC	5/5
47	Mr Mthethunzima Thunzi	Public	11 August 2012	N/A	NDip (Mech) Eng	VA CRC JIC Reg Comm. Technicians LMC CPD	5/5
48	Ms Nelisiwe Veronica Barbara Magubane	Public	31 January 2012	N/A	BSc (Elect) Eng; MBA; Cert in Sasol EDP; Certificate: Managing Government Performance; Certificate: Leadership Decision Making	EXCO ARC	4/5

No	Name	Designation (in terms of the public entity board structure)	Date appointed	Date resigned/ Death	Qualifications	Other committees served	Number of council meetings attended
49	Mr Seutloali Makhetha	Public	11 May 2012	N/A	BSc (Civil) Eng; NDip (Civil) Eng; Post Grad Dip (Indust) Eng; Cert Construction Management; Cert Adv Management MSc Project Management	None	0/5
50	Mr Melusi Mofokeng	Public	31 January 2012	N/A	NDip (Business Computing)	ARC IAC VA IDoEW CIM	4/5

19.2 Council Member Meeting Attendance

Fourth term Council member meeting attendance (April 2015 - March 2016)

Table 29:

NAME	COUNCIL	EXCO	IC	CRC	ARC	EC	TRANS	ESGB	FI&ST	IAC	SAC
REGISTERED PERSONS											
1. Mr Derick Norman Mathee	2/5										
2. Dr Zwanani Titus Mathe	3/5	1/2		4/5			1/2				
3. Mr Nicholas van den Berg	2/5						2/2				
4. Ms Malani Paday-achee-Saman	5/5										
5. Dr Allyson Lawless	4/5										
6. Mr Ranthekeng Moloisane	5/5	2/2		3/5		0/0		1/4		3/3	2/2
7. Ms Anne-Marioe Sassen-berg	3/5						2/2				
8. Mr Mbuleleni Ambrose Ngcobo	5/5				2/3						
9. Ms Tumisang Maphumulo	4/5										
10. Mr Yashin Brijmohan	3/5	2/2								2/3	2/2
11. Mrs Thandiwe Nkambule	5/5						1/2		2/2		1/2
12. Mr Pelei Petlane	4/5		3/3								
13. Prof Barend van Wyk	1/5							2/4			
14. Mr Christian Stuurman	5/5										
15. Mr Phillipus Erasmus	5/5			4/5				4/4			1/2
16. Mr Revona Botha	4/5	2/2	3/3						2/2		
17. Prof Beatry Lacquet	3/5					0/0					
18. Ms Philisa Mangakane	3/5								1/2		
19. Mr kenneth Greenwood	3/5										
20. Mr Matuba Zitha	3/5										
21. Mr Nkosinathi Myataza	4/5										2/2
22. Mr Kudzai Nyangoni	3/5	0/2							1/2		
23. Mr Cyril Gamede	3/5	1/2									
24. Prof Tshilidzi Marwala	0/5	0/2		0/5		0/0					
25. Prof Leonard Masu	4/5										

NAME	COUNCIL	EXCO	IC	CRC	ARC	EC	TRANS	ESGB	FI&ST	IAC	SAC
REGISTERED PERSONS											
26. Mr Onkgopotse Leburu	4/5			1/5						3/3	
27. Dr Keith Jacobs	3/5	2/2		5/5				3/4		2/3	
28. Mr Kanak Mistry	5/5			1/5							
29. Mr Richard Jennings	5/5										2/2
30. Mr Dirk van Niekerk	5/5									3/3	
31. Mr Camagu Soga	4/5								1/2		1/2
32. Mr Mongezi Gxamza	5/5										
33. Mr Adrian Michael Peters	4/5	1/2	2/3								
34. Mr Lungile Dhlamini	3/5				0/3		0/2		2/2		
35. Mr Willem Schalk Brand Burger	3/5										
36. Dr Beason Litungilu Mwaka	5/5										
37. Mr Samuel Stephanus Jacobs	4/5		3/3								
38. Ms Tebogo Phiri	1/5										
39. Mr Nqandela	3/5				1/2		1/2				
40. Mr Thompson Boy Maswan-ganyi	5/5										
41. Mr Rashid Patel	1/5										
42. Dr Anirood Singh	5/5		2/3							3/3	2/2
43. Mr Mphikeleli Jele	4/5										
44. Mr Lemias Mashile	1/5						2/2				2/2
45. Ms Trustworthy Zuma	5/5										
46. Dr Nomzamo Tutu	5/5	1/2					2/2				0/2
47. Mt Mthethunzima Thunzi	5/5			5/5							
48. Ms Nelisiwe Veronica Barbara Magubane	4/5	0/2			3/3						
49. Mr Seutloali Makhetha	0/5										
50. Mr Melusi Mofokeng	4/5			4/5	3/3					2/3	

20. High Impact Committee Members

Name of committee: EXCO

Table 30: Number of committee members: 11

No.	Name of committee member	No. of meetings held	No. of meetings attended
1.	Mr C V Gamede	2	1
2.	Mr A M Peters	2	1
3.	Ms R A Botha	2	2
4.	Mr Y Brijmohan	2	2
5.	Dr K I Jacobs	2	2
6.	Ms N V B Magubane	2	0
7.	Prof T Marwala	2	0
8.	Dr Z T Mathe	2	1
9.	Mr R J Moloisane	2	2
10.	Mr K K Nyangoni	2	0
11.	Dr N Tutu	2	1

Name of committee: Investigating Committee (IC)

Table 31: Number of committee members: 17

No.	Name of committee member	No. of meetings held	No. of meetings attended
1.	Mr A M Peters	3	2
2.	Mrs R A Botha	3	3
3.	Mr A D Aimer	3	3
4.	Mr D Argyrakis	3	0
5.	Mr G Barbic	3	0
6.	Prof W M G Burdzik	3	2
7.	Dr P W Day	3	2
8.	Mr R Forbes	3	3
9.	Mr S S Jacobs	3	3
10.	Mr T N Maphumulo	3	2
11.	Mr B P Petlane	3	3
12.	Mr K Schwartz	3	2
13.	Dr A Singh	3	2
14.	Ms S Skorpen	3	2
15.	Mr T J Tshikundamalema	3	3
16.	Mrs E M Visser	3	3
17.	Mr P Zingeni	3	3

Name of committee: Central Registration Committee (CRC)

Table 32: Number of committee members: 18

No.	Name of committee member	No. of meetings held	No. of meetings attended
1.	Dr Z T Mathe	5	4
2.	Mr R J Moloisane	5	3
3.	Mr L Beech	5	4
4.	Mr K Chanikuli	5	4
5.	Mr P M Erasmus	5	4
6.	Ms M Hughes	5	4
7.	Dr K I Jacobs	5	5
8.	Mr S J Kloppers	5	4
9.	Mr O L Leburu	5	1
10.	Mr ON Letsholo	5	2
11.	Mr D Liebenberg	5	4
12.	Mr T C Madikane	5	5
13.	Prof T Marwala	5	0
14.	Mr K Mistry	5	1
15.	Mr M M G Mofokeng	5	4
16.	Ms G N Nxumalo	5	0
17.	Mr S Singh	5	5
18.	Mr M Thunzi	5	5

Name of committee: Audit, Risk and Compliance Committee

Table 33: Number of committee members: 7

No.	Name of committee member	No. of meetings held	No. of meetings attended
1.	Ms N V B Magubane	3	3
2.	Mr M A Ngcobo	3	2
3.	Mr M M G Mofokeng	3	3
4.	Mr L Dhlamini	3	0
5.	Mr L Mpambani	3	1
6.	Mr A Singh	3	0
7.	Mr N Nqandela	2	1

Name of committee: Finance and Staff Committee

Table 34: Number of committee members: 6

No.	Name of committee member	No. of meetings held	No. of meetings attended
1.	Mr K K Nyangoni	2	1
2.	Mr C Soga	2	1
3.	Ms R A Botha	2	2
4.	Mr L Dhlamini	2	2
5.	Ms T Nkambule	2	2
6.	Ms P Mangakane	2	1

Name of committee: International Affairs Committee (IAC)

Table 35: Number of committee members: 13

No.	Name of committee member	No. of meetings held	No. of meetings attended
1.	Mr R J Moloisane	3	3
2.	Mr M M G Mofokeng	3	2
3.	Mr Y Brijmohan	3	2
4.	Prof A Geertsema	3	1
5.	Ms S Gourrah	3	1
6.	Mr D T Grobler	3	3
7.	Prof H Hanrahan	3	3
8.	Dr K I Jacobs	3	2
9.	Mr O L Leburu	3	3
10.	Mr T C Madikane	3	3
11.	Mr S Schoombile	3	3
12.	D A Singh	3	3
13.	Mr D J van Niekerk	3	3

Name of committee: Education Committee (EC)

Table 36: Number of committee members: 10

No.	Name of committee member	No. of meetings held	No. of meetings attended
1.	Prof T Marwala	0	0
2.	Prof B Lacquet	0	0
3.	Prof T Andrew	0	0
4.	Prof A Geertsema	0	0
5.	Ms S Gouurah	0	0
6.	Prof H Jeffery	0	0
7.	Prof J H Knoetze	0	0
8.	Dr N Luruli	0	0
9.	Mr R J Moloisane	0	0
10.	Prof K Naidoo	0	0

Name of committee: Transformation Committee (TC)

Table 37: Number of committee members: 10

No.	Name of committee member	No. of meetings held	No. of meetings attended
1.	Dr N Tutu	2	2
2.	Mr L Mashile	2	2
3.	Mr L T Dhlamini	2	0
4.	Dr D R Mkhize	2	1
5.	Dr Z T Mathe	2	1
6.	Ms T Nkambule	2	1
7.	Mr N Nqandela	2	1
8.	Mrs A M Sassenberg	2	2
9.	Mr N P van den Berg	2	2
10.	Mr C Koopman	1	1

Name of committee: Strategic Advisory Committee (SAC)

Table 38: Number of committee members: 14

No.	Name of committee member	No. of meetings held	No. of meetings attended
1.	Mr Y Brijmohan	2	2
2.	Mr P M Erasmus	2	1
3.	Mr R E Jennings	2	2
4.	Mr L Mashile	2	2
5.	Mr R J Moloisane	2	2
6.	Mr T C Madikane	2	2
7.	Mr P S Moncur	2	1
8.	Mr N Myataza	2	2
9.	Mr T Nkambule	2	1
10.	Mr T Pillay	2	1
11.	Dr A Singh	2	2
12.	Mr C M Soga	2	1
13.	Prof F Sodi	2	0
14.	Dr N Tutu	2	0

Name of committee: Engineering Standards Generating Body (ESGB)

Table 39: Number of committee members: 12

No.	Name of committee member	No. of meetings held	No. of meetings attended
1.	Dr K I Jacobs	4	3
2.	Prof B van Wyk	4	2
3.	Mr R Mohring	4	0
4.	Dr T Stidworthy	4	4
5.	Mr D T Grobler	4	4
6.	Mr P Erasmus	4	4
7.	Mr P Moncur	4	3
8.	Prof B Collier-Reed	4	4
9.	Mr R J Moloisane	4	1
10.	Prof A Geertsema	4	2
11.	Mr L Beech	4	2
12.	Prof K Naidoo	4	1

21. Remuneration of Council Members

Table 40:: Remuneration of Council Members

No.	Name	Honorarium	Travel	Reimbursable	Total
1	Botha RA	41 820,00	8 096,43	0,00	49 916,43
2	Brijmohan Y	0,00	0,00	2 572,49	2 572,49
3	Burger WSB	0,00	3 942,00	0,00	3 942,00
4	Dhlamini LT	9 050,00	902,28	0,00	9 952,28
5	Erasmus PM	189 330,00	39 739,74	1 042,00	230 111,74
6	Gamede VC	0,00	0,00	6 244,77	6 244,77
7	Greenwood K	8 160,00	1 813,32	0,00	9 973,32
8	Gxamza M	0,00	0,00	0,00	0,00
9	Jacobs KI	119 320,00	1 843,98	240,00	121 403,98
10	Jacobs SS	2 040,00	0,00	80,00	2 120,00
11	Jele Me	6 120,00	919,80	184,90	7 224,70
12	Jennings R	12 240,00	473,04	0,00	12 713,04
13	Lacquet BM	12 240,00	297,84	0,00	12 537,84
14	Lawless A	21 465,00	1 541,76	0,00	23 006,76
15	Leburu O L	130 560,00	113 442,00	0,00	244 002,00
16	Magubane N	6 120,00	3 188,64	0,00	9 308,64
17	Makhetha S	0,00	0,00	0,00	0,00
18	Mangakane P	38 460,00	7 200,72	0,00	45 660,72
19	Maphumulo TP	44 685,00	11 217,18	0,00	55 902,18
20	Marwala T	0,00	0,00	0,00	0,00
21	Masu MI	6 120,00	2 733,12	0,00	8 853,12
22	Mashile LB	10 200,00	3 504,00	0,00	13 704,00
23	Maswanganyi TB	9 050,00	11 037,60	687,50	20 775,10
24	Matthee DN	6 120,00	3 188,64	0,00	9 308,64
25	Mathe ZT	8 985,00	1 752,00	0,00	10 737,00
26	Mistry KC	15 300,00	6 832,80	0,00	22 132,80
27	Mofokeng MMG	20 335,00	6 132,00	0,00	26 467,00
28	Moloisane RJ	145 015,00	50 383,14	5 379,33	200 777,47
29	Myataza NM	8 160,00	0,00	0,00	8 160,00
30	Ngcobo MA	39 000,00	73 978,20	1 287,00	114 265,20
31	Nkambule T	0,00	748,98	175,00	923,98
32	Nqandela N	6 120,00	876,00	0,00	6 996,00
33	Nyangoni K	15 300,00	1 384,08	0,00	16 684,08
34	Padayachee Saman M	29 280,00	613,20	0,00	29 893,20
35	Patel R	2 040,00	70,08	0,00	2 110,08
36	Peters Am	39 455,00	4 467,60	3 518,50	47 441,10
37	Petlane BP	11 220,00	2 146,20	0,00	13 366,20
38	Phiri T	1 020,00	385,44	0,00	1 405,44
39	Sassenberg A	19 380,00	0,00	33 799,42	53 179,42
40	Singh AJ	36 660,00	2 750,64	0,00	39 410,64
41	Stuurman CP	80 255,00	11 734,02	1 990,86	93 979,88
42	Thunzi M	44 880,00	5 632,68	0,00	50 512,68
43	Tutu N	12 240,00	0,00	0,00	12 240,00
44	Van Den Berg NP	3 060,00	0,00	0,00	3 060,00
45	Van Niekerk DJ	155 570,00	58 048,14	2 419,85	216 037,99
46	Van Wyk BJ	1 020,00	613,20	0,00	1 633,20
47	Zitha TM	10 200,00	2 369,58	0,00	12 569,58
48	Zuma TM	8 160,00	919,80	80,00	9 159,80
		1 385 755,00	446 919,87	59 701,62	1 892 376,49

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22. Risk Management

Below are the risks that were identified during the 2015/16 financial year. The same risks largely presents as a threat to the business. Management put in place plans to manage the identified risks so that they do not escalate to a catastrophic levels.

Table 41:

No.	Risk	Risk Category	Risk Descriptor	Impact	Likelihood	Residual Risk	Risk Rating	Action Strategies/ Status
1.	Insufficient number of trained assessors	Human	There are an insufficient number of trained assessors of applications	3.00	3.30	9.90	Medium	81 assessors were trained against a target of 270. Management will continue to train assessors for both paper based and online assessment.
2.	Insufficient financial resources	Financial	Reduced income as registered persons cancel their registration	3.0	3.0	9	Medium	A retention strategy was developed but not yet implemented. It will be implemented during the 2016/17 financial year.
3.	Inadequate processes and procedures	Operational	The risk of loss resulting from inadequate or failed internal processes and non-adherence to procedures	3.50	3.00	10.50	Medium	An implementation plan to develop the quality management systems has been finalized. The actual development will commence during the 2016/17 financial year.
4.	Inadequate stakeholder support and cooperation	Strategic	There is no effective stakeholder engagement, i.e. the process by which ECSA involves people who may be affected by the decisions it makes or can influence the implementation of its decisions	3.0	3.0	9	Medium	During the year under review ECSA hosted a very successful stakeholder engagement process for the New Registration system (NRS). Management collated challenges expressed by registered person and are working towards finding possible solutions in response to the challenges.
5.	Shortage of experts in engineering	Human	There is an ongoing shortage of engineering specialists to meet the demand	3.30	3.20	10.56	Medium	Council has embarked on a process to develop specified categories of registration to broaden the registration scope. Policies in this regard are finalized. Registration of new specified categories will commence on approval by Council.
6.	Lack of buy in by qualified candidates in new specified categories of registration	Operational	Potential unwillingness to pay similar fees as the existing ECSA membership	4	3	12	Medium	An action plan is being develop to mitigate the risk.
7.	Inadequate business continuity processes	Operational	No plan to continue business operations in the event of a major disruption (such as fire or power failure) to ECSA's operations	3.20	3.20	10.24	Medium	ECSA is currently conducting feasibility studies in order to develop a fully-fledged Business Continuity Plan.
8.	Lack of automated systems for statutory functions	Operational	Outdated IT system and controls for capturing member's data.	3.70	3.60	13.32	High	Procurement is underway to consolidate the IT infrastructure. And plan to launch phase 1 by March 2017
9..	Outdated enabling legislation	Governance	The current legislation is not fit for purpose and needs reviewing	3.50	3.80	13.3	High	ECSA awaits the Minister of Public Works to trigger the process as per his plan.
10.	Lack of succession planning	Governance	Insufficient succession planning and knowledge sharing in key positions poses a risk to ECSA's sustainability and business continuity	3.80	3.70	14.06	High	Management is in the process to develop a sound HR strategy that will address succession planning.
11.	Inappropriate structure and governance arrangements	Governance	The current structure and governance arrangements are inappropriate as they do not enable ECSA to deliver services well, meet the organisational objectives and achieve sustainable outcomes.	3.20	3.60	11.52	Medium	Administration is in the process of reviewing ECSA governance structures. A draft for discussion in place and will be abled during the third quarter of 2016/17 financial year to Council for approval.
12.	Lack of a sustainable financial model	Financial	Main revenue source (80% from membership fees) does not guarantee ECSA's viability	3.90	3.70	14.43	High	A sustainability model has been developed in is the early stages of implementation.
13.	Inadequate ECSA awareness by the public	Strategic	There is limited knowledge of ECSA and its activities by the broader public	3.50	3.30	11.55	Medium	Management continue to implement its brand strategy.
14.	Weak value proposition	Strategic	Reduced income due cancellation of registration because of the perceived lack of membership value	3.30	3.40	11.22	Medium	ECSA value proposition is embedded in the corporate strategy

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No.	Risk	Risk Category	Risk Descriptor	Impact	Likelihood	Residual Risk	Risk Rating	Action Strategies/ Status
15.	Lack of efficient registration processes	Operational	Long turnaround times for both registration and refusals are currently experienced	4.0	3.5	14.0	High High	Investigate and implement a streamlined and efficient registration process.
16.	Non-compliance with policies, procedures and regulations	Legal	The organization has not implemented the necessary systems and processes (including the relevant compliance management plans) within the business to ensure the meeting of compliance obligations	3.40	3.10	10.54	Medium	The Delegation of Authority was developed and is in the early stages of implementation. In addition the Quality Management System are being developed.

23. Internal Audit, Risk and Compliance Committee

Internal Audit work done in the 2015/16 financial year

Table 42:

Item	Audit Process	Status of Audit
1	Supply Chain management review	The audit was completed and the report presented to the Audit Risk Committee in July 2015.
2	Registration follow-up review	The audit was completed and the report presented to the Audit Risk Committee in October 2015.
3	Audit of Performance Information 4th quarter review	The audit was completed and the report presented to the Audit Risk Committee in October 2015.
4	Education processes review	The audit was completed and the report presented to the Audit Risk Committee in February 2016.
5	Marketing and Strategic Stakeholder Management review.	Management requested to prioritise the audit of Performance Information (AoPI) instead of this review. The AoPI commenced 25 April 2016. The report still has to be presented.

The ARC has the following responsibilities:

24. Key Activities and Objectives of the Internal Audit

I. Integrated reporting

The Committee oversees integrated reporting, and in particular the Committee must:

a. Give regard to all factors and risks that may impact on the integrity of the integrated report, including factors that may predispose management to present a misleading picture, significant judgments and reporting decisions made, monitoring or enforcement actions by a regulatory body, any evidence that brings into question previously published information, and forward-looking statements or information;
b. Review the annual financial statements;
c. Comment in the annual financial statements on the financial status, the accounting practices and the effectiveness of the internal financial controls;
d. Review the disclosure of sustainability issues in the integrated report to ensure that it is reliable;
e. Recommend to Council the engagement of an external assurance provider on material sustainability issues; and
f. Recommend the integrated report for approval by the Council.

24. Key Activities and Objectives of the Internal Audit (Cont.)

II. Combined assurance

The Committee ensures that a combined assurance model is applied to provide a coordinated approach to all assurance activities, and in particular the Committee must:

a. Adopt and apply an internationally Combined Assurance Framework;
b. Make sure that the combined assurance received is appropriate to address all the significant risks facing the organisation; and
c. Monitor the relationship between the external assurance providers and the organisation.

III. Governance and compliance

The Committee is responsible for overseeing governance and compliance and must:

a. Ensure compliance to the prescripts of the PFMA;
b. Establish an Ethics Committee;
c. Monitor the application of good governance principles by ECSA;
d. Monitor the progress of governance implementation plans; and
e. Review and monitor the process in place to ensure that ECSA complies with all relevant legal and statutory requirements.

IV. Internal audit

The Committee is responsible for overseeing the internal audit, and in particular the Committee must:

a. Have input into the appointment, performance assessment and/or dismissal of the Internal Auditor;
b. Approve the Annual Internal Audit Plan; Evaluate the performance of the internal audit function;
c. Evaluate the performance of the internal audit function
d. Ensure that the internal audit function is subject to an independent quality review, as and when the Committee determines it appropriate; and
e. Receive and oversee internal audit results and recommendations.

V. Risk management

The Committee is an integral component of the risk management process and specifically the Committee must:

a. Adopt and apply an internationally accepted Risk Management Framework;
b. Oversee the development and annual review of a policy and plan for risk management to recommend for approval to the Council;
c. Monitor implementation of the policy and plan for risk management through risk management systems and processes;
d. Monitor the dissemination of the risk management plan throughout the organisation, and integration into the day-to-day activities of the organisation;
e. Ensure that risk management assessments are performed on a continuous basis;
f. Ensure that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks;
g. Ensure that management considers and implements appropriate risk responses;
h. Ensure that continuous risk monitoring by management takes place;
i. Express the Committee's formal opinion to the Council on the effectiveness of the system and process of risk management; and
j. Review reporting concerning risk management that is to be included in the integrated report for timeliness, completeness and relevance.

VI. External audit

The Committee is responsible for recommending the appointment of the external auditor and to oversee the external audit process. In this regard the Committee must:

a. Nominate the external auditor for appointment by the Council;
b. Approve the terms of engagement and remuneration for the external audit engagement;
c. Monitor and report on the independence of the external auditor in the annual financial statements;
d. Define a policy for non-audit services provided by the external auditor;
e. Pre-approve the contracts for non-audit services to be rendered by the external auditor; and
f. Review the quality and effectiveness of the external audit process.

25. Compliance with Laws and Regulations

NRS roadshows where conducted to comply with Section 36 of the EPA for public consumption.

26. Fraud and Corruption

ECSA has developed a Fraud Prevention Policy which was approved by Council on 24 March 2016, the next step will be to implement this policy before a Fraud Hotline service supplier is appointed.

27. Preventing Conflict of Interest

ECSA established a supply chain office during the previous financial year in order to be aligned to best practice in procurement processes. Below is a brief description of the processes implemented to minimise conflict of interest in supply chain management.

1. SCM Policy requires that any official who participates in procurement processes such as BEC/BAC members must complete a "conflict of interest" declaration and confidentiality agreement prior to the commencement of the evaluation/adjudication process. No official who has an interest (or whose relative or friend has an interest) in a particular offer will be allowed to participate in the evaluation, consideration and adjudication of the relevant tender/bid or quotes.
2. Bidders are expected to complete a "Declaration of interest questionnaire" (SBD 4 Form) whenever they compete for a tender, this is for the bidder to indicate if there is a conflict of interest or not.
3. SCM Officials always observe segregation of duties (where one official cannot start a transaction until the final stage) whenever they do transactions either electronically or manually. For example, the Procurement system does not allow an SCM officer to capture requisition, request quotes and issue a purchase order-different officials are required to do transactions between the processes. Furthermore, the suppliers database system automatically and randomly selects suppliers for quotations. SCM Delegation of authority regulates approval powers of officials as per prescribed thresholds.
4. The Lexis system assisting in the checking of registered owners/shareholders of service providers has proved to work well, but the licence will not be renewed in 2016/17. A similar service, free of charge, is being supplied by National Treasury.

28. Code of Conduct

Key Function:

The Engineering Profession Act, 46 of 2000 (the EPA) enjoins ECSA to refer matters relating to improper conduct by a registered person to an Investigating Committee (IC) appointed by ECSA.

The IC, through delegated powers from Council, investigates matters to determine breaches of the Code of Conduct.

Investigation of Complaints

Key Function:
Complaints of improper conduct lodged against registered persons, or incidents regarding engineering related activities that may indicate improper conduct by registered persons are investigated. The Legal Services Unit of ECSA manages these investigations through the IC. The IC is mandated to investigate matters and to obtain evidence to determine whether or not, in its opinion, a registered person may be charged for breach of the Code of Conduct and, if so, to prefer the charge or charges against that registered person. The IC furthermore endeavors to determine trends, and initiate preventative steps, regarding unprofessional conduct. To this end, it conducts peer counseling meetings, issues advisory letters and generates practice notes.

The investigating of complaints and subsequent action against the registered person involved is focused on the enhancement of public safety, safeguarding the image of the profession and maintaining professional standards. A comparative summary of investigations over the past four years is provided in the table below:

ECSA Investigations: Comparative Chart

Table 43:

Number of Matters	2015-2016	2014-2015	2013-2014	2012-2013
Complaints received for investigation	42	40	58	35
Complaints carried over from the previous reporting period	42	38	33	37
Complaints finalised after investigation	23	45	44	42
Disciplinary hearings concluded	24	8	3	12
Peer Counselling meetings held	1	4	2	2
Advisory Letters Issued	1	2	3	1

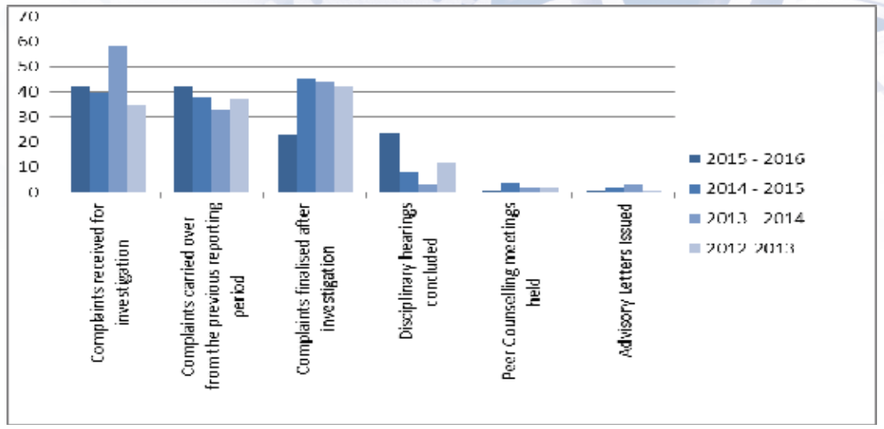

Figure 15:

Steps to prevent improper conduct

The Rules for Inquiry into Alleged Improper Conduct, Board Notice 171of 2011 (Method of Inquiry) is currently under review. The revised Method of Inquiry will be published by September 2016. The Method of Inquiry is revised annually.

Amendments to the Code of Conduct

The Code of Conduct for Registered Person, Board Notice 256 of 2013 is currently under review. The revised Code of Conduct would be published by September 2016.The Code of Conduct is revised annually.

29. Social Responsibility

Sakhimfundo Trust:

To increase the public interest in the engineering sector ECSA has an implementation wind of its socio-economic programmes and to provide support to aspiring future engineers. ECSA has the Sakhimfundo Trust an independent body that is entrusted and embraced by Council to maximise ECSA's effort to provide financial support in the form of bursaries to deserving poor students in various engineering disciplines.

In 2015/16, we saw the continuation of a tripartite partnership between ECSA, the University of Johannesburg (UJ), and Gauteng Department of Infrastructure Development (GDID) with the latter continuing to provide support.

30. Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2016.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 51 (1) (a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the public entity revealed certain weaknesses, which were then raised with the public entity.
The following internal audit work was completed during the year under review:

- Supply Chain Management review
- Registration Process Follow-up review
- 2014/15 Audit of Performance Information 4th Quarter
- Education Processes review
- 2015/16 Audit of Performance Information 4th Quarter – This audit replaces the initially approved Marketing and Strategic Stakeholder Management Review, at the request of management to prioritise this audit and with the approval of the Audit and Risk Committee.

The following were areas of concern:

- Supply Chain Management – controls within SCM were found to be inadequate and ineffective as 67% of findings were deemed to be of high risk and impact within the SCM function. The findings were attributed to the ineffectiveness of controls opposed to inadequacy, and these include deviations from the set SCM policy prescripts, system inefficiencies, inadequate planning and review of tender specifications and terms of reference
- Registration Department - Slow progress in the implementation of controls and agreed management action plans with regards to the previously raised audit findings was noted. Out of 13 findings initially reported, 6 were satisfactorily resolved, 2 partially resolved and 5 remained unresolved. Of the 7 findings either partially resolved or unresolved, 5 were rated high risk and 2 medium risk.
- 2014/15 Audit of Performance Information – there were discrepancies between the performance targets that management reported as achieved in the performance report, against what internal audit verified. This was mainly due to lack of and insufficient, supporting documentation to evidence the achievement of the reported targets. A total of 77 performance targets were reviewed, management had reported 23 targets as achieved and Internal Audit confirmed only 15 as achieved, 21 targets as not achieved and 41 were not reported on.

- Education Department – controls with the Education Department were found to be inadequate and ineffective overall. Control weaknesses were noted around the appointment of the education committee, poor management of the evaluation process, lack of audit trail to monitor progress made for evaluations of qualifications, lack of turnaround times for evaluation of applications, applicants' information not timeously updated and applications for evaluation files not kept in a fireproof cabinet amongst others.
- 2015/16 Audit of Performance Information - there were discrepancies between the performance targets that management reported as achieved in the performance report, against what internal audit verified. This was mainly due to lack of and insufficient, supporting documentation to evidence the achievement of the reported targets. A total of 34 performance targets were reviewed, management had reported 26 targets as achieved and Internal Audit confirmed only 13 as achieved and 21 not achieved, against 8 that management had reported.

In-Year Management and Monthly/Quarterly Report

The public entity has reporting monthly and quarterly to the Treasury as is required by the PFMA.

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the public entity.

Auditor's Report

We have reviewed the entity's implementation plan for audit issues raised in the prior year and we are not entirely satisfied that the matters have been adequately resolved, within the registration department as well as the audit of performance information areas (which were the only areas audited in consecutive years).

The internal control environment at ECSA appears to be inadequate and ineffective within the areas reviewed. Where areas of non-compliance or ineffective controls were highlighted, management has put in place action plans to address the weaknesses, which should be monitored on an ongoing basis to ensure sustainability of implemented controls and to maintain an effective internal control environment overall.

The Audit Committee concurs and accepts the conclusions of Pricewaterhouse Coopers Inc. on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of Pricewaterhouse Coopers Inc.

Ms Nelisiwe Veronica Barbara Magubane
Chairperson of the Audit, Risk and Compliance Committee
ECSA

Part D

Human Resource Management

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Honourable Minister Nxesi, representatives of Council, dignitaries and some of ECSA staff members at the strategic plan.

31. Overview of Human Resources

Learnership Programme

One of ECSA's social upliftment focus areas is the employment of young previously disadvantaged graduates in the internship programme. The programme cuts across all disciplines within the administration function. Interns are employed on a one (1) year contract where they get exposure to the working environment and discipline specific work experience.

For the period under review, five (5) interns were employed, with three (3) placed in Corporate Services (Finance) and two (2) in Strategic Services.

Performance Management

Management and employee engagement continued in order to educate and inculcate a performance management culture. External professional advisers were involved in the continuous education and clarity on KPA's and KPI's and focused individual development planning.

Employee Wellness

The ECSA Wellness Programme continued to offer employee well-being programmes and interventions. ECSA employees and immediate family have access to a 24 hour personal support service in areas including but not limited to substance abuse, health issues, work related issues, family matters and stress.

Unveiling of the ECSA Strategy and Team Building

In October 2015, the entire staff and some members of the Executive Committee of the Council attended the unveiling event of the ECSA strategy in Stellenbosch, Western Cape. Coupled to this occasion, was the staff team building intervention conducted in sessions throughout during the three days.

The strategy unveiling event was attended by the Honourable Minister of Public Works, Mr Thulas Nxesi, as a keynote speaker together with the Chairman and the CEO of the Engineering Council of Zimbabwe, Engineers Martin Manhuwa and Ben Rafemoyo, respectively. In his address of accepting the strategy and the annual performance plan, the Minister conveyed his appreciation of ECSA's efforts to transform the environment and mentioned that this was indeed a memorable and historical occasion.

The team building sessions were facilitated by a professional external provider, Mr Linda Ntuli, who highlighted the importance of introspection, individual contribution and collaboration in the workplace. He also emphasised the need for self-empowerment and excellence for the greater good of the ECSA.

Human Resources Focus Areas

The key focus areas for the 2016/2017 performance cycle include the following:

- Exploitation of existing Human Resources systems and line manager empowerment;
- Holistic review of Human Resources policies;
- Enhanced organisational performance and development;
- Compliance with the Employment Equity Act;
- Standardised and aligned conditions of employment.

32. Human Resource Oversight Statistics

Personnel Cost by Salary Band

Table 44:

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	1 717 350.00	4.82	1	1 717 350.00
Senior Management	5 221 190.99	14.66	4	1 305 297.75
Professionally Qualified	7 077 431.32	19.87	9	786 381.26
Skilled	17 822 758.58	50.04	48	371 307.47
Semi-skilled	3 770 443.36	10.61	18	209 969.08
Unskilled	0	0	0	0
TOTAL	35 618 175.25	100.00	80	445 227.19

Performance Rewards – Complete Personnel Expenditure in Rand Value

Table 45:

Personnel Categories	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	137 388.00	1 707 350.00	8.05
Senior Management	55 137.50	1 203 000.00	4.58
Professionally Qualified	294 769.09	5 138 924.32	5.74
Skilled	770 150.19	14 019 407.58	5.49
Semi-skilled	175 024.73	3 684 066.36	4.75
Unskilled	0	0	0
TOTAL	1 432 469.51	25 752 748.26	5.56

Training Costs

Table 46:

Programme// activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of empl-oyees trained	Avg training cost per employee
Purco Delegate	428 000.00	6 500.00	1.52	1	6 500.00
Catering	146 649.00	5 999.00	4.09	1	5 999.00
Training	355 052.04	995.00	0.28	1	995.00
Payroll Systems	440 175.00	1 700.00	0.39	1	1 700.00
Workshop/ Seminar	651 437.04	7 035.00	1.08	1	7 035.00
Staff Training	146 649.00	12 000.00	2.73	3	4 000.00
HR Seminar	565 000.00	3 300.00	0.58	2	1 650.00
Tax Seminar	440 175.00	1 767.00	0.40	1	1 767.00
Interviewing Skills and Techniques	701 212.96	3 534.00	0.50	2	1 767.00
Catering for Training		1 197.00			
Business Writing Training Course	355 042.44	33 642.00	0.43	22	1 529.18
Finance for Non-Financial Managers	1 717 350.00	7 068.00	0.41	1	7 068.00
Emotional Intelligence	203 043.00	11 286.05	0.69	8	1 410.76
Annual Labour Law Seminar	480 000.00	1 650.00	0.34	1	1 650.00
Best practice in PR & Communications	360 590.04	12 538.86	3.48	1	12 538.86
Tax Specialist Seminar	1 432 733.21	2 576.32	0.18	1	2 576.32
Excel Training	303 393.96	3 887.40	1.28	1	3 887.40
Excel and Word Training	303 393.96	3 410.00	1.12	1	3 410.00
Security Summit Conferenced	651 437.04	8 019.90	1.23	1	8 019.90
OHS First Aid Training	203 043.00	13 495.00	1.11	6	2 249.00
OHS Evacuation Drill Training	203 043.00	13 495.00	1.11	6	2 249.00

Employment and Vacancies

Table 47:

Programme/activity/ objective	2015/2016 No. of Employees	2015/2016 Approved Posts	2015/2016 No. of Employees	2015/2016 Vacancies	% of vacancies
Top Management	1	1	1	0	0
Senior Management	4	4	4	0	0
Professionally Qualified	9	10	9	1	10
Skilled	48	48	48	0	0
Semi-skilled	18	18	18	0	0
Unskilled	0	0	0	0	0
TOTAL	80	81	80	1	1

Employment Changes

Table 48:

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	1	0	1
Senior Management	3	1	3	1
Professionally Qualified	6	3	1	9
Skilled	48	5	5	48
Semi-skilled	18	2	2	18
Unskilled	0	0	0	0
TOTAL	76	12	11	77

Reasons for Staff Leaving

Table 49:

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	10	91%
Dismissal	1	9%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
TOTAL	11	100%

Misconduct and Disciplinary Actions

Table 50:

Reason	Number
Verbal Warning	3
Written Warning	1
Final Written warning	1
Dismissal	1

Employment Equity (Male)

Table 51:

Level	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	0	0	0	0	0
Senior Management	2	0	0	0	0	0	1	0
Professionally Qualified	3	0	0	0	0	0	1	0
Skilled	13	0	2	0	1	0	0	0
Semi-skilled	5	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	24	0	2	0	1	0	2	0

Employment Equity (Female)

Table 52:

Level	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	0	0	0	0
Professionally Qualified	5	0	0	0		0	0	0
Skilled	20	0	2	0	5	0	5	0
Semi-skilled	11	0	2	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	37	0	4	0	5	0	5	0

Employment Equity (Disabled)

Table 53:

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professionally Qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	0	0	0

Part E
Financial Information

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Published 25 August 2016

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Council's Responsibilities and Approval

The Council, although not recognised by National Treasury as a Public Entity, chooses to follow the requirements of the Public Finance Management Act (Act 1 of 1999) in maintaining adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Council to ensure that the annual financial statements fairly present the state of affairs of the Council as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Council acknowledges that they are ultimately responsible for the system of internal financial control established by the Council, and place considerable importance on maintaining a strong control environment. To enable the Council to meet these responsibilities, the Council sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Council and all employees are required to maintain the highest ethical standards in ensuring the Council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Council is on identifying, assessing, managing and monitoring all known forms of risk across the Council. While operating risk cannot be fully eliminated, the Council endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Council is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not bsolute, assurance against material misstatement or deficit.

The Council has reviewed the Council's cash flow forecast for the year to 31 March 2017 and, in the light of this review and the current financial position, they are satisfied that the Council has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Council's annual financial statements. The annual financial statements have been examined by the Council's external auditors and their report is presented on page 116.

The annual financial statements set out on pages 118 to 148 which have been prepared on the going concern basis, were approved by the Council on 25 August 2016 and were signed on its behalf by:

Mr CV Gamede
President Chief

Mr SE Madonsela
Executive Officer

Council's Report

The Council submits their report for the year ended 31 March 2016.

1. Review of activities

Main business and operations

The Engineering Council of South Africa (ECSA) is established in terms of the Engineering Profession Act (No. 46 of 2000). The Act empowers ECSA to perform the following functions, in order to protect the health and safety of citizens and the environment from the risks associated with engineering work:

- Set standards for engineering education and professional competency;
- Accrediting engineering education programmes, offered by public and private providers, that meet with the educational requirements for registration in the various categories;
- Register persons in professional categories who demonstrates competency against the standards for the categories;
- Evaluate educational qualifications that are not already accredited or recognised;
- Register persons who meet educational requirements in candidate categories;
- Establish specified categories of registration to meet specific health and safety licensing requirements and registered persons in these categories;
- Require registered persons to renew registration at intervals and under conditions that the Council prescribes;
- Enter international agreements for the recognition of educational programmes and registration;
- Develop and maintain a code of conduct, supported where necessary by codes of practice;
- Investigate complaints of improper conduct against registered persons and conduct enquiries and impose sanctions as each case requires;
- Recognise Voluntary associations;
- Recommend to the Council for the Built Environment (CBE), ECSA's identification of the type of the engineering work which may be performed by persons registered in any category.

The operating results and state of affairs of the Council are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Address
1st Floor Waterview Corner Building
2 Ernest Oppenheimer Avenue
Bruma Lake Office Park
Johannesburg
2198

2. Going concern

We draw attention to the fact that at 31 March 2016, the Council had accumulated surpluses of R 36,867,863 (2015: R28,695,340) and that the Council's total assets exceed its liabilities by R 36,867,863 (2015: R28,695,340).

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Subsequent events

The Council is not aware of any matter or circumstance arising since the end of the financial year that could have a material effect on the financial statements.

Council's Report

4. Council members

The Council members of the organisation during the year and to the date of this report are as follows:

Mr CV Gamede (President)
Mr A Peters
Mr RA Botha
Mr Y Brijmohan
Mr WSB Burger
Mr LT Dhlamini
Mr PM Erasmus
Mr K Greenwood
Mr M Gxamza
Dr KI Jacobs
Mr SS Jacobs
Mr ME Jele
Mr RE Jennings
Prof. BM Lacquet
Dr A Lawless
Mr OL Leburu
Ms NVB Magubane
Mr S Makhetha
Ms P Mangakane
Ms TP Maphumulo
Prof. T Marwala
Hon LB Mashile
Prof. ML Masu
Mr T Maswanganyi
Dr ZT Mathe
Mr DN Matthee
Mr KC Mistry
Mr MMG Mofokeng
Mr RJ Moloisane
Dr B L Mwaka
Mr NM Myataza
Mr MA Ngcobo
Mr N Nqandela
Ms T Nkambule
Mr K Nyangoni
Ms M Padayachee-Saman
Mr R Patel
Mr BP Petlane
Ms T Phiri
Mr M Thunzi
Ms AM Sassenberg
Mr AJ Singh
Mr CM Soga
Mr CP Stuurman
Dr N Tutu
Mr NP van Den Berg
Mr DJ van Niekerk
Prof. BJ van Wyk
Ms TM Zuma
Mr MI Zitha

5. Secretary

The duties of a Council secretary of the ECSA are fully fulfilled by the administrative staff. The Engineering Profession Act does not require the ECSA to appoint a dedicated company secretary.

6. Auditors

PricewaterhouseCoopers Inc. will continue in office in accordance with the procurement policy.

7. Legal form

Council.

8. PFMA compliance

The Engineering Council of South Africa strives to be PFMA compliant irrespective of the fact that National Treasury has recently declined to register the Council as a Public Entity. We will be seeking legal opinion on the matter.

INDEPENDENT AUDITOR'S REPORT TO THE ENGINEERING COUNCIL OF SOUTH AFRICA

We have audited the financial statements of the Engineering Council of South Africa set out on pages 118 to 148, which comprise the statement of financial position as at 31 March 2016, and the statements of financial performance, changes in net assets and cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Councils' Responsibility for the Financial Statements
The Council is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Engineering Council of South Africa as at 31 March 2016, and its financial performance and its cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice.

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T: +27 (0) 11 797 4000, F: +27 (0) 11 797 5800, www.pwc.co.za

Other matter
The supplementary information set out on page 149 does not form part of the annual financial statements and is presented as additional information. We have not audited these schedules and accordingly we do not express an opinion thereon.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Roshan Ramdhany
Registered Auditor
Sunninghill
29 August 2016

Statement of Financial Position as at 31 March 2016

	Note(s)	2016 R	2015 R
Assets			
Non-Current Assets			
Property, plant and equipment	4	8,337,937	8,383,728
Intangible assets	5	2,430,275	2,327,564
Investments	6	12,347,620	11,932,256
Net retirement benefit asset	7	8,949,000	2,003,000
		32,064,832	**24,646,548**
Current Assets			
Trade and other receivables	8	6,930,682	5,891,480
Prepayments		207,867	-
Cash and cash equivalents	9	12,170,755	11,194,404
		19,309,304	**17,085,884**
Total Assets		**51,374,136**	**41,732,432**
Liabilities			
Non-Current Liabilities			
Borrowings	10	-	438,660
Current Liabilities			
Borrowings	10	587,704	994,613
Trade and other payables	11	12,371,401	9,958,648
Provisions	12	1,547,168	1,645,171
		14,506,273	**12,598,432**
Total Liabilities		**14,506,273**	**13,037,092**
Net Assets		**36,867,863**	**28,695,340**
Accumulated surplus		36,867,863	28,695,340
Total Liabilities And Net Assets		**51,374,136**	**41,732,432**

Statement of Financial Performance

	Note(s)	2016 R	2015 R
Operating revenue	14	79,734,715	68,764,453
Other income	15	1,815,066	358,118
Total operating revenue		**81,549,781**	**69,122,571**
Total expenses (See notes 16 to 18)		(82,201,333)	(68,862,905)
Operating (deficit)/surplus	**18**	**(651,552)**	**259,666**
Investment revenue	19	6,108,589	4,156,496
Fair value adjustments	28	108,475	968,799
Actuarial gains/(losses)	7	(5,730,000)	7,529,000
Effects of pension fund asset limitation	7	10,417,000	(7,717,000)
Finance costs	20	(2,079,989)	(2,446,799)
Surplus for the year		**8,172,523**	**2,750,162**

Statement of Changes in Net Assets

	Accumulated surplus	Total net assets
	R	R
Balance at 01 April 2014	**23,397,638**	**23,397,638**
Changes in net assets		
Surplus for the year	2,750,162	2,750,162
Reversal of provision	2,547,540	2,547,540
Total changes	5,297,702	5,297,702
Balance at 01 April 2015	**28,695,340**	**28,695,340**
Changes in net assets		
Surplus for the year	8,172,523	8,172,523
Total changes	8,172,523	8,172,523
Balance at 31 March 2016	**36,867,863**	**36,867,863**

Statement of Cash Flows

	Note(s)	2016 R	2015 R
Cash flows from operating activities			
Receipts			
Cash receipts from customers		80,510,579	65,622,744
Investment revenue		6,108,589	4,156,496
Payments			
Cash payments to suppliers		(81,455,324)	(63,590,000)
Finance costs		(2,079,989)	(2,446,799)
Net cash flows from operating activities	**24**	**3,083,855**	**3,742,441**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(866,209)	(621,492)
Proceeds from sale of property, plant and equipment	4	95,815	202,378
Purchase of other intangible assets	5	(184,652)	(705,468)
Net movement in financial assets	6	(306,889)	(214,514)
Net cash flows from investing activities		**(1,261,935)**	**(1,339,096)**
Cash flows from financing activities			
Repayment of borrowings	10	(845,569)	(812,352)
Net cash flows from financing activities		**(845,569)**	**(812,352)**
Net increase/(decrease) in cash and cash equivalents		976,351	1,590,943
Cash and cash equivalents at the beginning of the year		11,194,404	9,603,461
Cash and cash equivalents at the end of the year	**9**	**12,170,755**	**11,194,404**

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
	R	R	R	R	R
Statement of Financial Performance					
Revenue					
Revenue from exchange transactions					
Accreditation visits	1,190,300	-	1,190,300	1,516,568	326,268
Third party contributions	1,190,000	-	1,190,000	1,220,245	30,245
Bad debts recovered	100,000	-	100,000	301,815	201,815
Disciplinary fines	25,000	-	25,000	130,000	105,000
Appeals	-	-	-	8,798	8,798
Other income	63,000	-	63,000	156,261	93,261
Profit on sale of fixed assets	10,000	-	10,000	(2,053)	(12,053)
Total revenue from exchange transactions	**2,578,300**	**-**	**2,578,300**	**3,331,634**	**753,334**
Revenue from non-exchange transactions					
Annual fees	63,473,108	-	63,473,108	68,089,274	4,616,166
Application fees	9,965,401	-	9,965,401	10,128,873	163,472
Total revenue from non-exchange transactions	**73,438,509**	**-**	**73,438,509**	**78,218,147**	**4,779,638**
Total revenue	**76,016,809**	**-**	**76,016,809**	**81,549,781**	**5,532,972**
Expenditure					
Personnel	(36,918,332)	749,283	(36,169,049)	(34,737,844)	1,431,205
Depreciation and amortisation	-	-	-	(982,427)	(982,427)
Finance costs	(114,061)	-	(114,061)	(2,079,989)	(1,965,928)
Lease rentals on operating lease	(559,959)	-	(559,959)	(425,583)	134,376
Debt impairment provision	-	-	-	(11,755,105)	(11,755,105)
Repairs and maintenance	(2,719,000)	-	(2,719,000)	(2,070,997)	648,003
General Expenses	(36,626,748)	(749,283)	(37,376,031)	(32,229,377)	5,146,654
Total expenditure	(76,938,100)	-	(76,938,100)	(84,281,322)	(7,343,222)
Operating deficit	(921,291)	-	(921,291)	(2,731,541)	(1,810,250)
Investment revenue	1,050,000	-	1,050,000	6,108,589	5,058,589
Fair value adjustments	-	-	-	108,475	108,475
Actuarial gains/losses -	-	-	4,687,000	4,687,000	
	1,050,000	**-**	**1,050,000**	**10,904,064**	**9,854,064**
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**128,709**	**-**	**128,709**	**8,172,523**	**8,043,814**

Please refer to note 29 for explanations on material differences .

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rands.

1.1 Changes to accounting policy

The useful life of Furniture and Fixtures and Intangible Assets have been reviewed.

The changes are:

Furniture and Fixtures reviewed to 10 years (2015: 6 years) and; Intangible Assets reviewed to 5 years (2015: 3 years).

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables, loans and other receivables

The Council assesses its trade receivables, loans and other receivables for impairment where there are possible indicators for impairment. In determining whether an impairment loss should be recorded in surplus or deficit, the Council makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, loans and other receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The Council determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Council considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. The assumptions used are consistent with assumptions used in the statutory valuation. However, GRAP 25 requires the valuation to be carried out on a prescribed market value basis and a number of the assumptions therefore differ from those used in the statutory valuation. Valuation rate of interest – GRAP 25 requires rates to be determined by reference to the current market yield of government bonds. The bulk of the liabilities have a short term, whilst one remaining pensioner has a potentially very long remaining outstanding term.

Allowance for doubtful debts

An impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.3 Property, plant and equipment

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of financial performance during the financial period in which they are incurred.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Property, plant and equipment is tested for impairment on an annual basis.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	*Depreciation method*	*Average useful life*
Buildings	Straight line	50 years
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
Computer equipment	Straight line	3 years
Improvements to property	Straight line	10 years

The residual values, the useful lives and depreciation methods of assets are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. During the year the Council changed its accounting estimate with regards to the average useful life of Furniture and Fixtures. The useful life was adjusted from six to ten years. It was furthermore decided that, should the useful life of individual Furniture and Fittings and Motor Vehicles were to exceed its average useful life, a residual value of 10% would be retained for those items.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Property, plant and equipment is assessed for impairment when there are indicators of impairment.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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1.4 Intangible assets

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the entity or from other rights and obligations.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:
:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits or service potential;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is noforeseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date. During the year the Council changed its accounting estimate with respect to the useful life of Intangible Assets. The useful life was amended from three to five years.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets. Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	*Useful life*
Registration system	5 years
Accounting system	5 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount.
It is recognised in surplus or deficit when the asset is derecognised.

1.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

1.5 Financial instruments (continued)

`

Class	*Category*
Cash and cash equivalents	Financial asset measured at amortised cost
Trade and other receivables	Financial asset measured at amortised cost
Investments	Financial asset measured at fair value

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

`

Class	*Category*
Trade and other payables	Financial liability measured at amortised cost
Borrowings	Financial liability measured at amortised cost

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an entity calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

The Engineering Council of South Africa
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Notes to the financial statements

1.5 Financial instruments (continued)

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The entity assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly or by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
  - derecognises the asset; and
  - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

1.5 Financial instruments (continued)

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the South African Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the amounts recognised as an income and the contractual receipts are recognised as an operating lease liability. This liability is not discounted.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

Income for leases is disclosed under Other Income in the Statement of Financial Performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

Any contingent rents are expensed in the period they are incurred.

1.7 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

1.7 Employee benefits (continued)

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service. Short-term employee benefits include items such as :

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits: Defined benefit plans

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

1.7 Employee benefits (continued)

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other longterm employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measure the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

1.7 Employee benefits (continued)

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
- those changes were enacted before the reporting date; or
- past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

1.8 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the Council settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are not recognised for future operating surpluses.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

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1.9 Revenue

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Fee income consists of annual fees, applications fees and accreditations of universities.

Professional fees are payable by members who are in the Professional or Registered categories.

Fee income is recorded in the financial statements in the period to which it relates.

Candidate fees are payable by members who are not yet qualified Professional or Registered persons.

Application fees are once-off fees payable on submission of an application form. These fees are to compensate for the costs incurred during the evaluation process and are recognised when received.

1.10 Revenue from exchange transactions

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Accreditation visit revenue is recognised as revenue from exchange transactions.

Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.11 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Application and annual fees are recognised as revenue from non-exchange transactions.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

1.11 Revenue from non-exchange transactions (continued)

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a nonexchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

1.12 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.13 Budget information

Council is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which it sets for itself, as defined in its Delegation of Authority Framework.

General purpose financial reporting by Council shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget covers the fiscal period from 01/04/2015 to 31/03/2016.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of Comparison of Budget and Actual amounts.

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The Council has not applied the following standards and interpretations, which have been published and are mandatory for the Council's accounting periods beginning on or after 01 April 2016 or later periods:

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting entity's annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

The Council is unable to reliably estimate the impact of the standard on the annual financial statements.

GRAP 108: Statutory Receivables

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The Council expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

The adoption of this standard is not expected to impact on the results of the Council, but may result in more disclosure than is currently provided in the annual financial statements.

3. Risk management

Capital risk management

The Council's objectives when managing capital are to safeguard the Council's ability to continue as a going concern in order to provide services as enacted by the Engineering Profession Act 2000, (Act no 46 of 2000) and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Council consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 10, cash and cash equivalents disclosed in note 9, and equity as disclosed in the Statement of Financial Position. The Council monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the Statement of Financial Position plus net debt.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The gearing ratio at 2016 and 2015 respectively were as follows:

3. Risk management (continued)	2016 R	2015 R
Total borrowings		
Borrowings (Refer to Note 10)	587,704	1,433,273
Less: Cash and cash equivalents (Refer to Note 9)	(12,170,755)	(11,194,404)
Net debt	(11,583,051)	(9,761,131)
Total equity	36,867,865	28,695,340
Total capital	**25,284,814**	**18,934,209**
Ratio	**(46)%**	**(52)%**

Financial risk management

The Council's activities expose it to a variety of financial risks: market risk (including fair value and interest rate risk), credit risk and liquidity risk.The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Council's financial performance. Risk management is carried out by an audit and risk committee under policies approved by the Council. The Council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk and credit risk and investment of excess liquidity.

Liquidity risk

Cash flow forecasting is performed by the Council. The Council's finance division monitors rolling forecasts of the Council's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The Council invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the abovementioned forecasts.

The table below analyses the Council's non-derivative financial liabilitiesd into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 March 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	R	R	R	R
Borrowings	587,704	-	-	-
Trade and other payables	12,816,939	-	-	-

At 31 March 2015	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Borrowings	994,613	438,680	-	-
Trade and other payables	9,958,648	-	-	-

Interest rate risk

As the Council has no significant interest-bearing assets, the Council's income and operating cash flows are substantially independent of changes in market interest rates. The Council analyses its interest rate exposure on a regular basis. Interest rate fluctuations that could impact on its surplus or deficit are the rates earned on Council's short-term investments. It is not foreseen that the actual revenue earned compared to the budgeted revenue will deviate by more than R200,000 per annum. This translates into a possible fluctuation of 0.1% to 0.2% in total revenue.

3. Risk management (continued)	2016 R	2015 R

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The Council only deposits cash withmajor banks with high quality credit standing and limits exposure to any one counter-party. Refer to table below for quality ratings

Standard Bank	
National long-term credit rating	AA (ZAF)
National short-term credit rating	F1+ (ZAF)
Investec	
National long-term credit rating	AA- (ZAF)
National shaort-term credit rating	F1+ (ZAF)

Trade receivables comprise a widespread customer base, mainly being registered persons. Management evaluated credit risk relating to registered persons on an ongoing basis. The Council has to comply with statutory obligations and no choice is exercised on the registered person's ability to pay membership fees.

4. Property, plant and equipment

	2016			2015		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
	R	R	R	R	R	R
Buildings	7,691,993	(1,460,162)	6,231,831	7,691,993	(1,306,323)	6,385,670
Furniture and fixtures	1,841,517	(1,311,291)	530,226	1,477,568	(1,339,215)	138,353
Motor vehicles	198,064	(178,258)	19,806	198,064	(198,064)	-
Office equipment	601,028	(497,703)	103,325	545,713	(450,991)	94,722
Computer equipment	2,214,618	(1,934,282)	280,336	2,100,185	(1,546,982)	553,203
Improvements to property	2,255,280	(1,082,867)	1,172,413	2,085,572	(873,792)	1,211,780
Total	**14,802,500**	**(6,464,563)**	**8,337,937**	**14,099,095**	**(5,715,367)**	**8,383,728**

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation loss	Impairment	Total
	R	R	R	R	R
Buildings	6,385,670	-	(153,839)	-	6,231,831
Furniture and fixtures	138,353	521,089	(122,942)	(6,274)	530,226
Motor vehicles	-	-	19,806	-	19,806
Office equipment	94,722	57,115	(48,512)	-	103,325
Computer equipment	553,203	118,297	(385,925)	(5,239)	280,336
Improvements to property	1,211,780	169,708	(209,075)	-	1,172,413
	8,383,728	**866,209**	**(900,487)**	**(11,513)**	**8,337,937**

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	2016 R	2015 R

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2015

	Opening balance R	Additions R	Disposals R	Transfers R	Depreciation R	Total R
Buildings	6,539,510	-	-	-	(153,840)	6,385,670
Furniture and fixtures	172,445	139,646	(14,753)	-	(158,985)	138,353
Motor vehicles	-	-	-	-	-	-
Office equipment	609,790	35,856	(6,836)	(595,434)	51,346	94,722
Computer equipment	920,059	362,319	(155,501)	-	(573,674)	553,203
Improvements to property	794,663	83,670	(25,268)	595,434	(236,719)	1,211,780
	9,036,467	**621,492**	**(202,378)**	**-**	**(1,071,872)**	**8,383,728**

Buildings - Section title deeds held

An undivided share of the common property (Section 5-8, 9-10 and 16) in the scheme apportioned to the said section in accordance with the participation quota as endorsed on the said sectional plan

Property is security over borrowings disclosed in note 10.

	Square Metres	2016 R	2015 R
Section 5 (First Floor)	631	-	-
Section 6 (First floor)	383	-	-
Section 7 (First floor)	237	-	-
Section 8 (First floor)	456	-	-
T013126/2009			
Purchased 29 Apr 2009	-	6,280,750	6,280,750
Section 9 (Second floor)	212	-	-
Section 10 (Second floor)	329	-	-
T57554/1999			
Purchased 30 Sep 1999	-	1,411,243	1,411,243
Section 16 (Basement)	5	-	-
T044549/2005			
Purchased 10 Aug 2005	-	5,000	5,000
	2,253	7,696,993	7,696,993

5. Intangible assets

	2016			2015		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
		R	R	R	R	R
Registration system	1,834,378	59,500	1,893,878	1,984,233	(149,855)	1,834,378
Accounting system	493,186	43,211	536,397	591,823	(98,637)	493,186
Total	**2,327,564**	**102,711**	**2,430,275**	**2,576,056**	**(248,492)**	**2,327,564**

	2016 R	2015 R

5. Intangible assets (continued)

Reconciliation of intangible assets - 2016

	Opening balance R	Additions R	Amortisation R	Total R
Registration system	1,834,378	59,500	-	1,893,878
Accounting system	493,186	125,152	(81,940)	536,398
	2,327,564	**184,652**	**(81,940)**	**2,430,276**

Reconciliation of intangible assets - 2015

	Opening balance R	Additions R	Amortisation R	Total R
Registration system	1,426,556	407,822	-	1,834,378
Accounting system	294,177	297,646	(98,637)	493,186
	1,720,733	**705,468**	**(98,637)**	**2,327,564**

6. Investments

Designated at fair value		
SIS Inflation plus 1-3 Investments	12,347,620	11,932,256
These instruments consist of investments held at financial institutions and their market values quoted in the market place.		
Non-current assets		
For debt securities classified as available-for-sale, the maximum exposure to credit risk at the reporting date is the fair value.		
The entity has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.		
SIS Inflation – opening balance	11,932,256	10,748,943
Fair value adjustment	108,474	968,799
Adjustments in fair value are done at every month-end.		
Earnings surplus	306,890	214,514
Earnings are declared twice a year.		
Fair value at year-end	**12,347,620**	**11,932,256**

	2016 R	2015 R
7. Retirement benefit obligations		
Defined benefit plan		
Retirement benefit		
Balance sheet obligations for Pension benefits		
- non-current liabilities	21,030,000	-
Income statement charge for Employee benefit expense		
- wages and salaries	34,737,844	31,812,820
- pension cost - defined benefit plan	(6,946,000)	(219,000)
	27,791,844	**31,593,820**
Actuarial losses/(gains) recognised in the statement of financial performance	5,730,000	(7,529,000)
Cumulative actuarial losses/(gains) recognised in statement of financial performance	(10,122,000)	(2,593,000)
	(4,392,000)	**(10,122,000)**

Pension benefits

Plan assets are held in a Sanlam Matrix 50 portfolio and the return is based on the performance of the portfolio. The assets underlying the Employer Surplus Account and the Solvency Reserve have been included in the asset value. The funds are administered by a separate legal entity and as a result, the assets belonging to the Fund are credit remote.

The amounts recognised in the statement of financial position are as follows:

Carrying value		
Present value of the defined benefit obligation-wholly unfunded	(21,030,000)	(24,281,000)
Fair value of plan assets	29,979,000	36,701,000
Asset not recognised	-	(10,417,000)
	8,949,000	**2,003,000**

Net asset amount recognition was determined on the following basis:

The definitions of the Fund provide for the establishment of an Employer Surplus Account ("ESA"). Rule 13.3.3 states that future surplus be allocated between the ESA and Member Surplus Account in proportions as determined by the trustees.

In these circumstances, AC 504 states that the present value of the economic benefits available to the employer (par. 68(b) of GRAP 25) is the value of the ESA plus the accounting surplus available as a reduction in future contributions. As confirmed by Absa Consultants and Actuaries, the value of the ESA was R8,949,000 as at 31 March 2016. Furthermore, since there are no active Defined Benefit members in the Fund (as per the valuation report), accounting surplus available as a reduction in future contributions is zero. The present value of the economic benefits available to the employer is therefore R8,949,000.

The value of the asset reflected on the balance sheet should be determined in terms of par. 68 of GRAP 25. This states that the net asset recognised should be the lower of the value determined under par. 64 and the present value of the economic benefits available to the employer (par. 68(b)). The values for the past three years are as follows (the actuary provided the ESA balance as at each date):

The value determined under par. 64 was R8,949,000 as at 31 March 2016 and the value of par. 68(b) was R8,949,000. Therefore, the net asset as at 31 March 2016 should be limited to R8,949,000.

The value determined under par. 64 was R12,424,000 as at 31 March 2015 and the value of par. 68(b) was R2,003,000. Therefore, the net asset as at 31 March 2015 should be limited to R2,003,000.

	2016 R	2015 R
7. Retirement benefit obligations (continued)		

The value determined under par. 64 was R4,484,000 as at 31 March 2014 and the value of par. 68(b) was R1,784,000. Therefore, the net asset as at 31 March 2014 should be limited to R1,784,000.

The fair value of plan assets includes:

Sanlam Matrix 50 portfolio		
The assets underlying the Employer Surplus Account and the Solvency Reserve have been included in the asset value.		
Assets not recognised (GRAP 25, paragraph 68(b)).	-	10,417,000

Movement in the defined benefit obligation are as follows

Opening balance	24,281,000	26,065,000
Interest cost	1,995,000	(3,523,000)
Actuarial (gains)/losses	(3,523,000)	(2,413,000)
Benefits paid	(1,723,000)	(1,666,000)
	21,030,000	**18,463,000**

Net expense recognised in the statement of financial performance

Interest cost	(1,995,000)	(2,295,000)
Actuarial gains/(losses)	(5,730,000)	7,529,000
Effect of the limit in GRAP 25, par. 68 (b)	10,417,000	(7,717,000)
Expected return on plan assets	4,254,000	2,702,000
	6,946,000	**219,000**

The movement in the fair value of plan assets are as follows

Opening balance	36,701,000	30,549,000
Expected return	4,254,000	2,702,000
Actuarial gains (losses)	(9,253,000)	5,116,000
Benefits paid	(1,723,000)	(1,666,000)
	29,979,000	**36,701,000**

Key assumptions used

The principal actuarial assumptions used were as follows:

Discount rates used	7.87 %	6.68 %
Expected rate of return on assets	9.91 %	8.51 %
Expected rate of return on reimbursement rights	11.87 %	10.68 %

The assumptions used are consistent with assumptions used in the statutory valuation. However, GRAP 25 requires the valuation to be carried out on a prescribed market value basis and a number of the assumptions therefore differ from those used in the statutory valuation.

Valuation rate of interest – GRAP 25 requires rates to be determined by reference to the current market yield of government bonds. Just for completeness, since the obligation is already settled at 1 March 2015, the yield of the R209 government bond was 9.91% and the long-term liability on the yield of the R202 government bond 1.90% at 31 March 2016. Rates given are the weighted average rates.

The expected return on assets are based on an average balances portfolio.

The expected long term real return is 4%, calculated as follows:

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	2016 R	2015 R

7. Retirement benefit obligations (continued)

	Portfolio	Real return	Weighted return
Equity	70 %	4.50 %	3.15 %
Bonds	30 %	3.00 %	0.90 %
	100.00 %	**7.50 %**	**4.05 %**

In accordance with the Pension Increase Policy, increases should be granted equal to the increase in the Consumer Price Index, subject to affordability.

In respect of the period after retirement, the published a (55) tables for males and females have been used. The number of pensioners as at 31 March 2016, their annual pension and weighted average age, compared to that as at 31 March 2015 were as follows:

Number of pensioners	9	10
Annual pension	1,604,000	1,666,000
Pension weighted average age 48.5 45		

8. Trade and other receivables

Trade debtors	23,440,320	10,803,122
Other Debtors	343,878	159,318
Employee costs in advance	(16,364)	10,465
Deposits	2,000	2,000
Impairment for bad debts	(16,839,152)	(5,083,425)
	6,930,682	**5,891,480**
Fair value of trade and other receivables		
Trade and other receivables	6,930,682	5,891,480
Trade and other receivables impaired		

The amount of the provision was (R16,839,152) as of 31 March 2016 (2015: R5,083,425).

Reconciliation of provision for impairment of trade and other receivables

Opening balance	5,083,425	3,996,176
Provision for impairment	11,755,727	6,165,491
Amounts written off as uncollectible	-	(5,078,242)
	16,839,152	**5,083,425**

The reason for the large increase in Provision for Impairment is that ECSA had not, as in the past, cancelled any registered persons in the financial year who were in default for non payment of their annual fees for the past two years. Included in the provision of R11,755,727 is an amount of R9,078,215 (2,968 defaulters) earmarked for write-off. After year-end the actual amount written off as bad debts was R8,372,156 (2,741 defaulters).

9. Cash and cash equivalents

Cash and cash equivalents consist of:		
Cash on hand	7,201	8,754
Bank balances	12,163,554	11,185,650
	12,170,755	**11,194,404**

	2016 R	2015 R

10. Borrowings

Held at amortised cost		
Mortgage bond	587,704	1,433,273
Bond on Section 5 - 8 from ABSA Bank. Interest at a rate of 9.75 pa and is to be repaid within 10 years		
Non-current liabilities		
At amortised cost	-	438,660
Current liabilities		
At amortised cost	587,704	994,613

11. Trade and other payables

Trade payables	5,953,611	6,523,652
South African Revenue Services - VAT	2,446,664	642,992
Other accrued expenses	2,815,518	1,512,189
Other payables	1,155,606	1,279,815
	12,371,399	**9,958,648**

12. Provisions

Reconciliation of provisions - 2016

	Opening Balance R	Movement R	Total R
Leave pay provision	1,645,171	(98,003)	1,547,168

Reconciliation of provisions - 2015

	Opening Balance R	Movement R	Total R
Leave pay provision	2,186,106	(540,935)	1,645,171

13. Financial instruments

Categories of financial instruments

2016

Financial assets

	At fair value R	At amortised cost R	Total R
Investments	12,347,620	-	12,347,620
Trade and other receivables	-	6,930,682	6,930,682
Cash and cash equivalents	-	12,170,755	12,170,755
	12,347,620	**19,101,437**	**31,449,057**

Financial liabilities

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	2016 R	2015 R
Financial instruments (continued)		
	At amortised cost	**Total**
	R	**R**
Borrowings	587,704	587,704
Trade and other payables	10,370,275	10,370,275
	10,957,979	**10,957,979**
2015		
Financial assets		
	At fair value	**At amortised cost**	**Total**
	R	**R**	**R**
Investments	11,932,256	-	1,932,256
Trade and other receivables	-	5,891,430	5,891,430
Cash and cash equivalents	-	11,194,404	11,194,404
	11,932,256	**17,085,834**	**29,018,090**
Financial liabilities			
		At amortised cost	**Total**
		R	**R**
Borrowings		1,433,273	1,433,273
Trade and other payables		9,891,881	9,891,881
		11,325,154	**11,325,154**
14. Operating revenue			
Annual fees		68,089,274	59,219,926
Application fees		10,128,873	8,283,527
Accreditation visits		1,516,568	1,261,000
		79,734,715	**68,764,453**
The amount included in revenue arising from exchanges of goods or services are as follows:			
Accreditation visits		1,516,568	1,261,000
The amount included in revenue arising from non-exchange transactions is as follows:			
Annual fees		68,089,274	59,219,926
Application fees		0,128,873	8,283,527
		78,218,147	**67,503,453**
15. Other income			
Income from SETAs and other public entities		1,220,245	247,681
Bad debts recovered		301,815	71,698
Disciplinary fines		130,000	25,000
Rental income		8,798	-
Other income		156,261	60,668
Profit on sale of fixed assets		(2,053)	(46,929)
		1,815,066	**358,118**

	2016 R	2015 R
16. General expenses		
Acquisition of small fixed assets	39,690	5,117
Auditors remuneration - External	428,255	244,712
Auditors remuneration - Internal and other accounting services	127,762	311,919
Bank charges	303,115	276,652
Casual labour	123,556	57,916
Committee room expenses	163,842	101,183
Consulting fees	3,142,933	2,627,286
Council and committee meetings	14,240,965	11,586,196
Disciplinary matters and fines	423,029	75,714
Electricity and water	1,370,256	1,151,090
IT expenses	1,324,185	422,355
Insurance	222,854	231,551
Investment fees	138,630	131,925
Legal expenses	917,833	760,030
Marketing and Branding	1,724,006	2,350,929
Membership fees	222,537	153,018
Motor vehicle expenses	28,837	29,775
Office expenditure	707,197	401,417
Personnel recruitment	284,904	520,712
Printing and stationery	740,546	627,638
Project cost	1,737,437	1,919,404
Rental expense	330,805	123,338
Repairs and maintenance	2,070,997	2,561,419
Security	47,965	13,799
Staff study assistance	139,567	179,010
Staff welfare	1,573,759	892,498
Telephone and fax	680,563	752,467
Training	126,698	153,938
Travel - staff	917,650	718,818
	34,300,373	**9,381,826**
17. Personnel		
Basic salary	29,725,190	27,046,268
Medical aid - company contributions	1,616,697	1,859,936
UIF	129,530	123,637
SDL	300,994	279,293
Other short term costs	141,335	106,394
Defined contribution plans	2,824,098	2,530,382
	34,737,844	**31,945,910**
18. Other expenses		
Provision on trade and other receivables	11,755,727	6,165,491
Amortisation on intangible assets	81,940	98,637
Depreciation on property, plant and equipment	900,487	1,071,872
Operating lease charges (Contractual amounts)	425,583	199,169
	13,163,116	**7,535,169**

	2016 R	2015 R
19. Investment revenue		
Interest revenue		
Bank	1,409,070	1,108,057
Interest Long Term investments	445,519	346,439
Expected return on Defined Benefit assets	4,254,000	2,702,000
	6,108,589	**4,156,496**
20. Finance costs		
Non-current borrowings	84,989	151,799
Other interest paid: Pension benefit	1,995,000	2,295,000
	2,079,989	**2,446,799**

21. Taxation

The Council is exempted from Income Tax in terms of Section 10(1)(cA) of the Income Tax Act.

22. Auditors' remuneration		
Fees - External Auditors	428,255	244,712
Fees - Internal auditors and other accounting services	127,762	311,919
	556,017	**556,631**
23. Debt impairment		
Contributions to debt impairment provision	11,755,105	1,087,249
Bad debts written off	-	5,078,242
	11,755,105	**6,165,491**
24. Cash generated from operations		
Surplus	8,172,523	2,750,162
Adjustments for:		
Depreciation	900,487	1,071,872
Amortisation of intangible assets	81,940	98,637
Loss on sale of assets and liabilities	(84,301)	-
Actuarial gains/(losses)	5,730,000	(7,529,000)
Effect of pension fund asset limitation	(10,417,000)	7,717,000
Fair value adjustments	(108,475)	(968,799)
Movements in retirement benefit assets and liabilities	(2,259,000)	(407,000)
Movements in provisions	(98,003)	(540,935)
Changes in working capital:		
Trade and other receivables	(1,039,202)	(2,667,097)
Prepayments (207,867) -		
Trade and other payables	2,412,753	4,217,601
	3,083,855	**3,742,441**

	2016 R	2015 R
25. Commitments		
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	204,510	247,142
- in second to fifth year inclusive	111,656	237,272
	316,166	**484,414**

Operating lease payments represent rentals payable by the Council for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

26. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

27. Events after the reporting date

The Council is not aware of any matter or circumstance arising since the end of the financial year.

28. Fair value adjustments

Investments		
• Investments (Designated as at FV through P&L)	108,475	968,799

29. Budget differences

Material differences between budget and actual amounts

The valuation of the ECSA Pension Fund for pensioners on Defined Benefit is not budgeted for. The amounts were quite substantial, resulting in large deviations in the budgeted and actual amounts for "Investment Revenue", "Finance Costs" and "Actuarial gains/losses".

Council traditionally does not budget for non-cash items that do not impact on actual cash revenues and expenses. Depreciation and amortisation is such an example.

Provision for Debt impairment is traditionally not budgeted for, firstly because it also is a non-cash item, and secondly because of the amount which cannot be predicted accurately. The large amount that was recorded this year was due to the fact that no large bad debts had been written off during the year, and a large provision had been made at year-end for potential bad debts to be written off in the new year. An amount of R8,372,156 was written off in July 2016.

There were no other material differences between the final budget and the actual amounts.

30. Key personnel emoluments

Remuneration paid to key personnel

2016	Months employed	Emoluments	Contributions to retirement plan	Total
		R	R	R
SE Madonsela				
Chief Executive Officer	12	1,607,207	150,268	1,757,475
1 April 2015 - 31 March 2016				
ME Sabela	10	1,050,074 9	4,863	1,144,937
Executive: Strategic Services (Resigned 31 Jan 2016)				
1 April - 31 Jan 2016				
MC Phalane	12	1,380,010	123,756	1,503,766
Executive: Chief Financial Officer (Resigned 31 Mar 2016)				
1 April - 31 March 2016				
RN Gaoraelwe	11	1,363,304	46,702	1,410,006
Executive: Statutory Service				
Resigned as an employee on 31 August 2015 - retained in the same position on contract until his departure				
1 April - 29 February 2016				
TY Machimane	9	1,170,663	-	1,170,663
Acting Executive Strategic Services				
8 July 2015 - 31 Jan 2016				
	54	**6,571,258 4**	**15,589**	**6,986,847**

2015	Months employed	Emoluments	Contributions to retirement plan	Total
		R	R	R
SE Madonsela	6	722,876	69,317	792,193
Chief Executive Officer				
(6 October 2014 – 31 March 2015)				
ME Sabela	6	704,106	53,194	757,300
Acting Chief Executive Officer				
(1 April 2014 to 6 October 2014)				
Executive: Strategic Services	6	554,737	53,194	607,931
(7 October 2014 to 31 March 2015)				
MC Phalane	12	1,322,136	115,903	1,438,039
Executive: Chief Financial Officer				
(1 April 2014 to 31 March 2015)				
RN Gaoraelwe	12	1,052,069	103,034	1,155,103
Executive: Statutory Services				
(1 April 2014 to 31 March 2015)				
TY Machimane	6	577,445	-	577,445
Acting Executive: Strategic Services				
(1 April 2014 – 6 October 2014)				
	48	**4,933,369 3**	**94,642**	**5,328,011**

	Note(s)	2016 R	2015 R
Revenue			
Annual fees		68,089,274	59,219,926
Application fees		10,128,873	8,283,527
Accreditation visits		1,516,568	1,261,000
Disciplinary fines		130,000	25,000
Marketing and branding		1,220,245	247,681
Bad debts recovered		301,815	71,698
Sundry income		156,261	60,668
Profit on sale of fixed asset		(2,053)	(46,929)
Appeals		8,798	-
Total revenue		**81,549,781**	**69,122,571**
Expenditure			
Personnel	17	(34,737,844)	(31,945,909)
Depreciation	4	(900,487)	(1,071,872)
Amortisation on intangibles	5	(81,940)	(98,637)
Impairment loss/reversal of impairments	23	(11,755,105)	(6,165,491)
Finance costs	20	(2,079,989)	(2,446,799)
General Expenses	16	(34,300,374)	(29,381,826)
Lease rentals on operating lease		(425,583)	(199,170)
Total expenditure		**(84,281,322)**	**(71,309,704)**
Operating deficit	18	**(2,731,541)**	**(2,187,133)**
Investment revenue		6,108,589	4,156,496
Fair value adjustments	28	108,475	968,799
Actuarial gains/(losses)		(5,730,000)	7,529,000
Effect of pension fund asset limitation		10,417,000	(7,717,000)
		10,904,064	**4,937,295**
Surplus for the year		**8,172,523**	**2,750,162**

This supplementary information being presented does not form part of the financial statements and is unaudited.

Notes:

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