

Integrity
Excellence
ethical behaviour
Respect architecture South Africa
Responsibility
being accountable consideration
Transform, promote and regulate the architectural profession debate
transparency trustworthiness promoting high standards
People-centred architecture for South Africa
Pursuit of excellence
Cohesiveness
tolerance honesty dignity



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APART A

General Information





General Information

Registered name	South African Council for the Architectural Profession (SACAP)
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Website address	http://www.sacapsa.com
External auditors	Nexia SAB&T
Bankers	First National Bank

List of Abbreviations

Stakeholders (National)

CBE	Council for the Built Environment
CHE	Council on Higher Education
CIDB	Construction Industry Development Board
DAC	Department of Arts and Culture
DEAT	Department of Environmental Affairs and Tourism
DLA	Department of Land Affairs
DHET	Department of Higher Education and Training
DPW	Department of Public Works
DTI	Department of Trade and Industry
ECSA	Engineering Council of South Africa
NHBRC	National Home Builders Registration Council
QTCO	Quality Council for Trade & Occupations
SACLAP	South African Council for the Landscape Architectural Profession
SACPVP	South African Council for Property Valuers Profession
SACPCMP	South African Council for Project & Construction Managers Profession
SACQSP	South African Council for Quantity Survey Profession
SAQA	South African Qualifications Authority

Stakeholders (International)

AUA	African Union of Architects
ARB	Architectural Regulations Board
CAA	Commonwealth Association of Architects
RIBA	Royal Institute of British Architects
UIA	Union of International Architects

Stakeholders (Architectural Learning Sites)

CPUT	Cape Peninsula University of Technology
DUT	Durban University of Technology
NMMU	Nelson Mandela Metropolitan University
UCT	University of Cape Town
UFS	University of the Free State
UJ	University of Johannesburg
UKZN	University of KwaZulu-Natal
UP	University of Pretoria
TUT	Tshwane University of Technology
WITS	University of the Witwatersrand

Stakeholders (Voluntary Associations)

SAIA Border-Kei	Border-Kei Region of the South African Institute of Architects
CIFA a Region of SAIA	CIFA a Region of SAIA (The South African Institute of Architects)
SAIA Eastern Cape	Eastern Cape Region of the South African Institute of Architects
SAIA Free State	Free State Region of the South African Institute of Architects
GIFA (SAIA)	GIFA, a Region of the South African Institute of Architects
SAIA KZNIA	KZN Region of the South African Institute of Architects
PIA a Region of SAIA	Pretoria Institute for Architecture, a Region of SAIA
SAIA	South African Institute of Architects
SAIAT	South African Institute of Architectural Technologists
SAIBD	South African Institute of Building Designers
SAID	South African Institute of Draughting

Foreword by the President



“As the regulator of the Architectural Profession we are placing great emphasis on transformation, as well as the sustainability of the profession.”

As I look back on this period under review, the second year of the 4th Term Council, it is gratifying to see the great strides that our Council has made in realising what we envisaged since we were appointed by the Public Works Ministry.

Spatial transformation of South Africa’s built environment relies on the architectural profession as the apex of the value chain that plans for it. I am in the unique position of being both a member of that profession as well as charged with leading it, through collaboration, to make our civil and commercial entities aware of the value offered by its various disciplines.

SACAP’s strategy and performance within the Built Environment

As the regulator of the Architectural Profession we are placing great emphasis on transformation, as well as the sustainability of the profession. Transformation encompasses promoting the demographic transition of the profession, as well as our very own institution; while sustainability is ensured by programmatic implementation of defined policy frameworks.

I am confident that by adopting and embracing the Council for the Built Environment’s Annual Performance Plan (APP) methodology, we have enhanced the operationalisation of SACAP’s Strategic Plan for the period 2014–2019. Our strategic plan was designed to ensure that we achieve this ambition through the delivery of our legal mandate. The APP is a detailed road map that has the added value of measurement tools such as annual targets, performance indicators and intended outcomes which guide the way to effectively achieve progress against our identified five institutional objectives.

Strategic Relationships

It is very important for Council, as well as Executive management, to hear and deeply consider the aspirations and concerns of all our stakeholders. Our revised mission calls for collaborative engagement in pursuit of excellence. Especially critical during this period was to strengthen ties and active collaboration with our voluntary associations across the country. We started the process last year, which allowed us to listen to the concerns of these key stakeholders and to provide clarity on some of our draft policies and initiatives. I am pleased to report that we will collaborate more closely with them in order to discharge our given mandate as well as to achieve our ethical objectives of transformation and the sustainability of the profession.



“It is very important for Council, as well as executive management, to hear and deeply consider the aspirations and concerns of all our stakeholders. Our revised mission calls for collaborative engagement in pursuit of excellence.”

It has been enlightening to see the positive effect of, amongst others, the open door policy that the Registrar and I have introduced; as well as the relationships established at an informal level with VA's and registered persons in the various geographic regions. We also acknowledge YM, our online management system, as a powerful instrument that has been successful in helping us to communicate expeditiously and directly with all our Registered Professionals.

At the end of this reporting period we convened a Public Participation and Stakeholder Engagement Forum inviting engagement and questions from our VA's and RP's. We found no resistance to attendance and will be convening similar events in other regions in the next period.

The Stakeholder Relations and Marketing Committee has done brilliantly in ensuring that SACAP's messages and values have been regularly communicated to the internal and external stakeholders. Through their work with an external supplier of media relations expertise we are fulfilling our policy to ensure there is public awareness of the architectural profession. We started becoming a brand in the public eye through regular editorial features, as well as on popular social media platforms. In January 2016, we hosted a media breakfast which helped us create dialogue with media who we identified as an important stakeholder. We are enhancing our reputation along the way, visibly demonstrating our values of transparency, responsibility, integrity, respect, cohesiveness and excellence. The branding of the profession will be strengthened in order to make the public, our client-base, aware of the value of architecture and the profession; this is part of our endeavours to make the profession more sustainable and lucrative.

Challenge

Operationally we are looking for ways to engage more frequently and directly with the Department of Public Works and the Council for the Built Environment. They can assist us in our foremost objectives to transform and sustain the profession. Having said that, there has been some progress. We are governed by Act 44, however, there are other Acts governing built environment professions. These provide challenges as well as opportunities for collaborative efforts and we have identified a number of critical issues to explore.

Our challenge in implementing the Identification of Work and Professional Fees Guideline policies has met with challenges from the Competition Commission, and we are working through these, together with the fellow Built Environment Professional Councils (BEPCs) via the CBE and through direct engagement with the Commission.

A further challenge to the sustainability of the profession is the lack of public awareness of the profession. We need to educate the public at large to make them aware of the value to their property when appointing a registered architectural professional onto their project. Historically, architectural professionals in this country have been disconnected from the less affluent segments of society, who have not generally accessed their services and therefore remained ignorant of their value, as well as associated procedures and costs. As transformation sweeps through the country and segments of these previously disadvantaged communities start to engage with our profession, they are often surprised by the intensity of work and liabilities associated thereof and the applicable professional fees. The stakeholder relations team will be pursuing options within the broad public media in order to raise awareness of the profession among the general public.

The lack of awareness of the profession and the volatile professional business environment has impacted negatively on both transformation and the sustainability of the profession. Equity statistics within our Architectural Learning Sites remain low due to youth in outlying disadvantaged communities remaining ignorant of what a career in architecture could offer them. However, a critical deterrent is the fact that the profession is no longer economically lucrative.

The year ahead

SACAP regards Recognition of Prior Learning (RPL) as the key driver of transformation and we are busy preparing for the launch of an online user platform that will facilitate the steady articulation of professionals through the registration categories available to them. Especially, individuals in previously disadvantaged communities who could not progress in their careers. I anticipate equity statistics will improve and I also look forward to the enormous impact it will have, at a perceptual level, as these individuals develop their professional competences for the spatial transformation of their own communities.

The two key areas of urgent focus are the IDoW and professional fees. It is envisaged that the identification of work framework will be finalised through broad collaboration with all key stakeholders and engagement with the Competition Commission. Similarly, the issue of fees and professional remuneration will be intensively pursued.

The challenges in the year ahead have been accepted in a positive spirit and we are looking forward to engaging with you and all key stakeholders in developing a better architectural profession for society and the built environment professions.

Acknowledgements and appreciation

I would like to thank my fellow Council members, and also members of the various industrious committees and their Task Teams who have enabled the implementation of our far-reaching vision.

I thank all our stakeholders for their willingness to articulate their sentiments, engage meaningfully, and become part of creating a sustainable solution.

The SACAP management and administration in working tirelessly towards achieving the strategic objectives of Council.



Mr. Yashaen Luckan

President

22 September 2016

Registrar/CEO Overview



“The aims of WiASA are to increase access into the profession and the entry of black women; to create ways for educated, qualified and skilled women to remain in the profession; to encourage and support women to build successful careers in architecture as well as to support the development of successful, sustainable women-owned practices.”

General financial review of SACAP

The South African Council for the Architectural Profession has for the sixth consecutive year received an unqualified audit of the financial report. It is important to note we are self-funded with the registration fees paid by registered members. We work with what is received and have no funding from other sources.

This year Council approved applying a 6% increase to these registration fees.

The fact that our financial report has received an unqualified audit is due to the robustness of the methodologies employed in managing the finances and related operations. Collections and revenue were in line with expectations and this ensured that we could work within the provided budgets of the financial period.

Spending trends of SACAP

As part of its mandate SACAP supports the architectural profession by actively dispersing bursaries through the Architectural Learning Sites (ALSs). In this tough economic environment, we are proud that we met our objectives and provided these bursaries to deserving learners and are committed to continue to do so to meet some of the demand.

Due to the programmes we identified to realise the actualisation of our strategic objectives, more physical resources have been required. More demands were placed on current resources. We are always challenged with balancing the delivery of our mandate against available human resources. In this reported period we have seen an increase in output facilitated by the same resources at our disposal.

Capacity constraints and challenges facing SACAP

A SWOT analysis of operations implemented during the period identified a number of challenges pertaining to internal and external factors which are to be addressed.

Suspension of tribunals

In line with its mandate, SACAP needs to ensure all Registered Persons are CPD compliant. Due to the revision of the Investigation Committee guidelines, a draft board notice has been published calling for input. Therefore, during

the reported period, SACAP did not deregister any CPD non-compliant member. The suspension of tribunals from November 2015 until March 2016 has impeded SACAP from finalizing complaints in the statutory period.

Responsiveness and efficiency

We have identified the need to establish a revitalised internal working culture in order to meet the needs of our stakeholders and are considering an internal stakeholder intervention programme to achieve this in order that we meet our objective of overall transformation.

Due to the increased demand on our Stakeholder Relations Unit, which is implementing a large number of programmes in order to achieve the strategic objectives, we require more human resource capacity to cope with this increased demand. This is especially in light of the fact that we do not have adequate Human Resource management resources.

The introduction of the Your Membership (YM) online platform is an example of SACAP's drive to increase responsiveness and efficiency and address issues raised by the SWOT analysis. The platform emphasizes the commitment to leverage on technology wherever possible to improve internal operations.

New or proposed activities

Launch of WiASA

The Women in Architecture South Africa (WiASA) programme was launched by SACAP in response to the identified severe and dire need for transformation; and structured just for women. One of its main objectives is to transform and change the culture within the profession to ensure it is progressive, broad and far-reaching and provides a structure within which women in architecture can begin to address their needs, especially women from previously disadvantaged backgrounds.

We have been somewhat dismayed to see that of the 9 995 registered persons on our register, just 2 266 of these individuals are indeed women. That only translates to just over 22% of our full register. One of our objectives is to look for any that have fallen off our register and to encourage and support them to re-enter the workplace.

By rolling out a specific programme, SACAP intends to monitor and track the results of WiASA's specific objectives. The aims of WiASA are to increase access into the profession and the entry of black women; to create ways for educated, qualified and skilled women to remain in the profession; to encourage and support women to build successful careers in architecture as well as to support the development of successful, sustainable women-owned practices. We are looking at our eleven Voluntary Associations (VA's) to use their frameworks and modalities that are already in place.

Accreditation of Architectural Learning Sites and programmes

We are now working on a five year cycle of the accreditation visits, in line with international standards. Previously it was a four year cycle. This is in line with the Council for the Built Environment's Annual Performance Plan. We are excited to see the way the programmes being delivered by the Architectural Learning Sites (ALSs) are meeting the transformation objectives, and exciting new programmes are in place to meet the needs of disadvantaged students.

Some of the ALSs offer a bridging year to support learners who have demonstrated potential however do not have the requisite skills.

The academic support programme is aimed at significantly curbing the number of first year drop outs to meet the challenges faced by students entering university from disadvantaged backgrounds and are ill-prepared for the rigours of academic life and need the bridging year to skill for requirements of university life.

Students for this bridging year are chosen from the regular intake of applicants after being identified as being at-risk of failing, based on their final school results or on other types of testing or portfolios submissions.

By undertaking the bridging year, these students skill themselves with what it takes to perform in the following year. We noticed that those who completed such a bridging programme and who continue to the second year of their degree are

now excelling. As the validating body we have been so encouraged to see that the foundation is addressing the needs of the disadvantaged students. We are hoping to see this boost the number of programme graduates.

Research undertaken by the CBE identified the four areas of environmental, sustainability, health and safety and labour intensive subjects which need to be incorporated into the architectural curriculum and will impact the built environment going forward.

Regional Engagement with Voluntary Associations

Council resolved to directly engage with all of its recognised Voluntary Associations (VAs) on all of the draft board notices that we publish for comment. The Registrar and President met with each as part of our aim to build a stronger relationship with each. Council looked to harness and establish relationship building with VA's as a means of us getting closer to our stakeholders and being in a position to hear directly from them and their member base. We also started travelling to different geographic areas to entrench the spirit of our MOU by directly addressing their member base.

Refining annual targets and performance indicators

In line with the new Annual Performance Plan reporting format, which Council adopted in August 2015, SACAP's Executive management set about within this reporting period to begin establishing benchmarks against which its annual performance can be measured in the next reporting period namely for the 2016/17 financial year. SACAP's Council, Executive Management, together with Departmental Managers will continue to identify targets and performance indicators that serve to direct focused programme implementation that will ensure realization of the five strategic goals, as well as enable the measurement of this programme implementation.

Within this report are therefore a mixture of recorded performance figures, and recorded estimates that will establish the benchmark for next year's reported performance against the newly established annual targets and performance indicators.

Supply chain management

SACAP has a Procurement Policy, approved by Council, wherein service delivery on all our stakeholder's needs, value creation, socio-economic transformation and fiscal prudence is adhered to.

Council contracts for goods and services in accordance with the above policy in a way which is fair, equitable, transparent, competitive and cost-effective. The Procurement Policy provides for the advancement of persons or categories of persons disadvantaged by unfair discrimination.

Legislative requirements based on the Architectural Professions Act, 2000 (Act No. 44 of 2000), are applied to Council's procurement processes and run in tandem with the principles contained in the King Report on Governance (King III) to enhance the system by which SACAP is controlled and directed through sustainability as a citizen creating value in the architectural environment.

Challenges experienced and how they were resolved

Protection of the public

Council is directed to take any steps it considers necessary for the protection of the public in their dealings with registered persons for the maintenance of the integrity and the enhancement of the status of the architectural profession. SACAP's Legal and Compliance Unit has applied a multi-pronged approach in terms of how of it address its public protection mandate.

A large number of Registered Professionals were charged with improper conduct and SACAP convened Disciplinary Tribunals to adjudicate all charges of improper conduct.

As the mandated body we are exercising our jurisdiction in terms of the capacity behind us and thus strengthening relationship with the SAPS augers well to ensure that we are able to protect the public more effectively within the legal frameworks.

SACAP has entered into a memorandum of understanding with the South African Police Service (SAPS) in 2014 to ensure that all reported cases received from the public against unregistered professionals are investigated and that perpetrators are brought to book.

We are the first regulatory body within the built environment to successfully prosecute a non-registered person for unlawfully undertaking architectural work within the built environment. Through our MOU with SAPS, SACAP will act to ensure that our mandate of public protection is enforced through strengthening collaborations with the National Prosecuting Authority.

Promoting and creating awareness of the profession

As a means of achieving our strategic goal to promote and create awareness of the architectural profession in the media, we identified the need for a public relations agency. In October 2015 we procured the services of such a supplier which could fulfil our programmatic requirements. We're an organisation that is pursuing dynamic partnerships to solidify public awareness and promotion of the architectural profession within the built environment.

IDoW and the Competition Commission

In February 2014, on behalf of SACAP's 3rd Term Council, the Council for the Built Environment (CBE) submitted an application for exemption to the Competition Commission for its IDoW Policy Framework for the architectural profession. This policy had been published by the 3rd Term Council via Board Notice 154 of 2011. In November 2015, the Competition Commission declined to grant the exemption application in terms of paragraph 4(a) to (c) of schedule 1 of the Competition Act. Board Notice 10 of 2016, gazetted on 3 February 2016 states that while a new IDoW Policy Framework is under consideration, the Principle of the demarcation of work regulation, which is in accordance with – qualifications, skills, experience and competencies – is applicable and serves as a regulatory guide within the architectural profession. In other words a registered person undertaking work for a client shall do so in compliance with rule 2.1 of the Code of Professional Conduct. A Registered Person may only perform such work as they are professionally qualified and competent to undertake.

The CBE, on behalf of all its member Councils is undertaking an appeal process against the rejection of the IDoW Policy Framework by the Competition Commission. SACAP continues to urge new and upcoming architectural professionals to continue registering in their respective fields – to maintain their individual credibility and reputation, to remain at the forefront of the latest and developing trends, as well as to maintain the integrity of their profession.

Economic viability

I am confident that SACAP has proved to be economically feasible, innovative and sustainable for further financial resources to be invested into the organisation.

Acknowledgement or appreciation

I would like to thank Council members for their leadership, my fellow management executives for their hard work and support and the committees who have been diligent and committed to realising their respective objectives.



Ms. Marella O'Reilly

Registrar

22 September 2016

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 are consistent with the annual financial statements audited by the external auditors.

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 standards 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 has been 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 public entity for the financial year ended 31 March 2016.

Yours faithfully



Ms. Marella O'Reilly
Registrar/CEO
22 September 2016



Mr. Yashaen Luckan
Council President
22 September 2016

Strategic Overview

Vision

People-centred architecture for South Africa.

Mission

SACAP will **Transform**, promote and regulate the architectural profession through collaborative engagement in the **Pursuit of Excellence**.

Values

- **Responsibility:** being accountable for our decisions and actions
- **Excellence:** promoting high standards
- **Integrity:** ethical behaviour, honesty and trustworthiness
- **Respect:** ethos of dignity, tolerance and consideration
- **Transparency:** appropriate disclosure of information and open debate
- **Cohesiveness:** shared, coherent values and aspirations



Legislative and Other Mandates

The Architects Act, 1970 (Act No. 35 of 1970) established the South African Council for Architects on 1 March 1971. This legislation, with amendments, remained in force for almost 30 years.

The Architectural Profession Act, 2000 (Act No. 44 of 2000) was published on 1 December 2000 and came into operation on 26 January 2001. The new Council renamed, The South African Council for the Architectural Profession (SACAP) was established with effect from 12 September 2001.

The new Act includes all the Architectural Professionals – which are as follows: Professional Architects, Professional Senior Architectural Technologists, Professional Architectural Technologists and Professional Architectural Draughtspersons, whereas the previous professional legislation had only allowed for the registration of architects.

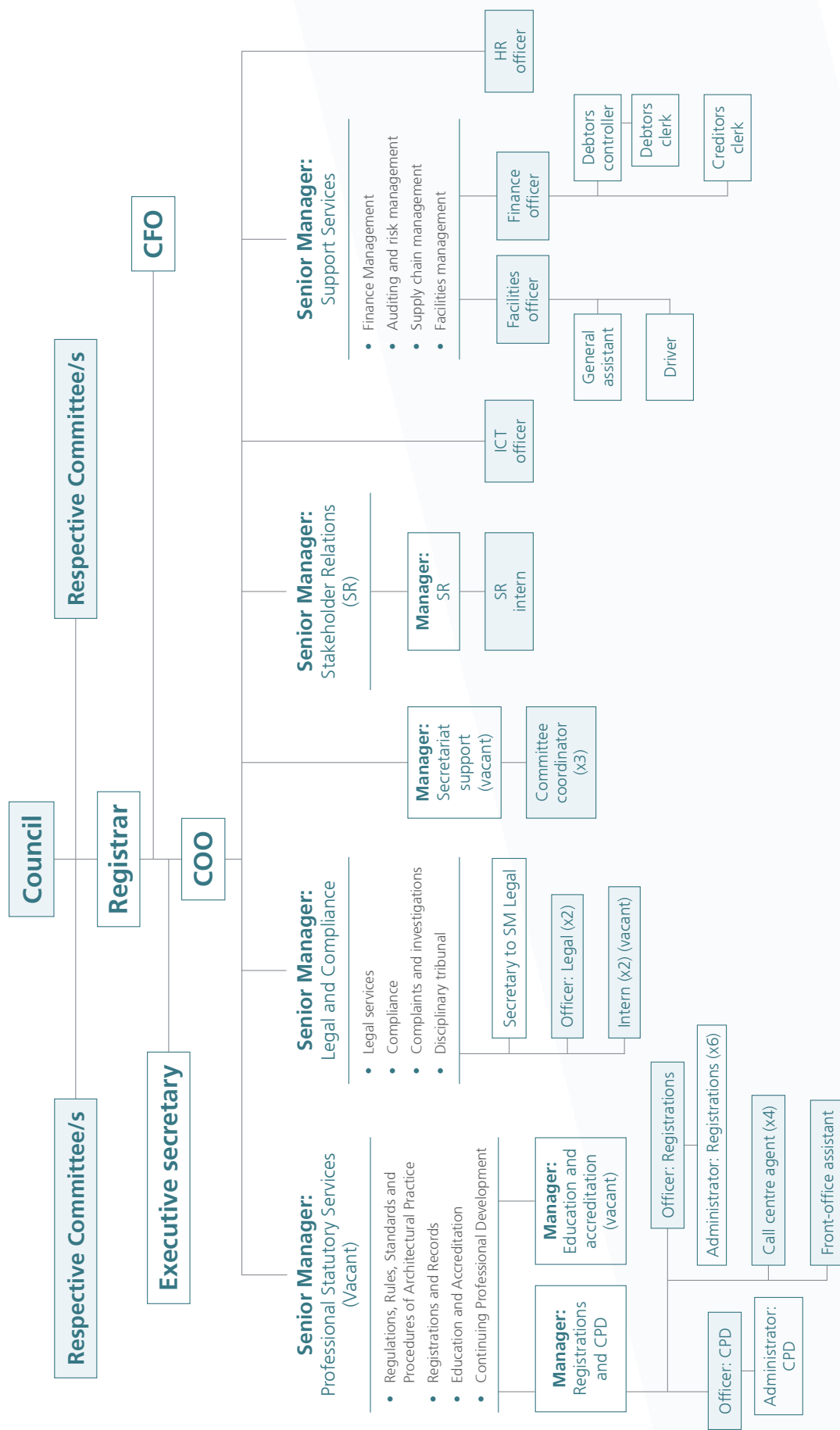
The protection of the public is intrinsic to this new Act. In as much as the regulations of the Act are appropriately instituted, applied and administered and therefore succeed in protecting the public, they equally protect the registered persons.

Furthermore, these regulations reinforce the development and sustainability of the Architectural Profession as a whole, and enhance the integrity and status of SACAP registered persons.

SACAP Council members address SACAP's Stakeholders Engagement and Public Participation Forum on 10 March 2016



Organogram



Executive Management



Ms. Marella O'Reilly
Registrar/CEO



Mr. Thiru Mudaly
Chief Financial Officer (CFO)
(In office until December 2015)



Ms. Barbara van Stade
Chief Operations Officer (COO)

Senior Management



Mr. Tshepo Tefo
Senior Manager: Finance



Adv. Toto Fiduli
Senior Manager: Legal and Compliance



Mr. Pappie Maja
Senior Manager: Corporate Communications
and Stakeholder Relations
(In office until 31 August 2015)

APART B

Performance Information

Transform, promote and regulate the architectural profession debate
transparency trustworthiness promoting high standards tolerance honesty dignity
People-centred architecture for South Africa
Pursuit of excellence
Cohesiveness





Situational Analysis

Service delivery environment

Half way through the reported year, in August 2015, during its Annual Strategy planning session, SACAP's Council made a decision to adopt a new reporting format offered by the Council for the Built Environment (CBE). It did so in response to one of the DPW priorities that all Councils within the built Environment recognize and embrace it as a tool for efficiency enhancement through planning, risk performance management and compliance.

The adopted reporting format is the Annual Performance Plan (APP) which will enhance the operationalisation of SACAP's Strategic Plan for period 2014–2019. The 2014–2019 Strategic Plan of SACAP had already, in its formation, responded to a number of priorities from the Council of the Built Environment (CBE), Department of Public Works (DPW), and the National Development Plan (NDP). It identified five strategic outcome-orientated goals of the Council and linked their best outcome to furthering national imperatives of South Africa's government.

SACAP recognized that by adopting the APP methodology, it could respond more dynamically to the need for consultative transformation, regulation and development of standards, and best practices for the Built Environment, as advocated by the Department of Public Works (DPW). This is due to the fact that it provides optimal monitoring and evaluation and the ability to compare the institution's performance against set measures of performance targets and indicators.

It sets out the work planned by SACAP during the upcoming financial year (2016/17), as well as projections over the remainder of the reporting term. This document serves as a key enabler for SACAP to deliver its mandates, as set in the Architectural Profession Act, 2000 (Act No. 44 of 2000).

Following the decision to adopt the new APP methodology and reporting format, SACAP's Executive management set about within this reporting period to begin establishing benchmarks against which its annual performance can be measured in the next reporting period for the year 2016/17.

SACAP's Council members and Executive management, together with Departmental Managers have been in the process of identifying targets and performance indicators that serve to direct focused programme implementation that will ensure realization of the five strategic goals, as well as enable the measurement of this programme implementation. At the close of this reporting period, the process of establishing these projections was still underway.

Within this report are therefore a mixture of recorded performance figures, and recorded estimates that will establish the benchmark for next year's reported performance against the newly established annual targets and performance indicators.

SACAP, as a Built Environment Professional Council (BEPC) is committed to safeguard the provision of quality and reliable service by professionals with a particular consideration for public health, safety and welfare.

Organisational environment

Despite a number of challenges, SACAP has strived this year again to deliver on its mandate. This is mostly due to the fact that SACAP has capable Council members, a dedicated team of executive managers and a small team of highly driven employees. After analysing the operational environment, a number of strengths and potential opportunities have been identified that could be further exploited. Also, weaknesses and threats have been raised, which if managed effectively can yield even greater impact.

The strategic objective of ensuring public awareness of architecture and the profession has been significantly furthered by the appointment of an external Public Relations agency which activated a communications campaign using printed, online and social media platforms. An impact of this was the renaming of the Committee for Corporate Communications and Stakeholder Relations into the Stakeholder Relations Committee.

The Chief Operations Officer also addressed the Human Resources-related challenges in the absence of a reliable Human Resources Officer. A further positive development was the appointment of key personnel in the administrative responsibilities for the Finance Unit and Professional Statutory Services Department. It was imperative that Council also appointed an ICT Manager to tackle all IT related challenges and that an HR Officer is soon appointed to attend to the HR related challenges and responsibilities. In so doing, SACAP will ensure that the structure, human capabilities, and strategic objectives are aligned accordingly to deliver on its mandate. SACAP has a total of 33 employees and a vacancy rate of 14.5% on the approved organogram.

SACAP is also striving to increase responsiveness and efficiency. The introduction, in the previous reporting year, of Your Membership (YM), an online platform, continues to emphasize the commitment to leverage technology to improve internal operations.

Key policy developments and legislative changes

At the core of the 4th term Council's mandate is the transformation agenda. Subsequently, SACAP has engaged in a number of initiatives within its scope to carry out transformation. The creation of the WiASA Task Team, Women in Architecture in South Africa is one example of the commitment of SACAP to transforming the profession.

The 4th Term Council has embarked on a rigorous consultation process with registered persons, across the different disciplines, as well as the public in general to ensure that their concerns are addressed. On the 8th of June 2015, SACAP published the drafts of the Continuing Professional Development (CPD) and Identification of Works (IDoW) policies for public comments.

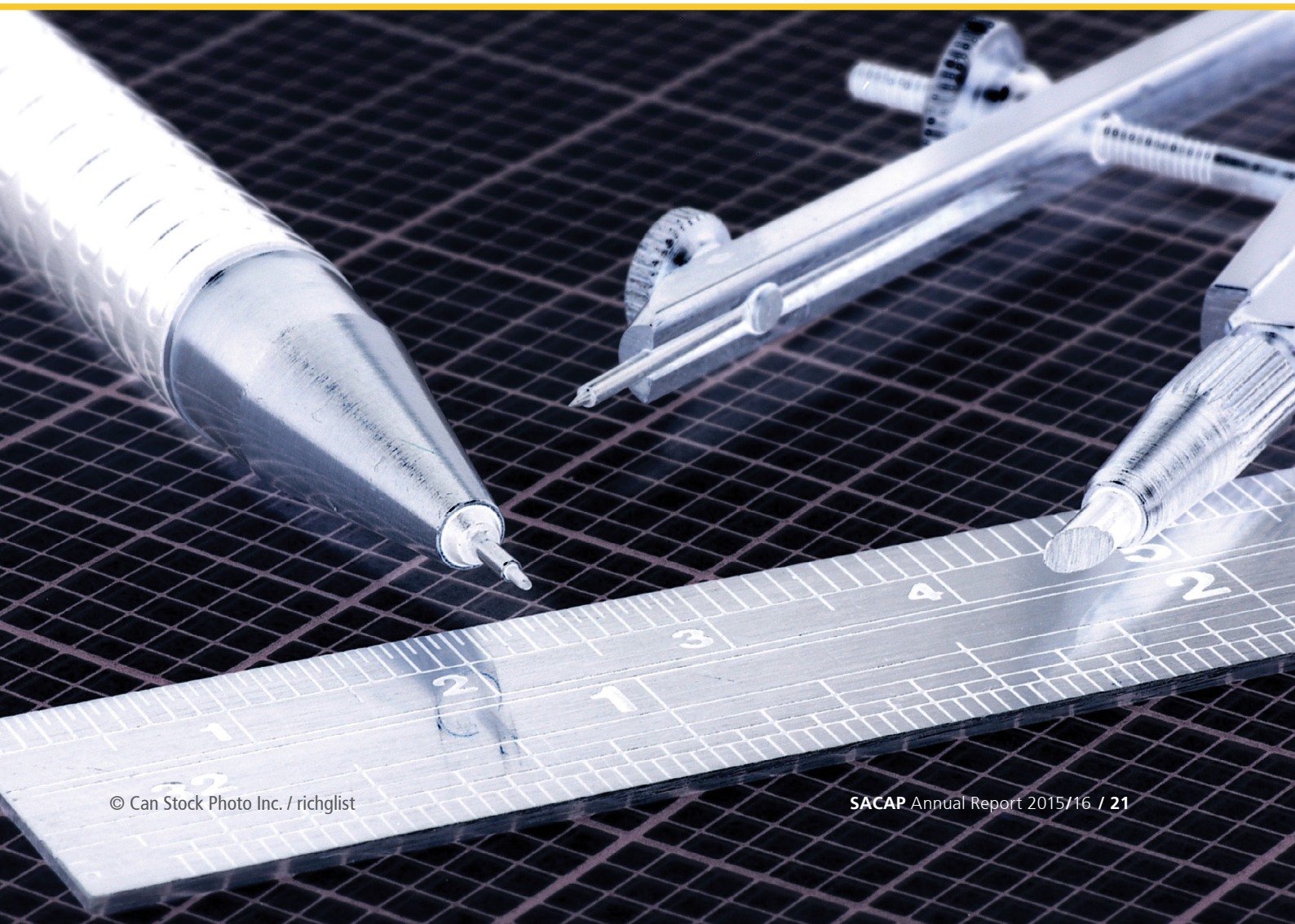
A Public Participation and Stakeholder Engagement Forum was convened on 10 March 2016 which was the first initiative of its kind throughout SACAP's lifetime. Many positive feedbacks were received and it was also requested from various stakeholders to hold similar forums in other provinces across the country. Questions around the new Recognition of Prior Learning Policy and the draft Board Notices on Continuing Professional Development, Identification of Work, Professional Fees Guideline and the Voluntary Associations were invited during the programme.

On 3 February 2016 SACAP gazetted Board Notice 10 to state that while a new IDoW Policy Framework is under consideration, the Principle of the demarcation of work regulation, which is in accordance with – qualifications, skills, experience and competencies – is applicable and serves as a regulatory guide within the architectural profession. A registered person undertaking work for a client shall do so in compliance with rule 2.1 of the Code of Professional Conduct. In essence a Registered Person may only perform such work as they are professionally qualified and competent to undertake.

The history to contentions around IDoW are complex. In February 2014, on behalf of SACAP's 3rd Term Council, the Council for the Built Environment (CBE) submitted an application for exemption to the Competition Commission for its Interim IDoW Policy Framework for the architectural profession. This policy had been published by the 3rd Term Council via Board Notice 154 of 2011. In November 2015, the Competition Commission declined to grant the exemption application in terms of Paragraph 4(a) to (c) of Schedule 1 of the Competition Act. Consequently SACAP withdrew Board Notice 154 with immediate effect.

While SACAP fully respects the decision of the Competition Commission, it will, together with the other BEPCs undertake an appeal process against the rejection of the IDoW Policy Framework by the Competition Commission. In the meantime, SACAP continues to urge new and upcoming architectural professionals to continue practising in their respective fields – to maintain their individual credibility and reputation, to remain at the forefront of the latest and developing trends, as well as to maintain the integrity of their profession.

During the current financial year, SACAP did not deregister any CPD non-compliant member due to the changes in the guidelines in progress to align to the programme of transformation. The suspension of tribunals from November 2015 until March 2016 has impeded SACAP from finalizing complaints in the statutory period.



Strategic outcome-oriented goals of the Council

Strategic Goal 1	Transform the profession and architecture in society (collaboration)
Goal statement	Increase demographic representation of historically disadvantaged groups and that of women in the architectural profession
Link to national outcome(s)	<ul style="list-style-type: none"> • Decent employment through inclusive growth • An efficient, competitive and responsive economic infrastructure network • Responsive, accountable, effective and efficient local government • Protect and enhance our environmental assets and natural resources • Quality based education • A skilled and capable workforce to support an inclusive growth path • A diverse, socially cohesive society with a common national identity
Strategic Goal 2	Grow and develop architecture and the profession
Goal statement	Increase membership and to determine and publish the IDoW and the fees schedule
Link to national outcome(s)	<ul style="list-style-type: none"> • Decent employment through inclusive growth • An efficient, competitive and responsive economic infrastructure network • Responsive, accountable, effective and efficient local government • Protect and enhance our environmental assets and natural resources • Quality based education • A skilled and capable workforce to support an inclusive growth path • A diverse, socially cohesive society with a common national identity
Strategic Goal 3	Regulate the architectural profession to protect the public
Goal statement	Regulate the profession to protect the public. Protecting the public is an objective deriving directly from SACAP's mandate
Link to national outcome(s)	<ul style="list-style-type: none"> • Protect and enhance our environmental assets and natural resources • A comprehensive, responsive and sustainable social protection
Strategic Goal 4	Ensure public awareness of architecture and the profession
Goal statement	Promote the architectural profession
Link to national outcome(s)	<ul style="list-style-type: none"> • Quality basic education • Decent employment through inclusive growth • A skilled and capable workforce to support an inclusive growth path • An efficient, competitive and responsive economic infrastructure network • A diverse, socially cohesive society with a common national identity
Strategic Goal 5	SACAP institutional excellence
Goal Statement	Implement processes and systems to ensure the smooth functioning of SACAP
Link to national outcome(s)	<ul style="list-style-type: none"> • Decent employment through inclusive growth • Vibrant, equitable, sustainable rural communities contributing to food security for all • Sustainable human settlements and improved quality of household life • Responsive, accountable, effective and efficient local government • Protect and enhance our environmental assets and natural resources

Performance Information by Programme

Programme 1: Transformation policies

Purpose of the programme

The strategic objective of creating and implementing Transformational policies is to increase demographic representation of historically disadvantaged groups, and that of women in the architectural profession.

Transformation refers to and includes both internal and external. Internally, the transformation goal is to make SACAP staff as representative as possible of the South African population.

Externally, transformational policies aim not only to correct imbalance in racial and gender representation among candidates and professionals, but also the quality of education itself. Through a number of programmes such as Recognition of Prior Learning (RPL) and, Woman in Architecture South Africa (WiASA), SACAP is striving to address the access of people from HDG in general and of women in particular and accelerate entry to the profession.

Strategic goal

To transform the profession and architecture in society through collaborative engagement.

Strategic objective long-term targets

Strategic objective	Actual achievement 2015/16	Planned target 2015/16	Deviation from planned target to actual achievement for 2015/16	Long-term strategic plan target 2018/19	Comment on deviation
1.1 Increase demographic representation of historically disadvantaged groups in the architectural profession	Of 7 997 registered professionals, 1 062 (13%) are black men and women Of 1 687 registered women, 246 (3%) are black women	Grow the representation on the register to represent an increase in the historically disadvantaged groups, including race and gender	None	Achieve absolute transformation of the architectural profession by reaching target of 51% of professionals being black and 30% being women	The APP template will be used for the first time only in 2016/17

The intended outcome of this programme will be:

- Inclusive growth through reduced racial and gender representation gap
- Professionals driven by high ethical values
- Ensured superior education, quality and public protection

Strategy to overcome areas of under performance

Targets are being developed and set for the new reporting period YE 2016/17.

Performance indicators and their corresponding targets will be:

- Compliance to B-BBEE and employment equity act with a target of maintaining B-BBEE Level 1
- % of demographic representation of historically disadvantaged groups in SACAP with a target of 51% black professionals, of which 30% are women
- Draft an Integrated Transformation strategy and implementation plan with a target of full implementation of it
- Proportion of historically disadvantaged groups registered in RPL with a target of 65

Linking performance with budgets

The programme budget increased with 6% from the previous financial year. The budget increase drivers within this programme are mostly the various initiatives undertaken for transformation implementation. Spending within this programme next year will focus on school initiatives to raise awareness and interest among school learners with a focus on learners from previously disadvantaged groups.

This programme aims to transform the architectural profession in terms of racial and gender representation in terms of curriculum standard. The strategic objective is that one day, the composition of the architectural profession will be proportionally representative of the South African population. The reinstatement of initiatives such as the RPL and student bursaries will speed up the transformation process.



Programme 2: Growth

Purpose of the programme

The strategic objective of a Growth programme is to increase membership and to determine and publish the IDoW Policy and the Professional fees schedule.

In so doing, SACAP ensures not only the cash flow needed to discharge its mandate, but also an integrated management of the profession by bringing all the players involved in the architectural profession under the same set of regulations. In this regards, SACAP has initiated talks with the BCOs to be considered as one of the categories under SACAP regulation.

Strategic goal

Grow and develop architecture and the profession.

Strategic objective annual targets

Strategic objective		Actual achievement 2015/16	Planned target 2015/16	Deviation from planned target to actual achievement for 2015/16	Long-term strategic plan target 2018/19	Comment on deviation
1.1	Increase membership on the register (candidates and professionals)	9 995 Registered members	Increase the register by including other categories where possible	None	Grow the register to 11 000 members through combined initiatives in the up and downstream of the profession	The APP template will be used for the first time only in 2016/17

The intended outcome of this programme will be:

- Increased resources for greater effectiveness and larger portfolio
- Clear delimitation of areas of expertise

Targets are being developed and set for the new reporting period YE 2016/17.

Performance indicators and their corresponding annual targets will be:

1. Number of registration categories with a target of 11
2. Number of first time registrations with a target of 700
3. Determination of the IDoW Policy with a target of publishing it for implementation
4. Determine the fees guideline with a target of publishing it for implementation

Linking performance with budgets

As in programme 1, a 6% increase was applied to the previous financial year in this programme. The increase is not merely inflation-based but also a resource commitment required for growing the profession through a number of activities and initiatives. This programme principally aims to grow the profession in terms of the register as well as of the awareness. This year SACAP has renewed its commitment in growing the profession and has therefore initiated some events in this regard.

Programme 3: Regulation and oversight of the architectural profession

Purpose of the programme

The strategic objective of the Regulation and Oversight programme is to regulate the profession to protect the public. Protecting the public is an objective derived directly from SACAP's mandate.

Strategic goal

Regulate the architectural profession and protect the public.

Strategic objective annual targets

Strategic objective		Actual achievement 2015/16	Planned target 2015/16	Deviation from planned target to actual achievement for 2015/16	Long-term strategic plan target 2018/19	Comment on deviation
1.1	Enforce compliance with the relevant legislation and regulations governing the architectural profession	Achieved	Attend to enforcing of the Act to ensure Registered Persons adhere to the Act and the Code of Conduct	None	Ensure internal compliance to the legislation within the scope of SACAP mandate. Also ensure professionals compliance to SACAP regulations that will ultimately reduce the number of incidents	The APP template will be used for the first time only in 2016/17

The intended outcome of this programme will be:

- A safer built environment with responsible architectural professionals who prioritize public safety
- Restored public confidence in SACAP

Targets are being developed and set for the new reporting period YE 2016/17.

Performance indicators and their corresponding long-term target will be:

- Compliance to the B-BBEE code with a target of maintaining B-BBEE level 1
- Number of non-compliance incidents amongst registered members with a target of 20% CPD and fees combined
- PFMA readiness with a target of Readiness for Public Financial Management Act Compliance

Linking performance with budgets

Regulation and oversight of the profession is one of the main missions of SACAP as a statutory body. Complaints investigations constitute the biggest budget driver within this programme.

Programme 4: Stakeholder engagement

Purpose of the programme

The strategic objective of the Stakeholder Engagement Programme is to promote the architectural profession.

The promotion of the architectural profession includes creating awareness about the profession to the general public in case of breach of the code of conduct; engage with existing professionals and candidates, as well as attracting prospective students and school leavers to the profession.

Within this programme, SACAP has developed a number of initiatives in order to raise the profile of the architectural profession.

Strategic goal

Ensure public awareness of architecture and the profession.

Strategic objective annual targets

Strategic objective		Actual achievement 2015/16	Planned target 2015/16	Deviation from planned target to actual achievement for 2015/16	Long-term strategic plan target 2018/19	Comment on deviation
1.1	Promote the architectural profession	Reintroduction of bursary scheme Public and Stakeholder Engagement Forum held	Bursary scheme to be reintroduced Special Stakeholder engagement to be arranged	None	Raise the profile of the architectural profession among the public and SACAP's stakeholders in particular, raise awareness of architecture among school learners to boost enrolment	The APP template will be used for the first time only in 2016/17

The intended outcome of this programme will be:

- An effectively managed architectural profession with greater accountability, transparency and responsiveness
- Collaborative decisions through stakeholder engagement

Performance indicators and their corresponding long-term target will be:

- Number of access channels with a target of 9
- Number of High school learners reached with a target of 200
- Number of architectural expos reached with a target of 10
- Number of registered BCOs reached with a target of 30
- Annual report, annual performance plan and strategic plan with a target of the Annual Report being published annually

Linking performance with budgets

As a regulatory body, stakeholder engagement is one of the most important programmes on SACAP's agenda. This programme aims at raising SACAP's profile among various segments of stakeholders through targeted projects and initiatives. From the previous financial year, the budget allocation to this programme has grown with 6%. The increase was driven by the elaboration of a communication and marketing plan which is already being partially implemented. Over the medium-term, SACAP intends to increase the number of stakeholder engagement events and participate to more student expos. The intensification of the events aims to promote better engagement with the main stakeholders, attract school learners to the profession as well as unregistered qualified professionals.

Programme 5: Institutional excellence

Purpose of the programme

The strategic objective of the Institutional Excellence Programme is to implement processes and systems to ensure the smooth functioning of SACAP. The programme also includes various initiatives to improve internal and external governance. It encompasses mostly internal operations and their respective desired outcomes.

Strategic goal

SACAP institutional excellence.

Strategic objective annual targets

Strategic objective		Actual achievement 2015/16	Planned target 2015/16	Deviation from planned target to actual achievement for 2015/16	Long-term strategic plan target 2018/19	Comment on deviation
1.1	Implement systems and processes	Unqualified audit	Unqualified audit. None further available as annual targets were still being identified in this period	None	Enhanced systems and processes to improve effectiveness, efficiency, responsiveness and transparency	The APP template will be used for the first time only in 2016/17

The intended outcomes of this programme will be:

- Good governance
- Effective processes
- Skillful and driven staff
- Adequate IT capability
- Efficient service delivery

Performance indicators and their corresponding long-term target will be:

- % of governance and staff & council performance appraisal with a target of 100%
- Proportion of cases investigated within the financial year with a target of 100%
- A clean audit report with a target of the report being unqualified
- Annual report, annual performance plan and strategic plan with a target of annual publication

Linking performance with budgets

For the previous financial year, this programme has benefited from a 6% increase in resources allocation. The spending focus of this programme over the medium term will be the investment in improving systems and processes for better service delivery. Skills development will be one of the major cost drivers to improve internal capabilities to be better equipped to deliver quality service. An acquisition of the integrated information systems and software updates were also major cost drivers to ensure institutional excellence. Finally, the relocation to better and new premises also contributed to the increase in resources allocated to this programme. In the medium term, SACAP is looking to invest even more in information technology to make its services more accessible and convenient to various stakeholders.

Registrations, Professional Practice Exams and Continuing Professional Development

Council endeavours at all times to implement smooth functioning processes and systems to ensure performance excellence.

In terms of Section 18(2) of the Architectural Profession Act, 2000 (Act No. 44 of 2000) (the Act) all architectural practitioners in South Africa must be registered with SACAP, in the appropriate registration category.

Registered Candidates are required to have completed a per-determined period of acceptable training, and writing and passing the Professional Practice Examination is required before Candidates can upgrade to a Professional registration category.

In terms of section 13(k) of the Act, SACAP determined the conditions relating to, and the nature and extent of continuing professional development required in order to qualify for the renewal of registration as contemplated in section 22(2) of the said Act.

Registrations

Persons applying for registration must first be registered in a Candidate registration category. This category is determined by the applicant's recognised architectural qualification. Once registered all Candidates must complete a pre-determined period of internship. During the period of internship Candidates must submit monthly training records, which must be verified and signed off by the Candidate's mentor. Candidates are also required to write and pass the Professional Practice Examination, before they can apply to be upgraded to a Professional registration category.

The registrations for the 2015/16 financial year are broken down in the following tables and graphs:

Upgrades

Upgrades to a professional registration category, after completing the internship and passing the Professional Practice Examination

Initial registration category		Upgraded category		Total
Candidate Architectural Draughtsperson	CAD	Professional Architectural Draughtsperson	PAD	22
Candidate Architectural Technologist	CAT	Professional Architectural Technologist	PAT	39
Candidate Senior Architectural Technologist	CSAT	Professional Senior Architectural Technologist	PSAT	62
Candidate Architect	CANT	Professional Architect	PrArch	231

Upgrades done after the applicant obtained a further Architectural Qualification

Category upgraded to		Number of transactions
Candidate Architectural Draughtsperson	CAD	0
Candidate Architectural Technologist	CAT	0
Candidate Senior Architectural Technologist	CSAT	1
Candidate Architect	CANT	8
Professional Architectural Draughtsperson	PAD	0
Professional Architectural Technologist	PAT	1
Professional Senior Architectural Technologist	PSAT	12
Professional Architect	PrArch	11

New registrations

By category of registration

Registration category		Total
Candidate Architectural Draughtsperson	CAD	131
Candidate Architectural Technologist	CAT	157
Candidate Senior Architectural Technologist	CSAT	81
Candidate Architect	CANT	229
Total		598

By race

Registration category		Asian	Black	Coloured	White	Total
Candidate Architectural Draughtsperson	CAD	4	56	10	61	131
Candidate Architectural Technologist	CAT	16	72	13	56	157
Candidate Senior Architectural Technologist	CSAT	8	28	5	40	81
Candidate Architect	CANT	12	35	7	175	229
Total		40	191	35	332	598

By gender

Registration category		Male	Female	Total
Candidate Architectural Draughtsperson	CAD	107	24	131
Candidate Architectural Technologist	CAT	97	60	157
Candidate Senior Architectural Technologist	CSAT	54	28	82
Candidate Architect	CANT	137	91	228
Total		395	203	598

By province

Registration category		EC	FS	GP	KZN	LP	MP	NC	NW	WC	Other	Total
Candidate Architectural Draughtsperson	CAD	6	3	60	15	7	10	1	5	24	0	131
Candidate Architectural Technologist	CAT	20	3	63	35	2	1	2	4	24	3	157
Candidate Senior Architectural Technologist	CSAT	6	0	42	13	0	1	0	2	17	1	82
Candidate Architect	CANT	27	6	88	22	0	1	1	2	69	12	228
Total		59	12	253	85	9	13	4	13	134	16	598

Cumulative statistics

Category of registration

Registration category		Total
Candidate Architectural Draughtsperson	CAD	532
Candidate Architectural Technologist	CAT	541
Candidate Senior Architectural Technologist	CSAT	302
Candidate Architect	CANT	623
Professional Architectural Draughtsperson	PAD	1 457
Professional Architectural Technologist	PAT	1 008
Professional Senior Architectural Technologist	PSAT	1 760
Professional Architect	PrArch	3 772
Total		9 995

By race

Registration category		Asian	Black	Coloured	White	Total
Candidate Architectural Draughtsperson	CAD	28	193	40	271	532
Candidate Architectural Technologist	CAT	64	235	33	209	541
Candidate Senior Architectural Technologist	CSAT	32	93	21	156	302
Candidate Architect	CANT	48	88	16	471	623
Professional Architectural Draughtsperson	PAD	90	422	219	726	1 457
Professional Architectural Technologist	PAT	116	166	96	630	1 008
Professional Senior Architectural Technologist	PSAT	182	177	118	1 283	1 760
Professional Architect	PrArch	177	297	107	3 191	3 772
Total		737	1 671	650	6 937	9 995

Gender

Registration category		Male	Female	Total
Candidate Architectural Draughtsperson	CAD	371	161	532
Candidate Architectural Technologist	CAT	381	160	541
Candidate Senior Architectural Technologist	CSAT	221	81	302
Candidate Architect	CANT	446	177	623
Professional Architectural Draughtsperson	PAD	1 161	296	1 457
Professional Architectural Technologist	PAT	797	211	1 008
Professional Senior Architectural Technologist	PSAT	1 385	375	1 760
Professional Architect	PrArch	2 967	805	3 772
Total		7 729	2 266	9 995

Province

Registration category		EC	FS	GP	KZN	LP	MP	NC	NW	WC	Other	Total
Candidate Architectural Draughtsperson	CAD	29	20	236	57	33	38	1	24	92	2	532
Candidate Architectural Technologist	CAT	65	10	202	135	12	9	4	6	93	5	541
Candidate Senior Architectural Technologist	CSAT	22	3	147	45	4	9	3	3	62	4	302
Candidate Architect	CANT	46	22	276	58	2	11	3	5	180	20	623
Professional Architectural Draughtsperson	PAD	111	61	479	172	81	88	33	46	380	6	1 457
Professional Architectural Technologist	PAT	67	21	368	182	28	26	13	14	287	2	1 008
Professional Senior Architectural Technologist	PSAT	137	20	713	295	38	33	7	19	483	15	1 760
Professional Architect	PrArch	220	122	1 621	433	86	3	25	34	1 124	104	3 772
Total		697	279	4 042	1 377	284	217	89	151	2 701	158	9 995

Professional Practice Examination

The Professional Practice Examination is normally written twice per annum. The month for the examinations were however changed during the 2015/16 financial year, resulting in only one examination that was written during the reporting period with a possible three in the next financial reporting year.

A Candidate can apply and write the PPE if he/she has completed at least 50% of the required recognised practical experience. This implies that at least half of the prescribed period of internship must have been completed, monthly training records submitted for this period and at least half of the required value units obtained.

The candidate can however not apply to be upgraded after successful completion of the examination, before he/she has completed the full period of practical training.

Description	Paper	No. of persons
Number of people who wrote exams	Paper 1	272
	Paper 2	252
Total that wrote		524
Number passed	Paper 1	234
	Paper 2	220
Total passed		454
Number failed	Paper 1	38
	Paper 2	32
Total failed		70

Continuing Professional Development (CPD)

CPD is compulsory for all Architectural Professionals in all categories of registration. This differs to Candidates registered with SACAP who submit Monthly Training Records. SACAP determined the conditions for the renewal of registration. These conditions are related to CPD requirements, which was effective from 1st January 2007.

A renewed CPD Guideline Board Notice was drafted and submitted to the VA's and other stakeholders for their comments. During the Public participation and Stakeholders Engagement Forum that was held on 10 March 2016, CPD and the CPD policy were amongst the subjects discussed and deliberated.

Renewal of registration: 2016 cycle for renewal

SACAP received a large number of CPD submissions by 1 January 2016, as this is the 2nd year that registered professionals can submit their credits online. Invoices for the renewal of registration were also issued on the online system.

Accreditation and validations of ALSs

In terms of the Architectural Profession Act, 2000 (Act 44 of 2000), SACAP has a mandate to assess the quality and relevance of qualifications leading to candidacy, and eventual professional registration and practise.

There are eleven accredited Architectural Learning Sites (ALSs) under the auspices of SACAP. We are now working on a five year cycle of the accreditation visits, in line with international standards, with interim visits if required. Previously it was a four year cycle. This is in line with the Council for the Built Environment's Annual Performance Plan. We are excited to see the way the programmes being delivered by the ALSs are meeting the transformation objectives, and exciting new programmes are in place to meet the needs of disadvantaged students.

The validation procedures are outlined in the prescribed: *The Purple Book – Guidelines for the validation of courses in architecture by SACAP*. SACAP has a joint validation agreement with the Commonwealth Association of Architects (CAA). Accordingly representatives of the CAA participate in validation visits.

In terms of sections 5 and 7 of the Higher Education Act, Council may conduct education visits to the accredited ALS's. It may either conditionally or unconditionally grant, refuse or withdraw accreditation to such Institutions.

SACAP's validation visits are conducted by Validation Boards who visit the ALSs. Each Validation Board has a specific mandate to assess whether the standard of graduates – their knowledge and skills – comply with the minimum level of competencies demanded by SACAP for registration as a candidate in one of the four professional categories.

SACAP recognises that some of the outlined competencies will be better developed within certain institutions than others hence the value of the interim validation visits.

SACAP's validation procedures have been revised to be in line with updated international benchmarks to ensure that the validated ALSs can deliver cohorts to compete in the South African economy and abroad. The candidacy and mentorship programme supports this drive for competent professionals being unleashed into the South African economy.

Purpose of the validation boards

International recognition

SACAP has maintained its Memorandum of Understanding (MOU) with the Commonwealth Associations of Architects (CAA) / Royal Institute of British Architects (RIBA) for the ongoing recognition of architectural qualifications offered in South Africa at SACAP validated institutions.

SACAP has further entrenched its accreditation of architectural qualifications through the ALS's. International recognition of architectural qualifications has been further enhanced through its provisional status membership of the Canberra Accord. This international accreditation system enables our ALS's to be benchmarked against an International standard of accreditation.

Nelson Mandela Metropolitan University (NMMU) – Full visiting board accreditation held on 24–27 May 2015

The 2015 NMMU Validation Board recommended to SACAP and the CAA that unconditional validation of the following programmes be granted from 2015–2019:

- Bachelor of Architectural Studies (BAS)
- Master of Architecture (Professional) (M.Arch)

This recommendation followed two previous validation processes held in 2010 and 2012, which had granted the institution conditional and unconditional validations respectively.

Cape Peninsula University of Technology (CPUT) – Full visiting board accreditation held on 24–27 May 2015

The 2015 CPUT Validation Board recommended to SACAP conditional continued validation of:

- National Diploma: Architectural Technology for purposes of registration of graduates as Candidate Architectural Technologists
- Bachelor of Technology: Architectural Technology for purposes of registration of graduates as Candidate Senior Architectural Technologists

The Validation Board found that recommendations 9.1, 9.2 and 9.3 in the SACAP Validation report of February 2011 had not been addressed and therefore recommended that the Council of Higher Education (CHE) and Council for the Built Environment (CBE) be informed that the continued accreditation of the architectural programmes at this institution is under threat.

University of KwaZulu Natal (UKZN) – Full visiting board accreditation held on 16–18 November 2015

The Visiting Board recommended to SACAP and the Commonwealth Association of Architecture (CAA) Unconditional Validation of the following qualifications, allowing graduates to register in the professional categories indicated:

- Bachelor of Architectural Studies (BAS)
- Master of Architecture (M.Arch)

Identification of Work (IDoW)

In February 2014, on behalf of SACAP's 4th Term Council, the Council for the Built Environment (CBE) submitted an application for exemption to the Competition Commission for its IDoW Policy Framework for the architectural profession. This policy had been published by the 3rd Term Council via Board Notice 154 of 2011. In November 2015, the Competition Commission declined to grant the exemption application in terms of paragraph 4(a) to (c) of schedule 1 of the Competition Act. Board Notice 10 of 2016, gazetted on 3 February 2016 states that while a new IDoW Policy Framework is under consideration, the Principle of the demarcation of work regulation, which is in accordance with – qualifications, skills, experience and competencies – is applicable and serves as a regulatory guide within the architectural profession. In other words a registered person undertaking work for a client shall do so in compliance with rule 2.1 of the Code of Professional Conduct. A Registered Person may only perform such work as they are professionally qualified and competent to undertake.

The CBE, on behalf of all its member Councils is undertaking an appeal process against the rejection of the IDoW Policy Framework by the Competition Commission. SACAP continues to urge new and upcoming architectural professionals to continue registering in their respective fields – to maintain their individual credibility and reputation, to remain at the forefront of the latest and developing trends, as well as to maintain the integrity of their profession.

Voluntary Associations

Council resolved to directly engage with all of its recognised Voluntary Associations (VAs) on all of the Draft Board Notices that we publish for comment. The Registrar and President met with each as part of our aim to build a stronger relationship with each. Council looked to harness and establish relationship building with VA's as a means of us getting closer to our stakeholders and being in a position to hear directly from them and their member base. We also started travelling to different geographic areas to entrench the spirit of our MOU by directly addressing their member base.

The recognition of the Voluntary Associations was extended until 30 September 2016 to enable thorough discussions with the VA's before the final publication of the revised Draft Board Notice.

Recognition of Prior Learning (RPL)

SACAP has successfully compiled a new Policy on RPL, which was communicated to all recognised Voluntary Associations (VA's) and stakeholders. It was also further discussed during the Public Participation and Stakeholders Engagement Forum that took place on 10 March 2016. The RPL Committee compiled the necessary application templates and is endeavouring to have an online system for applications for RPL developed to streamline the application process.

^PART C

Governance

Transform, promote and regulate the architectural profession debate
transparency trustworthiness promoting high standards
People-centred architecture for South Africa
tolerance honesty dignity
Pursuit of excellence
Cohesiveness



Introduction

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on the Architectural Professions Act, 2000 (Act No. 44 of 2000), corporate governance with regard to public entities is applied and run in tandem with the principles contained in the King Report on Corporate Governance. Governance is the system by which SACAP is controlled and directed through sustainability as a citizen creating value in the architectural environment.

This Annual Report focuses on qualitative and quantitative issues arising in 2015/16 that are material to SACAP's business operations and strategic objectives.

Materiality was determined through extensive consultation with stakeholders, and by taking into consideration SACAP's core objectives and the way in which its value chain operates. The South African Council for the Architectural Profession (SACAP) reports to the Portfolio Committee on the Department of Public Works (DPW), through the coordination of the Council for the Built Environment (CBE).

The CBE reported to the Portfolio Committee in the second quarter of the year under review.

Executive authority

In terms of the Council for the Built Environment Act, 2000 (Act No. 43 of 2000) the CBE is the over-arching Accounting Authority for all six Built Environment Councils (BEC's). The CBE acts as the coordinator for SACAP to advise the Portfolio Committee on issues relating to the operations of SACAP.





The Accounting Authority

Composition of the Council

The 4th Term Council has been established in terms of Section 3 of the Architectural Profession Act, 2000 (Act No. 44 of 2000), and comprises seven registered persons, excluding candidates, of which at least four must actively practise in the architectural profession, two professionals in the service of the State nominated by any sphere of government, of whom at least one must be nominated by the department; and two members of the public nominated through a public participation process.

The role of the Council

Council sets the overall strategic direction for the organisation, provides input and makes decisions about matters of strategic importance including: Registration, Fees and Charges, Architectural Education, Code of Conduct (CoC) and Recognition of Voluntary Associations.

Council Charter

In March 2014, the 3rd Term Council introduced the Council Charter which outlines the main corporate governance practices that are in place for the South African Council for the Architectural Profession and to which the Council, Committees and the Executive management are collectively committed.

The Charter sets out the Code of Conduct for Council and Committee members.

The Council subscribes to the King Report, whereby ethics and integrity set the standards for compliance.

Council continuously reviews and adapts its structures and processes to facilitate effective leadership and sustainability within its structure.

Composition of the Council

Name	Designation (in terms of the public entity Council structure)	Date appointed	Date resigned	Qualifications	Other committees or task teams (e.g.: Audit committee/ ministerial task team)	No. of meetings attended
Mr. Yashaen Luckan	President	15 April 2014		Masters of Arch, BTech Arch, Nat Dip in Arch	Executive Committee, IDoW Committee (<i>ex-officio</i>), RPL Committee	14
Ms. Maureen Gerrans	Vice President	15 April 2014		N3	Executive Committee, Finance Committee, SR Committee, Investigating Committee, Audit and Risk Committee, IDoW Committee, CPD Committee	14
Ms. Gillian Bolton	Treasurer	15 April 2014		Bach of Arts, Bach of Law, Masters of Business Admin	Executive Committee, Finance Committee, SR Committee, Investigating Committee, Audit and Risk Committee, Human Resources & Remuneration Committee	9
Ms. Diane Arvanitakis	Chairperson: CPD Committee	19 December 2014		Bach Arch, B Arch Studies, Nat Dip Arch Tech, Dip Masters of Management	RPL Committee	12
Mr. Linda Mampuru	Council Member	15 April 2014		Masters of Arch		0
Mr. Rowen Ruiters	Chairperson: SR Committee	15 April 2014		Nat Dip Arch Tech, BTech Project Management, BTech Arch	Executive Committee, Finance Committee, CPD Committee	15
Mr. Niel Lombard	Council Member	15 April 2014		Intro to Arch Dwg, NTC 3	IDoW Committee, CPD Committee	14
Ms. Sushma Patel	Chairperson: Professional Fees	15 April 2014		B Arch	Executive Committee, Investigating Committee	15
Mr. Rakau Lekota	Chairperson: Education Committee	15 April 2014		MTech Arch, BTech Arch, Nat Dip in Arch	IDoW Committee, RPL Committee, H.o.S Committee	16
Mr. Krish Ranchod	Chairperson: Human Resources & Remuneration Committee	8 September 2014			Education Committee, RPL Committee	14
Mr. Sithiwe Thubane	Council Member	15 April 2014		Nat Dip in Arch, BTech Arch		3



1. Mr. Rakau Lekota

Chairperson: Education Committee

2. Mr. Rowen Ruiters

Chairperson: SR Committee

3. Mr. Krish Ranchod

Chairperson: Human Resources
& Remuneration Committee

4. Mr. Yashaen Luckan

President

5. Ms. Maureen Gerrans

Vice President

6. Mr. Niel Lombard

Council Member

7. Mr. Sithiwe Thubane

Council Member

8. Ms. Diane Arvanitakis

Chairperson: CPD Committee

9. Ms. Gillian Bolton

Treasurer

10. Ms. Sushma Patel

Chairperson: Professional Fees

*** Mr. Linda Mampuru (*Apologies*)**

Council Member

Council meeting attendance

Name	Dates of meetings	Remuneration paid to each member	Other expenses paid to each member
Mr. Y Luckan (President)	14 Meetings	R100 495.08	R4 421.57
Ms. M Gerrans (Vice President)	14 Meetings	R47 330.12	-
Ms. G Bolton (Treasurer)	9 Meetings	R30 185.52	-
Mr. L Mampuru	0 Meetings	-	-
Ms. D Arvanitakis	12 Meetings	R20 237.04	R2 293.80
Mr. R Ruiters	15 Meetings	R25 380.42	R1 289.23
Mr. N Lombard	14 Meetings	R23 665.96	R1 179.40
Ms. S Patel	15 Meetings	R25 380.42	R3 743.80
Mr. R Lekota	16 Meetings	R27 094.88	R5 068.00
Mr. K Ranchod	14 Meetings	R23 665.96	R2 001.49
Mr. S Thubane	3 Meetings	R5 031.22	R1 240.10

Note: Total number of meeting held under review – 16 meetings

Remuneration of Council members

In terms of Section 10 of the Act, the Council may determine the remuneration and allowances payable to its members or the members of any Committee of the Council. All Council and Committee members are remunerated for attending meetings. Council members are fully reimbursed for accommodation, and is paid R3.18 per kilometre for travel, as per the SARS guidelines. Council members are paid the following amounts per meeting:

- President of Council: R7 280.28
- Vice President of Council: R3 428.92
- Treasurer of Council: R3 428.92
- Chairperson of the Audit and Risk Committee: R7 280.28
- Audit and Risk Committee Members: R6 066.90
- Chairpersons of Committees: R3 428.92
- Council and Committee Members: R1 714.46

Council Portfolio Committees

In terms of Section 17 of the Act, Council has appointed twelve Committees.

The role of the Committees is to advise Council on specific matters relating to the mandates prescribed in the Act.

The following committees were established by Council:

- Executive Committee
- Finance Committee
- Audit and Risk Committee
- Human Resources & Remuneration Committee
- Heads of Schools
- Education Committee
- Investigating Committee
- Identification of Work (IDoW)
- Professional Fees Committee
- Recognition of Prior Learning (RPL)
- Stakeholder Relations Committee (SR)
- Continuing Professional Development Committee (CPD)

Committee	No. of meetings held	No. of members per committee	Names of Committee members
Executive	1	5	Mr. Y Luckan, Ms. M Gerrans, Ms. G Bolton, Mr. R Ruiters, Ms. S Patel
Finance	4	3	Ms. G Bolton, Ms. M Gerrans, Mr. R Ruiters
Audit and Risk Committee	5	5	Mr. P Serote, Ms. M Gerrans, Ms. G Bolton, Adv. F Mukaddam, Mr. C Motau
HR & Remuneration	3	4	Mr. K Ranchod, Ms. G Bolton, Ms. J Makapan, Ms. C Hayward
Heads of Schools (HOS)	1	13	Mr. R Lekota, Dr F Saidi, Prof. A van Graan, Prof. H Pretorius, Prof. A Steenkamp, Prof. S Schmidt, Prof. P Jenkins, Prof. I Low, Prof. D Whelan, Mr. M Mkhize, Mr. J Pansegrouw, Mr. B Varghese, Prof. S Umenne
Education	3	7	Mr. R Lekota, Mr. Y Luckan, Mr. K Ranchod, Ms. D Arvanitakis, Prof. R Fisher, Ms. H Dodd, Mr. J Manning
Investigating	3	6	Ms. G Bolton, Ms. S Patel, Ms. M Gerrans, Mr. L Mampuru, Prof. G Le Roux, Ms. K Mahlangu
Identification of Work (IDow)	4	6	Ms. M Gerrans, Mr. Y Luckan, Mr. R Lekota, Mr. N Lombard, Mr. T Marokane, Mr. M Campbell
Professional Fees	7	4	Ms. S Patel, Ms. H Grimsel du Toit, Ms. S Rawat, Mr. K Moloi
Recognition of Prior Learning (RPL)	4	8	Mr. Y Luckan, Mr. R Lekota, Mr. K Ranchod, Ms. D Arvanitakis, Prof. R Fisher, Ms. H Dodd, Mr. M Campbell, Mr. J Manning
Stakeholder Relations	5	6	Mr. R Ruiters, Ms. M Gerrans, Ms. G Bolton, Mr. P Ramanundh, Ms. O van der Haar, Mr. L Mampuru
Continuing Professional Development (CPD)	3	9	Ms. D Arvanitakis, Mr. N Lombard, Mr. L Mampuru, Mr. S Thubane, Ms. M Gerrans, Mr. R Ruiters, Ms. S Rawat, Prof. C Vosloo, Mr. P Lategan

Committee meeting dates were as follows:

- Executive Committee: 23 April 2015
- Professional Fees: 8 May 2015, 5 June 2015, 20 July 2015, 24 August 2015, 23 October 2015, 29 January 2016 and 24 February 2016
- Education Committee: 30 October 2015, 16 July 2015 and 26 February 2016
- Finance Committee: 21 May 2015, 24 August 2015, 11 November 2015 and 10 February 2016
- Audit and Risk Committee: 14 April 2015, 21 May 2015, 23 July 2015, 11 November 2015 and 11 February 2016
- HOS Committee: 26 August 2015
- IDoW Committee: 28 July 2015, 6 November 2015, 16 November 2015 and 26 January 2016
- Investigating Committee: 21 May 2015, 25 August 2015 and 5 November 2015
- SR Committee: 7 October 2015, 5 November 2015, 25 January 2015, 10 March 2016 and 17 March 2016
- RPL Committee: 16 July 2015, 30 October 2015, 12 November 2015 and 26 February 2016
- HR & Remuneration Committee: 22 April 2015, 10 November 2015 and 22 April 2016
- CPD: 28 July 2015, 10 November 2016 and 11 February 2016

Risk Management

As per SACAP's governance protocols, an Audit and Risk Committee operates with an independent Chairperson. An outsourced Internal Audit service provider is appointed by SACAP's Council as the Internal Auditor which develops an Internal Risk Register. For the reporting period the contracted provider was OMA Chartered Accountants Inc. This Internal Risk Management system includes a formulated strategy to identify, assess and manage risks that each of SACAP's departments needs to continuously monitor and mitigate against. The appointed independent Internal Auditors conduct the risk assessment via a schedule, and report their findings through to the Senior Manager: Finance who forwards same to all Department heads. The Senior Manager: Finance submits the updated assessments to the Registrar, who then reports to the Audit and Risk Committee.

The Audit and Risk Committee has viewed an improvement in the management of risks within the reported year and was satisfied that continual assessment has ensured the effectiveness of the strategy and identified new and emerging risks.

The following risks were recorded, with corresponding action implemented to mitigate against each risk:

Unit	Risk	Implementation	Action
HR	Compliance Risk	Appoint an HR official	HR Official appointed
Professional Statutory Services	Compliance Risk	Registration Policy and registration forms and procedures	Update registration policy and procedures
Finance	Compliance Risk	Internal auditors and external reviews	Regular audits by internal auditors and external auditors
Legal and Compliance	Compliance Risk	Code of Professional Conduct, Complainant handling procedure, Disciplinary hearing procedure, and Disciplinary hearing tribunals	Review of the Code of Professional Conduct, Introduction of the Ombudsman. Investigation Procedure. Complaint Management System.
ICT	Legal and Compliance	Personal information is protected. Access to the information is through protected password	The server where personal information is stored is protected through firewalls.
Office of the Registrar	Compliance	Registrar directly communicates with the office of the Minister and the Director General responsible for the Built Environment	Regularly when nominations becomes necessary.

Internal Control Unit

SACAP's Finance Committee approved the appointment of OMA as SACAP's Internal Auditor after a careful procurement process in line with SACAP's strict corporate governance policies.

The Internal Auditor ensures that SACAP's risks are identified, registered and managed through its Risk Management Plan. This plan provides for any missing policies that need to be formulated and implemented to ensure that process and controls are in place to safeguard SACAP's risk management.

Operational risks of SACAP are monitored on a daily basis by the Chief Operations Officer, who is in constant contact with the various departments.



Internal Audit and Audit Committees

Key activities and objectives of the internal audit

The Internal Audit function of SACAP is established and carried out by an outsourced Internal Audit service provider by approval of the Council.

The main activities of the Internal Audit function include:

- Compiling a rolling three year strategic Internal Audit plan
- Compiling an Internal Audit plan for the first year of the Rolling Three Year Strategic Internal Audit Plan
- Designing plans and detailing the scope of each audit in the Internal Audit plan, and;
- Report to management and the Audit and Risk Committee

The role of the Internal Audit function is to provide management and the Audit and Risk Committee with independent and objective assurance, designed to add value and improve the Council's operations. It is furthermore aimed at assisting the Council to accomplish its objectives by establishing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management and control processes.

Summary of audit work done

During the period under review, the following Internal Audit engagements were performed in accordance with the approved Internal Audit Plan:

- Governance and Compliance – Follow up review
- Legal and Compliance
- Registration and Professional Development
- Follow up on External Audit Findings
- Financial discipline review
- Human Capital Management
- IT General Controls Review
- Performance Information (Performance against Objectives)

A risk assessment workshop was held in November 2015, Internal Audit assisted management with facilitation of the process and an Operational Risk Register was developed.

Internal Audit also assisted in the preparation of the Audit and Risk Committee Charter and the Internal Audit Charter.

A combined Assurance document was prepared in consultation with External Audit and Management.

Key activities and objectives of the Audit and Risk Committee

The Audit and Risk Committee exists in order to assist the Council in fulfilling its oversight responsibilities by reporting to Council on matters arising from the review of and remedial action in respect of:

- The effectiveness of the Internal Audit control systems
- The effectiveness of the internal audit
- The risk areas of the organisations operations to be covered in the scope of internal and external audits
- The results of the external audit and its cost-effectiveness and the independence and objectivity of the external auditors
- The adequacy and effectiveness of the risk management process followed and the development, maintenance and enhancement of fraud prevention plans
- The organisation's compliance with legal and regulatory requirements – the effectiveness of the system for monitoring compliance with laws, regulations and policies, and the results of management's investigations and follow up actions (including disciplinary action) of any instance of non-compliance
- The integrity of the organisation's financial statements – the adequacy, reliability, accuracy, regularity and timeliness of financial information provided to management and other users of such information
- Any accounting and auditing concerns identified as a result of internal and external audits
- Any reports that regulatory authorities require be included in the organisation's annual financial statements
- The activities of the Internal Audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations
- IT Governance
- Such other matters as are delegated by the Council

Attendance of Audit and Risk Committee meetings by Audit and Risk Committee members

The information tabled below discloses relevant information on the Audit and Risk Committee members.

Name	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Mr. Paul Serote	Independent Member (External)		1 October 2014	End of contract 15 April 2018	5
Mr. Charles Motau	Independent Member (External)		1 October 2014	End of contract 15 April 2018	5
Adv. Fay Mukaddam	Independent Member (External)		1 October 2014	End of contract 15 April 2018	5

Compliance with Laws and Regulations

One of SACAP's primary functions is to regulate the conduct of Registered Persons (RPs) registered with it in any of the categories under which persons may register in terms of Section 18 of the Architectural Profession Act No. 44 of 2000 (the Act).

This regulatory function is required to be performed in terms of the Act and the Code of Professional Conduct for RPs (the Code) enacted under the Act. Apart from ensuring internal integrity and the enhanced status of the profession, it is also critical to ensure protection of the public from RP's who contravene the Act and/or the Code. More particularly, the Code requires that RPs must carry out their professional work with due skill, competency and integrity.

(Apart from dealing with alleged improper conduct by RPs, SACAP also refers to the SAPS, any complaints referred to it which relate to persons passing themselves off as RPs).

In order to assist with discharging this regulatory function, SACAP has, since the inception of the Act, had an Investigating Committee, duly established in terms of Section 17(1)(a) of the Act to deal with complaints of alleged improper conduct by RPs.

Investigating Committee

SACAP's 4th Term Council established a new Investigating Committee (InvComm) to investigate complaints lodged with SACAP against Registered Persons (RPs) as well as matters concerning alleged improper conduct which Council raises of its own accord and that are referred to InvComm by Council.

The investigative process

InvComm considers the matters referred to it and makes recommendations to Council based on its view of whether a *prima facie* case of improper conduct exists against the RP concerned. In the event that InvComm considers that it does indeed exist, the appointment of a disciplinary tribunal is recommended, as is provided for in Section 30 of the Act.

Sections 31 to 33 of the Act detail the processes during and after the hearing, with Section 33 setting out the three possible appeal options which a RP may follow if found guilty of improper conduct. Section 41 of the Act deals with the various offences and penalties.

Statistics for 2015/16

This report covers 2015/16 financial year (01 April 2015–31 March 2016).

4th Term Council

Meeting	Number of complaints considered	Number of complaints/ other matters recommended for disciplinary enquiry	Number of matters heard by the disciplinary tribunal	Number of pleas of guilty	Appeals lodged in respect of these matters in terms of findings and/ or sanctions	Appeals finalised in respect of these matters
21 May 2015	24	22	35	47	0	0
02 August 2015	12	11			0	0
05 November 2015	15	0			0	0

In addition, the following information is also provided in respect of complaints received as per the various categories of registration:

Number of complaints received by professional category in 2014/15 financial year

Professional category	Number of complaints
Professional Architect	17
Professional Senior Architectural Technologist	19
Professional Architectural Technologist	17
Professional Architectural Draughtsperson	46
Candidate Architect	0
Candidate Senior Architectural Technologist	0
Candidate Architectural Technologists	3
Candidate Architectural Draughtsperson	6
Total	108
In addition, 15 complaints were received in respect of unregistered persons	

Of these 108 complaints, 68 have been completed by the Investigating Committee. Furthermore, all complaints against persons who pass themselves off as architectural professionals have been reported to the South African Police Services.

Priorities for 2015/16

Informed by the 4th Term Council's vision, mission and strategic priorities, InvComm has prioritised the following as its key focus areas and has already commenced certain processes in such regard:

- To complete the review of the Code of Professional Conduct and publish rules for disciplinary proceedings

This process will also include the necessary consultation processes with relevant stakeholders and the establishment, where necessary, of regional disciplinary tribunals. This will facilitate the more speedy and cost-effective finalisation of tribunals.

- To enhance and refine the existing Case Management System.

A new template for the recording of information relating to disciplinary matters has been introduced and will be enhanced and refined on an ongoing basis in order to prepare the way for the development of an integrated database.

- To develop and implement information and communication campaigns within the profession, the public and other stakeholders including Voluntary Associations and municipalities.

These will include, in conjunction with SACAP's SR Committee, information sharing processes to inform both professionals and the public about their respective rights and obligations when engaging an architectural professional. For example, the need to reduce any agreement between them to writing.

In addition, other information sharing processes need to be established with municipalities and other spheres of government to ensure that architectural professionals with whom they engage are currently registered with SACAP. The same applies to accredited Architectural Learning Sites who need to enhance their training on ethics and professional conduct matters.

Fraud and Corruption

The risk of fraud and corruption is mitigated through governance protocols identified within SACAP's Internal Risk Register, developed by an outsourced Internal Audit service provider appointed by SACAP's Council and supplemented and monitored by all departmental heads.

Specific mechanisms for staff to confidentially report their suspicions about fraud and corruption are within SACAP's operational management system.

All expenses incurred by SACAP need to be vetted and approved by its Finance Committee, in line with policy and budgets.

Any perceived threat of fraud and corruption is brought to the attention of the respective head of department or reported to the Executive management. Where necessary criminal charges would be laid, though no major case of fraud has been reported, nor investigated, in this reporting period.

SACAP also ensures that Council members commit to and abide by the Code of Conduct, failing which they face disciplinary action. Should a Council member be found to have acted fraudulently or corruptly, in addition to facing the long arm of the law, the President shall recommend to Council that it recommends to the Minister that the person be removed from office.

Minimising Conflict of Interest

The procurement policy is strictly adhered to when goods and services are procured for SACAP, as well as during tender processes. The following outlines the stipulated process:

A requisition is raised, accompanied by three quotations. The delegated person approves the requisition. Upon receipt of the requisition, the order is raised with the relevant identified and selected supplier. Upon delivery of the goods and services, an invoice is signed off by the requester of goods and services. Thereafter, the invoice is payable by the Finance Unit.

No conflict of interest had been identified in the process during the reported period.



Code of Conduct

Council has developed a Code of Conduct, whose purpose is to provide a framework to regulate the behaviour of members of Council and other persons appointed to SACAP Committees by the Council in a way which supports SACAP, its vision, mission and objectives.

By accepting appointment as a SACAP Councillor or Committee member, a person will automatically be required to abide by this Code and SACAP's policies in general and to sign a copy of the Code in confirmation of his/her undertaking to be bound by the Code. The Code applies to all Councillors and Committee members and as such, all Councillors and Committee members sign this Code and relevant annexures on their appointment as a Councillor or as a member of a Committee.

A Council member will be in breach should they act in contradiction of the following behavioural areas noted and defined in the Code of Conduct:

- (i) General conduct exemplifying honesty and integrity
- (ii) Personal dealings with SACAP without expectation of preferential treatment
- (iii) Respectful regard for SACAP resources
- (iv) Attendance at all Council meetings

Process for breach of Code of Conduct

Section 6(2)d of the Act requires that a Council member absent, without leave of absence, from two consecutive meetings of Council shall vacate his/her office. Should such a member not voluntarily vacate his/her office the President shall recommend to Council that it recommends to the Minister that the person be removed. Prior to the Council taking a decision on the matter, the Council member must be given written notification of the intended recommendation at least seven days before the Council meeting at which the recommendation will be considered. The Council member whose attendance is under consideration must also be granted the opportunity to make representations against his/her proposed removal and the Council must consider any such representations before making its final decision. When making a recommendation to the Minister for removal of a Councillor, a copy of the recommendation must also be sent to the affected member.

Health Safety and Environmental Issues

Internal: SACAP staff

The South African Council for the Architectural Profession as an employer considers its employees to be its most valuable assets and undertakes to safeguard them through providing and maintaining a working environment that is safe and without risk to the health of its employees. In ensuring a safe and a healthy working environment, all the Council employees work closely together with the employer in minimising any risk that might jeopardise the health and safety of employees of the Council.

The Council identified a number of employees that were trained to undertake Occupational Health & Safety programmes including first aid.

The 4th Term Council has introduced a standing agenda item outlining the emergency evacuation procedure which is adhered to by all Committee and staff members in attendance.



Social Responsibility

On 28 May 2015 SACAP teamed up with Moiloa Office of Architecture + Design (MOAD) to enable SACAP to participate in the year's 'Cell C Take a Girl Child To Work Day'. The theme of the national initiative for 2015 was 'Dream, Believe and Achieve'.

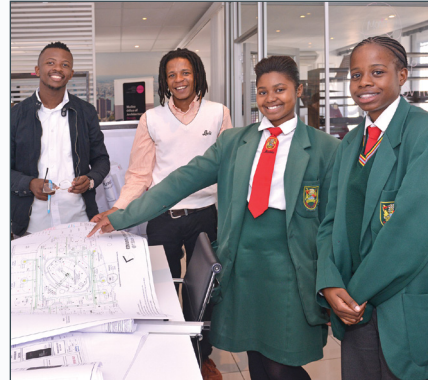
It was the first time that SACAP participated in this Corporate Social Investment (CSI) initiative, which Council identified as part of its transformation agenda to introduce young female learners to the architectural profession.

Cell C 'Take a Girl Child to Work Day' is a national annual corporate social investment programme and this year celebrated its 15th anniversary with hundreds of companies participating, including government entities. All the organisations involved organised for female learners (school pupils), usually from disadvantaged backgrounds, to spend the day at their place of work on the last Thursday of May.

SACAP approached Athlone Girls High School, who selected four Grade 12 learners, Karabo Mathlake, Palesa Sewatlwadu, Modiegi Mashamaite and Senanisiwe Moyo. The learners were selected based on their interest in the architectural profession and creative abilities. The programme introduced the learners to a day-in-the-life of the architectural profession and was divided into two parts; with two learners spending the day with Moiloa Office of Architecture + Design (MOAD) and two learners at SACAP offices.

All girls commented that they found the experience to be insightful, life changing and a one-in-a-lifetime opportunity, that should not be missed. Karabo Mathlake mentioned that she was now considering studying architecture as a career.

SACAP will seek the active involvement from the profession for the next event planned in 2016.



Audit and Risk Committee Report

The Audit and Risk Committee is pleased to present our report for the financial year ended 31 March 2016.

Audit and Risk Committee Members and attendance

The Audit and Risk Committee consists of the members listed hereunder and is required to meet at least four times per annum as per its approved Terms of Reference. During the current financial year five meetings were held by the Audit and Risk Committee.

Audit and Risk Committee attendance 2015/16

The table below discloses relevant information on the Audit and Risk Committee members.

Name	Internal or external	If internal, position in the public entity	Date appointed	Date resigned	No. of meetings attended
Mr. Paul Serote	Independent Member (External)		1 Oct 2014		5
Mr. Charles Motau	Independent Member (External)		1 Oct 2014		5
Adv. Fay Mukaddam	Independent Member (External)		1 Oct 2014		5

Audit and Risk Committee responsibility

We report that we have adopted appropriate formal Terms of Reference in our Charter. We further report that we conducted our affairs in compliance with the Charter.

The effectiveness of internal control

The system of controls is designed to provide assurance that assets are safeguarded, laws are complied with, information is reliable and liabilities are efficiently managed. In line with the King III Report on Corporate Governance requirements, Internal Audit provides the Audit and Risk Committee and management with the assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

Having considered the above, the Audit and Risk Committee has no reason to believe that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

Internal Audit

We are satisfied that the Internal Audit function has operated effectively and that it has addressed the risks pertinent to the entity in its audits:

The following Internal Audit work was completed during the year under review:

- Human Capital Management
- Follow-up on external audit findings
- IT General Controls Review
- Operational Risk Assessment Report
- Performance Information Report
- Financial Discipline Review

Evaluation of annual financial statements

The Audit and Risk Committee has:

- Reviewed and discussed the audited financial statements to be included in the annual report with the external auditors and the Council,
- Reviewed the external auditors management letters and management's responses thereto,
- Reviewed the appropriateness of accounting policies and practices adopted, and;
- Reviewed significant adjustments resulting from the audit.

The Audit and Risk Committee, having considered the financial position of SACAP, the Report of the Council and Independent Auditor's Report, concurs that the adaption of the going concern premise in preparation of the financial statements is appropriate.

The Audit and Risk Committee accepts the external auditor's conclusion on the annual financial statements and is of the opinion that the audited financial statements be accepted and read together with the Independent Auditor's Report and has therefore recommended the adoption and approval of the annual financial statements by Council.

Auditor's report

We have reviewed the Council's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved.

The Audit and Risk Committee concurs and accepts the conclusions of the external auditor on the annual financial statements and is of the opinion that the audited financial statements be accepted and read together with the Independent Auditor's Report.

Appreciation

The Audit and Risk Committee express its sincere appreciation to the Council, Registrar, senior management team, Internal Audit and the external auditor for their co-operation towards us achieving the requirements of our Charter as mandate.

^PART D

Human Resource Management

Transform, promote and regulate the architectural profession debate
transparency trustworthiness promoting high standards
People-centred architecture for South Africa
tolerance honesty dignity
Pursuit of excellence
Cohesiveness



Team members of SACAP's Professional Statutory Services Unit



Introduction

HR priorities under review

SACAP needs to focus on understanding and creating a shared culture, designing a work environment that engages people, and constructing a new model of management and career development. We need new tools that can help managers in measuring and managing culture towards alignment with business goals. Employee engagement and retention means understanding an empowered workforce's desire for flexibility, creativity, and purpose. Under the evolving social contract between employer and employee, employees become "volunteers" to be re-engaged and re-recruited each day.

Workforce planning framework and key strategies

SACAP has identified within its workforce planning framework a number of key strategies for the next year. The most vital strategies are namely; to define the operational and HR goals of SACAP, to create new tactics which will attract new talent to SACAP, as well as retain and develop existing talent. Another strategy is to accurately identify SACAP's current workforce needs in order to better forecast its workforce demand.

Employee performance management framework

Besides the fulfilment of legislative requirements, SACAP has a Performance Management system; essentially a mechanism to plan for performance management as well as to monitor, review and improve the implementation of SACAP's Integrated Development Plan (IDP). It aims to substantially increase accountability between management and employees. While ensuring that accountability is maximised, the Performance Management system also provides a mechanism for SACAP's employees to learn and improve on their performance and forms the basis for monitoring, evaluating and improving IDP implementation.

Employee wellness programmes

SACAP's aim is to have a programme that promotes and supports the health, safety, and well-being of all its employees. This will improve staff health, morale, and productivity also supporting staff to make healthy lifestyle choices that will help them to perform better in their professional roles. Amongst others, some of the components of this Employee Wellness Programme will be health risk assessments, health screenings and workshops on financial wellness and personal well-being issues.

Policy development

SACAP has an HR Manual that is currently being amended as per the new legislations. Once this has been finalised it will go for review and approval at the next Council meeting. The HR Manual will then be accessible to all employees.

Highlight achievement

A Performance Management system was introduced in the 2014/15 financial year. It didn't achieve the full potential as it was still new and employees and management were not familiar with it. It reached its full potential in the 2015/16 year though when employees experienced that good performance is rewarded.

Future HR plans and goals

In the next year, SACAP's HR Department plans to simplify and introduce lean HR processes which will regard employees as the most valuable asset of SACAP. Training and development of employees will be a major focus of the department. The department's goal is to instil a culture where information and processes are shared amongst employees. It also aims to introduce the Employee Wellness Programme described above.

Human Resource Oversight Statistics

Personnel cost by programme/activity/objective

Programme/ activity/objective	Total expenditure for the entity (R)	Personnel expenditure (R)	Personnel expenditure as a % of total expenditure	No. of employees	Average personnel cost per employee (R)
Support services	4 560 137.68	325 724.12	42.42%	14	325 742.12
Operational services	9 605 434.32	505 549.17	57.58%	19	505 549.17

Personnel cost by salary band

Level	Personnel expenditure (R)	% of personnel expenditure to total personnel cost	No. of employees	Average personnel cost per employee (R)
Top management	2 579 354.00	15.74%	1	2 579 354.00
Senior management	2 899 436.00	22.99%	3	966 478.67
Professional qualified	3 437 779.65	24.05%	7	491 111.38
Skilled	5 018 582.36	35.54%	20	250 929.12
Semi-skilled	230 420.00	1.67%	2	115 210.00
Unskilled	-	-	0	-
Total	14 165 572.00	100%	33	4 403 083.17

Performance rewards

Programme/activity/objective	Performance rewards (R)	Personnel expenditure (R)	% of performance rewards to total personnel cost
Top management	324 840.60	324 840.60	39.18%
Senior management	221 113.70	221 113.70	26.67%
Professional qualified	172 063.78	172 063.78	20.75%
Skilled	107 074.69	107 074.69	12.91%
Semi-skilled	4 046.47	4 046.47	0.49%
Unskilled	-	-	0%
Total	829 139.24	829 139.24	100%

Training costs

Programme/ activity/objective	Personnel expenditure (R)	Training expenditure (R)	Training expenditure as a % of personnel cost	No. of employees trained	Average training cost per employee (R)
SLA Training	76 644.08	18 998.00	24.79%	2	9 499.00
POPI Training	77 078.08	16 998.00	22.05%	2	8 499.00

Employment and vacancies

Programme/ activity/objective	2014/15 No. of employees	2015/16 approved posts	2015/16 No. of employees	2015/16 vacancies	% of vacancies
Top management	1	1	1	0	0
Senior management	3	4	3	1	3.2%
Professional qualified	7	10	7	3	8.1%
Skilled	20	20	20	0	0
Semi-skilled	2	2	2	1	3.2%
Unskilled	0	0	0	0	0
Total	33	37	33	5	14.5%

There are currently five positions that need to be filled within SACAP as per the approved organogram. The positions within the professional and semi-skilled categories have been advertised. The semi-skilled position was filled on 17th June 2015. One of the professional qualified positions is that of HR officer. The position was advertised and filled on 4th June 2015, but the incumbent resigned and left on 20th August 2015. The position was re-advertised but was not filled due to shortlisted candidates declining SACAP's offer of employment either because they tendered to earn above the pay grade offered by SACAP, or because on receipt of SACAP's offer their current employers made them an attractive counter-offer. The position is critical and all efforts will be made to ensure it is filled in the new financial year.

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top management	1	0	0	1
Senior management	4	1	2	3
Professional qualified	5	3	1	7
Skilled	20	7	7	20
Semi-skilled	1	1	0	2
Unskilled	0	0	0	0
Total	31	12	10	33

The following appointments were made in the financial year:

- Tshepo Tefo – Senior Manager: Finance
- Palesa Khambule – Intern: Stakeholder Relations
- Munetsi Chiunda – ICT Officer
- Zola Peter – Human Resources Officer
- Riyaahd Sadan – Driver and Finance Administrator
- Tshogofatso Legodi – Legal and Compliance Officer
- Vonani Valoyi – Legal Secretary
- Nandipha Ndabana – Committee Coordinator
- Nurhaan Kader – Contact Centre Administrator
- Roelien van der Merwe – Committee Coordinator
- Pulane Lephuting – Temp: Debtors Clerk
- Ishmael Baloyi – Temp: IT
- Bongekile Zukane – Temp: Creditors Clerk

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	6	18.18%
Dismissal	1	3.03%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	2	6.06%
Other (retrenchment)	1	3.03%
Total	10	30.3%

The following employees were terminated during the financial year:

- Palesa Khambule – Intern: Stakeholder Relations
- Pulane Lephuting – Temp
- Pappie Maja – Senior Manager: Stakeholder Relations
- George Mankgaba – Temp: Registrations Administrator
- Tshogofatso Mokwena – Legal Intern
- Thirunassen Mudaly – Chief Finance Officer
- Mosadi Ndwandwe – Debtors Controller
- Rachel Nhlapo – Committee Coordinator
- Zola Peter – Human Resources Officer
- Vonani Valoyi – Legal Secretary

Labour relations: misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	16
Final Written warning	0
Dismissal	0

Equity target and employment equity status

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	0	0	0	0	1	0	0
Senior management	3	1	0	0	1	0	0	0
Professional qualified	1	1	1	0	0	0	0	0
Skilled	1	0	4	0	0	0	0	0
Semi-skilled	0	1	1	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
Total	4	3	6	0	1	1	0	0

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	0	1	0	0	0	0	0
Senior management	0	0	0	0	0	0	1	0
Professional qualified	3	1	0	0	1	0	1	0
Skilled	11	0	3	0	1	1	1	0
Semi-skilled	1	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
Total	15	1	4	0	2	1	3	0

Levels	Disabled staff			
	Male		Female	
	Current	Target	Current	Target
Top management	0		0	
Senior management	0	1	0	1
Professional qualified	0		0	
Skilled	0		0	
Semi-skilled	0		0	1
Unskilled	0		0	
Total	0		0	

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Financial Information



SACAP Financial Statements

South African Council for the Architectural Profession

(Established under the Architectural Profession Act, no 44 of 2000)

Consolidated Annual Financial Statements for the year ended 31 March 2016

Index

The reports and statements set out below comprise the consolidated annual financial statements presented to the Council:

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The supplementary information presented does not form part of the annual financial statements and is unaudited.

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General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Statutory body that regulates the registration of Architectural Profession in South Africa
Council	Y Luckan (President) M Gerrans (Vice President) G Bolton (Treasurer) D Arvanitakis R Lekota N Lombard L Mampuru S Patel K Ranchod R Ruiters S Thubane
Registered office	First Floor Lakeside Place Cnr Ernest Oppenheimer and Queen Street Bruma 2026
Business address	First Floor Lakeside Place Cnr Ernest Oppenheimer and Queen Street Bruma 2026
Bankers	First National Bank
Auditors	Nexia SAB&T Registered Auditors
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Architectural Profession Act, 2000 (Act No. 44 of 2000).
Preparer	The annual financial statements were independently compiled by: Tshepo Tefo
Published	22 September 2016



Independent Auditor's Report

To the persons registered with the South African Council for the Architectural Profession (Established under the Architectural Profession Act)

We have audited the annual financial statements of South African Council for the Architectural Profession set out on pages 68 to 92, which comprise the statement of financial position as at 31 March 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

The Council's responsibility for the annual financial statements

The Council is responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Architectural Profession Act, 2000 (Act No. 44 of 2000), and for such internal control as the Council determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual 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 annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual 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 annual 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 annual 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 annual financial statements present fairly, in all material aspects, the financial position of the South African Council for the Architectural Profession at 31 March 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Architectural Profession Act, 2000 (Act No. 44 of 2000).

Supplementary information

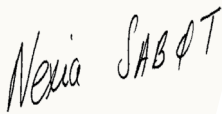
Without qualifying our opinion, we draw attention to the fact that supplementary information set out on pages 93 to 94 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Other reports

As part of our audit of the annual financial statements for the year ended 31 March 2016, we have read the report of the Audit and Risk Committee and the Registrar's Report for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. The reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited annual financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Report on other legal and regulatory requirements

In terms of IRBA Rule published in *Government Gazette Number 39475* dated 4 December 2015, we report Nexia SAB&T have been the auditors of South African Council for the Architectural Profession for 3 years.



Nexia SAB&T

Registered Auditor

Per. Y. Soma

Director

22 September 2016

Council Members' Responsibilities and Approval

The Council members are required by the Architectural Profession Act, 2000 (Act No. 44 of 2000) to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements satisfy the financial reporting standards as to form and content and present fairly the consolidated and separate statement of financial position, results of operations and business of the Group, and explain the transactions and financial position of the business of the Group at the end of the financial year. The consolidated annual financial statements are based upon appropriate accounting policies consistently applied throughout the Council and supported by reasonable and prudent judgements and estimates.

The annual financial statement are prepared in accordance with International Financial Reporting Standards and are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Council members acknowledge 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 members to meet these responsibilities, the Council sets standards for internal control aimed at reducing the risk of error or loss 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 Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group 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 members are 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 consolidated and separate annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the Council members have no reason to believe that the Group will not be a going concern in the foreseeable future. The consolidated financial statements support the viability of the Group.

The Council members has reviewed the Group's cash flow forecast and, in the light of this review and the current financial position, it is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The accounting officer is responsible for reporting on the Group's annual financial statements. The Registrar's Report is presented on pages 66 to 67.

The consolidated and separate annual financial statements as set out on pages 68 to 94 were approved by the Council on 22 September 2016 and were signed on their behalf by:



Y Luckan
President



M Gerrans
Vice President

Registrar's Report

The Registrar presents her report for the year ended 31 March 2016.

1. Review of activities

Main business and operations

SACAP is a statutory body that regulates the registration of architectural professionals in South Africa and there were no major changes herein during the year.

SACAP is a regulatory body that was established by the Architectural Profession Act, 2000 (Act No. 44 of 2000), which was published on 1 December 2000 and came into effect on the 26 January 2001.

Mission

SACAP will Transform, promote and regulate the architectural profession through collaborative engagement in the pursuit of excellence.

Vision

People-centred architecture for South Africa.

The Council is tasked with making the major decisions within the organisation. Council members serve a term of four years

The operating results and consolidated statement of financial position of the Group are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net Surplus/(Deficit) was (R1 231 578), (2014/15:R3 434 784).

2. Going concern

The consolidated and separate 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. Events after reporting date

The Council members are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect of the financial position of the Group.

4. Council Members

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

- Y Luckan (President)
- M Gerrans (Vice President)
- G Bolton (Treasurer)
- D Arvanitakis
- R Lekota
- N Lombard
- L Mampuru
- S Patel
- K Ranchod
- R Ruiters
- S Thubane

5. Auditors

Nexia SAB&T were the auditors for the year under review.

6. Annual financial statements

The annual financial statements are classified as follows:

- The South African Council for the Architectural Profession, including balances and transactions of the SACAP Education Fund is Categorised as "Consolidated".
- The South African Council for the Architectural Profession, excluding balances and transactions of the SACAP Education Fund is Categorised as "Council".

Statement of Financial Position

as at 31 March 2016

		Consolidated		Council	
	Note(s)	2016 R	2015 R	2016 R	2015 R
Assets					
Property, plant and equipment	5	1 891 876	1 571 271	1 891 876	1 571 271
Intangible assets	6	47 319	114 104	47 319	114 104
		1 939 195	1 685 375	1 939 195	1 685 375
Current Assets					
Other financial assets	7	28 606 576	27 184 392	25 842 442	24 152 673
Trade and other receivables	8	1 952 547	2 606 966	2 067 447	2 606 966
Cash and cash equivalents	9	3 868 775	4 037 143	3 656 937	3 874 300
		34 427 898	33 828 501	31 566 826	30 633 939
Total Assets		36 367 093	35 513 876	33 506 021	32 319 314
Equity and Liabilities					
Equity					
Retained earnings		28 567 792	29 799 370	25 746 722	26 719 709
Non-current Liabilities					
Finance lease obligation	10	413 236	-	413 236	-
Current Liabilities					
Trade and other payables	12	7 324 748	5 589 389	7 284 746	5 474 488
Finance lease obligation	10	61 317	125 117	61 317	125 117
		7 386 065	5 714 506	7 346 063	5 599 605
Total Equity and Liabilities		36 367 093	35 513 876	33 506 021	32 319 314

Statement of Comprehensive Income

for the year ended 31 March 2016

	Note(s)	Consolidated		Council	
		2016 R	2015 R	2016 R	2015 R
Revenue	13	24 030 170	24 426 314	24 030 170	24 426 314
Other income	14	681 478	200 799	679 764	199 197
Operating costs		(28 159 384)	(23 097 417)	(27 718 259)	(22 981 676)
Operating (deficit)/surplus	15	(3 447 736)	1 529 696	(3 008 325)	1 643 835
Finance income	16	2 227 961	1 926 026	2 047 141	1 766 660
Finance costs	17	(11 803)	(20 938)	(11 803)	(20 938)
(Deficit)/surplus for the year		(1 231 578)	3 434 784	(972 987)	3 389 557

Statement of Changes in Equity

for the year ended 31 March 2016

	Retained earnings R	Total R
Consolidated		
Balance at 1 April 2014	26 364 586	26 364 586
Total comprehensive income for the year		
Surplus for the year	3 434 784	3 434 784
Total comprehensive income for the year	3 434 784	3 434 784
Balance at 1 April 2015	29 799 370	29 799 370
Total comprehensive income for the year		
Deficit for the year	(1 231 578)	(1 231 578)
Total comprehensive income for the year	(1 231 578)	(1 231 578)
Balance at 31 March 2016	28 567 792	28 567 792
Council		
Balance at 1 April 2014	23 330 152	23 330 152
Total comprehensive income for the year		
Surplus for the year	3 389 557	3 389 557
Total comprehensive income for the year	3 389 557	3 389 557
Balance at 1 April 2015	26 719 709	26 719 709
Total comprehensive income for the year		
Deficit for the year	(972 987)	(972 987)
Total comprehensive income for the year	(972 987)	(972 987)
Balance at 31 March 2016	25 746 722	25 746 722

Statement of Cash Flows

for the year ended 31 March 2016

	Note(s)	Consolidated		Council	
		2016 R	2015 R	2016 R	2015 R
Cash (utilised in)/generated by operating activities	18	(493 774)	3 639 282	(94 363)	4 078 521
Investment income		2 227 961	1 926 026	2 047 141	1 766 660
Finance costs		(11 803)	(20 938)	(11 803)	(20 938)
Net cash from operating activities		1 722 384	5 544 370	1 940 975	5 824 243
Cash flows from investing activities					
Property, plant and equipment acquired	5	(788 177)	(985 900)	(788 177)	(985 900)
Intangible assets acquired	6	(29 828)	(25 000)	(29 828)	(25 000)
Increase in financial asset		(1 422 184)	(3 082 769)	(1 689 769)	(3 370 714)
Net cash utilised in investing activities		(2 240 189)	(4 093 669)	(2 507 774)	(4 381 614)
Cash flows from financing activities					
Loans raised/(repaid)		349 437	(153 047)	349 436	(153 048)
Net cash generated by/(utilised in) financing activities		349 437	(153 047)	349 436	(153 048)
(Decrease)/Increase in cash and cash equivalents		(168 368)	1 297 654	(217 363)	1 289 581
Cash and cash equivalents at beginning of the year		4 037 143	2 739 489	3 874 300	2 584 719
Cash and cash equivalents at end of the year	9	3 868 775	4 037 143	3 656 937	3 874 300

Accounting Policies

1. General information

The consolidated and separate annual financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (IFRS) and the Architectural Profession Act, 2000 (Act No. 44 of 2000). A summary of significant accounting policies is set out in note 3.

2. Basis of preparation

The consolidated and separate annual financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) applicable to entities reporting under IFRS. The consolidated and separate annual financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate annual financial statements are disclosed in note 4.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 New standards and interpretations

Standards and interpretations effective and adopted in the current year

The Group has not adopted any new standards and interpretations in the current year, as none were effective that are relevant to its operations.

Standards and interpretations not yet effective

The Group has not applied the following new, revised or amended pronouncements that have been issued by the IASB as they are not yet effective for the financial year beginning 1 April 2015 (the list does not include information about new requirements that affect interim financial reporting or first-time adopters of IFRS since they are not relevant to the Group). The Group anticipates that the new standards, amendments and interpretations will be adopted in the Group's consolidated financial statements when they become effective. The Group has assessed, where practicable, the potential impact of all these new standards, amendments and interpretations that will be effective in future periods.

IFRS/IFRIC	Title and details	Effective
IFRS 9 – Financial instruments	Financial Instruments – A final version of IFRS 9 which replaces IAS 39.	Annual periods commencing on or after 1 January 2018
IFRS 10	Consolidated Financial Statements	Annual periods commencing on or after 1 January 2016
IFRS 15	Revenue from Contracts from Customers	Annual periods commencing on or after 1 January 2018
IFRS 16	Leases	Annual periods commencing on or after 1 January 2019
IAS 1	Presentation of Financial Statements	Annual periods commencing on or after 1 January 2016
IAS 7	Statement of Cash Flows	Annual periods commencing on or after 1 January 2017
IAS 16	Property, Plant and Equipment	Annual periods commencing on or after 1 January 2016
IAS 19	Employee Benefits	Annual periods commencing on or after 1 January 2016
IAS 27	Consolidated and Separate Financial Statements	Annual periods commencing on or after 1 January 2016
IAS 38	Intangible Assets	Annual periods commencing on or after 1 January 2016

The fact that the Group did not apply the new standard or interpretation that has been issued but is not yet effective; and known or reasonably estimable information relevant to assessing the possible impact that application of the new standard or interpretation will have on the Group's financial statements in the period of initial application.

All applicable standards will be complied with in the financial statements of the period ending 31 March 2017. Compliance with these amendments; revisions and improvements require additional disclosure compared to that required in terms of existing IFRS. Management will perform an assessment of the impact of all applicable standards that will apply for the period ending 31 March 2017.

3.2 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in 'Other income' in the statement of comprehensive income.

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Depreciation is provided on the straight-line basis which, it is estimated, will reduce the carrying amount of the property, plant and equipment to their residual values at the end of their useful lives. Items of property, plant and equipment are depreciated from the date that they are installed and available-for-use. Where an item of property, plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment.

The major categories of property, plant and equipment are depreciated at the following rates:

Motor vehicles	5 years
Office equipment	5 years
Computer equipment	3 years
Leasehold Improvements	5 years
Furniture and fittings	10 years

3.3 Intangible assets

An intangible asset is an identifiable, non-monetary asset without physical substance. Intangible assets are identifiable resources controlled by the Group from which the Group expects to derive future economic benefits.

An intangible asset is identifiable if it either is separable, i.e. is capable of being separated or divided from the Group and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the Group intends to do so or arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Group or from other rights and obligations.

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably.

The Group assesses the probability of expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Intangible assets that are acquired and have finite useful lives are initially recognised at cost with subsequent measurement at cost less any accumulated amortisation and any impairment losses.

Intangible assets are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

Intangible assets are amortised at the following rates:

Software	3 years
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3.3.1 Amortisation

Except for goodwill, intangible assets are amortised on the straight-line basis in profit or loss over their estimated useful lives, from the date that they are available-for-use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.4 Financial assets

Classification

The Group classifies its financial assets in the following categories: fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

3.4.1 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Assets carried at amortised cost

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

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, 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 and the amount of the loss is recognised in the consolidated statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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 (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

3.4.2 Trade and other receivables

Trade and other receivables are initially measured at fair value and, after initial recognition, at amortised cost less impairment losses for bad and doubtful debts, if any, except for the following receivables:

- Interest-free loans made to related parties without any fixed repayment terms or the effect of discounting being immaterial, that are measured at cost less impairment losses for bad and doubtful debt, if any; and
- Short-term receivables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount less impairment losses for bad and doubtful debt, if any.

At each reporting date, the Group assesses whether there is any objective evidence that a receivable or group of receivables is impaired. Impairment losses on trade and other receivables are recognised in profit or loss when there is objective evidence that an impairment loss has been incurred and are measured as the difference between the receivables' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at its original effective interest rate, i.e. the effective interest rate computed at initial recognition. The impairment loss is reversed 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.

3.4.3 Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with the bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, bank overdrafts which are repayable on demand form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

3.4.4 Impairment of financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would consider otherwise, indications that a debtor or issuer will enter into bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for security.

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-to-maturity investment securities) at both a specific asset and collective level. All individually significant assets are assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends if the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. Deficits are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised when an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3.5 Financial liabilities

3.5.1 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

3.5.2 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

3.6 Post-employment benefits and short-term employee benefits

Post-employment benefit plans

The Group provides post-employment benefits through a defined contribution plan.

Defined contribution plans

The Group pays fixed contributions to independent entities in relation to individual employees. The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

3.7 Interest-bearing borrowings

Interest-bearing borrowings, mainly bank loans and overdrafts, are measured initially at fair value less transaction costs and, after initial recognition, at amortised cost, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excludes taxes or duty. The Group has concluded that it is the principal in all of its revenue arrangements since it is primary obligor in all the revenue arrangements and has pricing latitude.

Exam fees

Revenue is recognised when the Group's right to receive the payments is established, which is generally the time a person is eligible to stand for an exam and has paid the fee.

Revenue comprises net invoiced sales to customers excluding VAT and other non-operating income.

Registration and re-registrations

Revenue is recognised when the registration or re-registration takes effect.

Renewals

Revenue is recognised when renewals takes effect.

3.8 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

4. Critical accounting judgements and key sources of estimation uncertainty

The Group's management makes assumptions, estimates and judgements in the process of applying the Group's accounting policies that affect the assets, liabilities, income and expenses in the consolidated annual financial statements prepared in accordance with IFRSs. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision policy affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Useful lives of property, plant and equipment

As described above, the Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the Council determined that the useful lives of certain items of equipment should be extended due to the current assets still being in use.

Notes to the Consolidated Annual Financial Statements

for the year ended 31 March 2016

5. Property, plant and equipment

Consolidated

	2016			2015		
	Cost R	Accumulated depreciation R	Carrying value R	Cost R	Accumulated depreciation R	Carrying value R
Owned assets						
Leasehold improvements	410 642	230 844	179 798	410 642	171 427	239 215
Motor vehicles	537 005	116 350	420 655	668 305	140 249	528 056
Furniture and fittings	807 590	377 467	430 123	705 729	303 887	401 842
Office equipment	613 273	104 262	509 011	791 887	658 972	132 915
IT equipment	988 449	636 160	352 289	805 927	536 684	269 243
	3 356 959	1 465 083	1 891 876	3 382 490	1 811 219	1 571 271

The carrying amounts of property, plant and equipment can be reconciled as follows:

2016 Reconciliation

	Carrying value at beginning of year R	Additions R	Depreciation R	Carrying value at end of year R
<i>Owned assets</i>				
Leasehold improvements	239 215	-	(59 417)	179 798
Motor vehicles	528 056	-	(107 401)	420 655
Furniture and fittings	401 842	101 861	(73 580)	430 123
Office equipment	132 915	503 794	(127 697)	509 011
IT equipment	269 243	182 522	(99 476)	352 289
	1 571 271	788 177	(467 572)	1 891 876

2015 Reconciliation

	Carrying value at beginning of year R	Additions R	Disposals R	Depreciation R	Transfers R	Carrying value at end of year R
<i>Owned assets</i>						
Leasehold improvements	3 043	46 384	-	(60 913)	250 701	239 215
Motor vehicles	1	537 005	-	(8 950)	-	528 056
Furniture and fittings	300 453	226 445	(58 825)	(66 231)	-	401 842
Work in progress	250 701	-	-	-	(250 701)	-
Office equipment	294 011	20 354	(30 659)	(150 791)	-	132 915
IT equipment	273 244	155 712	(43 888)	(115 825)	-	269 243
	1 121 453	985 900	(133 372)	(402 710)	-	1 571 271

Assets subject to finance lease (net carrying amount)

	Consolidated		Council	
	2016 R	2015 R	2016 R	2015 R
Canon (C5051i) digital multifunctional printer	234 013	48 007	234 013	48 007
Canon (C5051i) digital multifunctional printer	234 013	48 007	234 013	48 007
Total	468 025	96 014	468 025	96 014

Council

	2016			2015		
	Cost R	Accumulated depreciation R	Carrying value R	Cost R	Accumulated depreciation R	Carrying value R
Owned assets						
Leasehold improvements	410 642	230 844	179 798	410 642	171 427	239 215
Motor vehicles	537 005	116 350	420 655	668 305	140 249	528 056
Furniture and fittings	807 590	377 467	430 123	705 729	303 887	401 842
Office equipment	613 273	104 262	509 011	791 887	658 972	132 915
IT equipment	988 449	636 160	352 289	805 927	536 684	269 243
	3 356 959	1 465 083	1 891 876	3 382 490	1 811 219	1 571 271

The carrying amounts of property, plant and equipment can be reconciled as follows:

2016 Reconciliation

	Carrying value at beginning of year R	Additions R	Depreciation R	Carrying value at end of year R
<i>Owned assets</i>				
Leasehold improvements	239 215	-	(59 417)	179 798
Motor vehicles	528 056	-	(107 401)	420 655
Furniture and fittings	401 842	101 861	(73 580)	430 123
Office equipment	132 915	503 794	(127 697)	509 011
IT equipment	269 243	182 522	(99 476)	352 289
	1 571 271	788 177	(467 572)	1 891 876

2015 Reconciliation

	Carrying value at beginning of year R	Additions R	Disposals R	Depreciation R	Transfers R	Carrying value at end of year R
<i>Owned assets</i>						
Leasehold improvements	3 043	46 384	-	(60 913)	250 701	239 215
Motor vehicles	1	537 005	-	(8 950)	-	528 056
Furniture and fittings	300 453	226 445	(58 825)	(66 231)	-	401 842
Work in progress	250 701	-	-	-	(250 701)	-
Office equipment	294 011	20 354	(30 659)	(150 791)	-	132 915
IT equipment	273 244	155 712	(43 888)	(115 825)	-	269 243
	1 121 453	985 900	(133 372)	(402 710)	-	1 571 271

6. Intangible assets

Consolidated

	2016			2015		
	Cost R	Accumulated amortisation R	Carrying value R	Cost R	Accumulated amortisation R	Carrying value R
Intangible assets	759 341	(712 022)	47 319	729 513	(615 409)	114 104

The carrying amounts of intangible assets can be reconciled as follows:

	Carrying value at beginning of year R	Additions R	Amortisation R	Disposals R	Carrying value at end of year R
2016 Reconciliation					
Intangible assets	114 104	29 828	(96 613)	-	47 319
2015 Reconciliation					
Intangible assets	258 856	25 000	(169 752)	-	114 104

Company

	2016			2015		
	Cost R	Accumulated amortisation R	Carrying value R	Cost R	Accumulated amortisation R	Carrying value R
Intangible assets	759 341	(712 022)	47 319	729 513	(615 409)	114 104

The carrying amounts of intangible assets can be reconciled as follows:

	Carrying value at beginning of year R	Additions R	Amortisation R	Disposals R	Carrying value at end of year R
2016 Reconciliation					
Intangible assets	114 104	29 828	(96 613)	-	47 319
2015 Reconciliation					
Intangible assets	258 856	25 000	(169 752)	-	114 104

7. Other financial assets

	Consolidated		Council	
	2016 R	2015 R	2016 R	2015 R
First National Bank	747 766	724 593	747 766	724 593
Investec	15 419 268	14 381 837	15 175 988	14 155 361
Nedbank	12 439 541	12 079 565	9 918 688	9 272 719
	28 606 576	27 184 392	25 842 442	24 152 673
Current assets				
Loans and receivable	28 606 576	27 184 392	25 842 442	24 152 673

The carrying value of the investments reflects the approximate fair value at year end.

8. Trade and other receivables

	Consolidated		Council	
	2016 R	2015 R	2016 R	2015 R
Trade debtors	11 803 094	8 621 283	11 803 094	8 621 283
Sundry debtors	42 716	68 189	42 716	68 189
Prepaid expenses	148 282	758	148 282	758
Unallocated receipts	(2 487 103)	(2 048 677)	(2 487 103)	(2 048 677)
Value Added Tax	1 095 992	769 881	1 095 992	769 881
	10 602 981	7 411 434	10 602 981	7 411 434
Impairment loss	(6 414 344)	(4 804 468)	(6 414 344)	(4 804 468)
	4 188 637	2 606 966	4 188 637	2 606 966

According to Section 20(1)(a)(iii) of the Architectural Profession Act, registered professionals who fail to pay the prescribed annual fee, or portion thereof, within 60 days from it becoming due or within such further period as the Council may allow, either before or after the expiry of 60 days, will be removed as registered professionals.

The credit quality of trade receivables that are neither past due nor impaired can be assessed by reference to historical payment trends of the individual debtors, therefore a credit rating of 'high' has been ascribed to debtors.

The carrying amount of trade and other receivables approximates their fair value.

Credit rating of trade receivables

		Consolidated		Council	
	Rating	2016 R	2015 R	2016 R	2015 R
Current	High	458 899	420 645	458 899	420 645
31–60 days	Medium	530 774	128 618	530 774	128 618
Over 90 days	Low	10 813 421	8 072 020	10 813 421	8 072 020
Total		11 803 094	8 621 283	11 803 094	8 621 283

The entity recognised an impairment provision of R6 414 344 (2015: R4 804 468) against trade receivables due to default by customers.

Trade and other receivables pledged as security

		Consolidated		Council	
		2016 R	2015 R	2016 R	2015 R
		None	None	None	None

Trade and other receivables impaired

As of 31 March 2016, trade and other receivables of R6 414 344 (2015: R4 804 467) were impaired and allowed for.

		Consolidated		Council	
		2016 R	2015 R	2016 R	2015 R
Allowance account for credit losses:					
Balance as at 1 April 2015		4 804 467	4 367 910	4 804 467	4 367 910
Impairment loss made during the year – debtors		1 384 494	382 945	1 384 494	382 945
Impairment loss made during the year – VAT portion		225 383	53 612	225 383	53 612
Balance as at 31 March 2016		6 414 344	4 804 467	6 414 344	4 804 467

9. Cash and cash equivalents

		Consolidated		Council	
		2016 R	2015 R	2016 R	2015 R
Favourable cash balances					
Bank balances		3 868 775	4 037 143	3 656 937	3 874 300

10. Obligations under finance lease

SACAP entered into an agreement with Canon Business Center for two copiers (Canon 5051i). The rental agreement for a period of 60 months beginning on 1 February 2016 and the total monthly instalments, payable in advance, are R14 499 with a 0% escalation per annum

	Consolidated		Council	
	2016 R	2015 R	2016 R	2015 R
Future minimum lease payments fall due as follows				
- within one year	96 833	130 392	96 833	125 117
- later than one year but within five years	371 192	-	371 192	-
- later than five years	-	-	-	-
Total	468 025	130 392	468 025	125 117
Future finance costs	(102 208)	(5 275)	(102 208)	-
Lease liability	365 817	125 117	365 817	125 117
Analysed as follows:				
Current portion	61 317	125 117	61 317	125 117
Long-term portion	304 500	-	304 500	-
	365 817	125 117	365 817	125 117

The lease liability is secured over certain items of property, plant and equipment disclosed in note 5.

11. Commitments under operating leases

The Group rents several offices at Lakeside Place under operating leases. The leases are for an average period of one year ending 28 February 2017, with fixed rentals over the same period.

	Consolidated		Council	
	2016 R	2015 R	2016 R	2015 R
Minimum lease payments under operating leases recognised as an expense during the year	860 327	880 998	860 327	880 998

At year-end, the Group has outstanding commitments under non-cancellable operating leases that fall due as follows:

	Consolidated		Council	
	2016 R	2015 R	2016 R	2015 R
Within one year	845 081	460 231	845 081	460 231
Later than one year but within five years	-	-	-	-
Later than five years	-	-	-	-
	845 081	460 231	845 081	460 231

12. Trade and other payables

	Consolidated		Council	
	2016 R	2015 R	2016 R	2015 R
Accruals	1 010 489	1 041 955	970 489	1 041 955
Amounts received in advance	5 132 647	3 106 903	5 132 647	3 106 903
Accrual leave pay	295 673	348 752	295 673	233 852
Trade creditors	885 939	1 091 779	885 937	1 091 778
	7 324 748	5 589 389	7 284 746	5 474 488

13. Revenue

An analysis of revenue is as follows:

	Consolidated		Council	
	2016 R	2015 R	2016 R	2015 R
Annual fees	20 776 643	19 112 051	20 776 643	19 112 051
Administration fees	440 675	217 611	440 675	217 611
Exam fees	1 422 264	845 383	1 422 264	845 383
Registration and re-registrations	749 813	3 959 165	749 813	3 959 165
Renewals	586 372	292 104	586 372	292 104
Sundry income	54 403	-	54 403	-
	24 030 170	24 426 314	24 030 170	24 426 314

Registration is cancelled when the registered professionals do not pay their fees within the prescribed time. When such a person wants to re-register, the prior years' outstanding fees must be settled first. The fees are then recognised in the year in which they are received.

14. Other income

	Consolidated		Council	
	2016 R	2015 R	2016 R	2015 R
Other income	664 059	200 799	662 345	199 197
Sundry income	17 419	-	17 419	-
	681 478	200 799	679 764	199 197

15. Operating profit

Operating profit is arrived at after taking into account the following items:

	Consolidated		Council	
	2016 R	2015 R	2016 R	2015 R
Income				
Loss on disposal of property, plant and equipment	-	133 372	-	133 372
Depreciation and amortisation				
Work in progress	(564 184)	(572 461)	(564 184)	(572 461)
Audit fees				
- current	171 775	162 820	171 775	162 820
Operating lease charges				
Premises	860 327	880 998	860 327	880 998
	860 327	880 998	860 327	880 998

16. Finance income

	Consolidated		Council	
	2016 R	2015 R	2016 R	2015 R
Interest received	2 227 961	1 926 026	2 047 141	1 766 660

17. Finance costs

	Consolidated		Council	
	2016 R	2015 R	2016 R	2015 R
Finance leases	11 803	20 938	11 803	20 938
	11 803	20 938	11 803	20 938

18. Cash flows from operating activities

	Consolidated		Council	
	2016 R	2015 R	2016 R	2015 R
(Deficit)/Surplus for the year	(1 231 578)	3 434 784	(972 987)	3 389 557
Adjustments for:				
Finance costs	11 803	20 938	11 803	20 938
Depreciation and amortisation of assets	564 184	572 461	564 184	572 461
Investment income	(2 227 961)	(1 926 026)	(2 047 141)	(1 766 660)
Profit on disposal of property, plant and equipment	-	133 372	-	133 372
Operating cash flow before working capital changes	(2 883 552)	2 235 529	(2 444 141)	2 349 668
Working capital changes				
Decrease/(increase) in trade and other receivables	654 419	(496 641)	539 519	(56 641)
Increase in trade and other payables	1 735 359	1 900 394	1 810 259	1 785 494
Cash (utilised in)/generated by operating activities	(493 774)	3 639 282	(94 363)	4 078 521

19. Taxation

The South Africa Council for the Architectural Profession's receipts and accruals are exempt from income tax in terms of the provision of Section 10(1)(cA)(i) of the Income Tax Act, 1962 (Act No. 58 of 1962)

20. Related party transactions

Relationships

Members of key management	Marella O'Reilly – Registrar Barbara van Stade – COO Thiru Mudaly – CFO (Resigned December 2015) Tshepo Tefo – CFO (Appointed January 2016)
Executive authority	Department of Public Works
Governing body	Refer to the Registrar's Report for the Council member names
Relationship governed by law	Council for the Built Environment

Related party balances

	Consolidated		Council	
	2016 R	2015 R	2016 R	2015 R
Amounts included in trade payables				
Council for the Built Environment	-	99,876	-	99,876
Provision for doubtful debts related to the amount of outstanding balances				
None				

Related party transactions

	Consolidated		Council	
	2016 R	2015 R	2016 R	2015 R
Included in operation expenses				
Council for the Built Environment	404 334	395 409	404 334	395 409

Executive Management

	2016			2015		
	Basic salary R	Travel R	Total R	Basic salary R	Travel R	Total R
Marella O'Reilly	2 459 354	120 000	2 579 354	1 393 308	139 072	1 532 380
Barbara van Stade	1 442 515	108 000	1 550 515	561 066	5 661	566 727
Thiru Mudaly	1 098 372	-	1 098 372	751 048	1 284	752 332
Tshepo Tefo	250 549		250 549			-
	5 000 241	228 000	5 228 241	2 705 422	146 017	2 851 439

Non-Executive

	2016			2015		
	Honorarium R	Travel R	Total R	Honorarium R	Travel R	Total R
Y Luckan (President)	274 825	-	274 825	157 436		157 436
M Gerrans (Vice President)	155 275	-	155 275	129 613	-	129 613
G Bolton (Treasurer)	86 046	-	86 046	66 367		66 367
R Ruiters	73 339	-	73 339	40 454	-	40 454
L Mampuru	-	-	-	14 421		14 421
N Lombard	44 464	-	44 464	37 645		37 645
S Thubane	13 543	-	13 543	20 830		20 830
S Patel	36 004	-	36 004	2 003		2 003
R Lekota	59 193	-	59 193	3 205		3 205
P Mashabane – resigned 11 September 2014	-	-	-	27 216	-	27 216
K Ranchod – appointed 28 August 2014	57 909	-	57 909	21 163		21 163
D Arvanitakis – appointed 19 December 2014	54 592	-	54 592	6 409		6 409
L Scott – resigned 5 June 2014	-	-	-	21 693	-	21 693
A Houston (Treasurer) – resigned 5 June 2014	-	-	-	3 205	-	3 205
D Basdew – resigned 5 June 2014	-	-	-	6 409	-	6 409
F Motsepe – resigned 5 June 2014	-	-	-	13 734	-	13 734
G Steyn – resigned 5 June 2014	-	-	-	36 863	-	36 863
H Nienaber – resigned 5 June 2014	-	-	-	11 124	-	11 124
	855 190	-	855 190	619 790	-	619 790

21. Financial instruments

Financial assets by category

The Group has classified its financial assets in the following categories:

	Loans and receivables R	Total R
2016		
Investments	28 606 576	28 606 576
Trade and other receivables	3 092 645	3 092 645
Cash and cash equivalents	3 868 775	3 868 775
2015		
Investments	27 184 392	27 184 392
Trade and other receivables	1 837 085	1 837 085
Cash and cash equivalents	4 037 143	4 037 143

The Council has classified its financial assets in the following categories:

	Loans and receivables R	Total R
2016		
Investments	25 842 442	25 842 442
Trade and other receivables	3 092 645	3 092 645
Cash and cash equivalents	3 656 937	3 656 937
2015		
Investments	24 152 673	24 152 673
Trade and other receivables	1 837 085	1 837 085
Cash and cash equivalents	3 874 300	3 874 300

Financial liabilities by category

The Group has classified its financial liabilities in the following categories:

	Financial liabilities amortised cost R	Total R
2016		
Trade and other payables	7 324 748	7 324 748
Finance lease obligation	365 817	365 817
2015		
Trade and other payables	5 589 389	5 589 389
Finance lease obligation	125 117	125 117

The Council has classified its financial liabilities in the following categories:

	Financial liabilities amortised cost R	Total R
2016		
Trade and other payables	7 284 746	7 284 746
Finance lease obligation	365 817	365 817
2015		
Trade and other payables	5 474 488	5 474 488
Finance lease obligation	125 117	125 117

Credit risk

Credit risk consists mainly of cash deposits, investments, trade receivables and other receivables. The Group only deposits cash with major banks with high quality credit standing and limit exposure to any one counter-party.

Receivables comprise fees owed by registered persons in terms of the Architectural Profession Act, 2000 (Act No. 44 of 2000). Receivables comprise a wide spread registered person's base. Receivables are monitored for impairment on an ongoing basis. Non-payment by registered person's results in de-registration, in which event, outstanding fees are provided for as bad debts.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument

	Consolidated		Council	
	2016 R	2015 R	2016 R	2015 R
Investments	28 606 576	27 184 392	25 842 442	24 152 673
Trade and other receivables	3 092 645	1 837 085	3 092 645	1 837 085
Deposits with banks	3 868 775	4 037 143	3 656 937	3 874 300

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of cash available to perform its duties.

The Group's risk to liquidity is a result of the funds available to cover future commitments. The Group manages liquidity risk through ongoing reviews of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the Group's financial liabilities into relevant maturity groups based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Consolidated

	Less than one year R	Between one and five years R	Over five years R	Total R
2016				
Trade and other payables	7 324 748	-	-	-
Finance lease obligation	365 817	-	-	-
2015				
Trade and other payables	5 589 389	-	-	-
Finance lease obligation	-	125 117	-	-

Council

	Less than one year R	Between one and five years R	Over five years R	Total R
2016				
Trade and other payables	7 284 746	-	-	-
Finance lease obligation	365 817	-	-	-
2015				
Trade and other payables	5 474 488	-	-	-
Finance lease obligation	-	125 117	-	-

Interest rate risk

As the Group has significant interest-bearing assets that cause its income and operating cash flows to be substantially dependent on changes in the market interest rates.

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant of the Group's profit before tax.

	Increase/ decrease in base points	Consolidated R	Council R
Effect on the profit before tax			
South African Rand	0.01	286 066	258 424
South African Rand	-0.01	(286 066)	(258 424)

Capital risk management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern. The capital structure of the Group consists of cash and cash equivalents disclosed in note 8 and accumulated funds as disclosed in the statement of financial position

Financial risk management

The Group's activities expose it to liquidity and cash flow interest rate risk.

Detailed Income Statement

for the year ended 31 March 2016

	Consolidated		Council	
	2016 R	2015 R	2016 R	2015 R
Gross revenue				
Administration fees	440 675	217 611	440 675	217 611
Annual fees	20 776 643	19 112 051	20 776 643	19 112 051
Exam fees	1 422 264	845 383	1 422 264	845 383
Registrations and re-registration fees	749 813	3 959 165	749 813	3 959 165
Renewals	586 372	292 104	586 372	292 104
Sundry income	54 403	-	54 403	-
	24 030 170	24 426 314	24 030 170	24 426 314
Other income				
Investment income	2 227 961	1 926 026	2 047 141	1 766 660
Other income	664 059	200 799	662 345	199 197
Sundry income	17 419	-	17 419	-
	2 909 439	2 126 825	2 726 905	1 965 857
	26 939 609	26 553 139	26 757 075	26 392 171

	Consolidated		Council	
	2016 R	2015 R	2016 R	2015 R
Expenditure				
Advertising	475 431	1 273 819	475 431	1 273 819
Annual Report	252 687	121 448	252 687	121 448
Auditors' remuneration	171 775	162 820	171 775	162 820
Bad debts	1 609 876	740 204	1 609 876	740 204
Bank charges	81 330	82 593	80 205	81 752
CAA validation reps	159 318	83 111	159 318	83 111
CBE levies	404 334	395 409	404 334	395 409
Computer expenses	171 400	92 554	171 400	92 554
Consulting fees	1 219 962	1 673 866	1 219 962	1 673 866
Database and document management	11 453	19 104	11 453	19 104
Depreciation – tangible assets	564 184	572 461	564 184	572 461
Employee benefits	2 068 646	1 222 161	2 068 646	1 222 161
Finance costs	11 803	20 938	11 803	20 938
General expenses	212 914	245 569	212 914	245 569
Grants	440 000	-	-	-
Honorariums	1 378 734	1 079 801	1 378 734	1 079 801
Insurance	132 014	89 548	132 014	89 548
Internal audit fees	186 552	625 643	186 552	625 643
Lease rental on operating lease	860 327	880 998	860 327	880 998
Legal expense	1 821 286	1 598 295	1 821 286	1 598 295
Loss on sale of fixed assets	-	133 372	-	133 372
Motor vehicle expense	24 406	40 681	24 406	40 681
Outreach, roadshows and exhibitions	362 797	624 275	362 797	624 275
Postage	4 294	71 970	4 294	71 970
Printing and stationery	152 087	250 743	152 087	250 743
Promotions	-	25 950	-	25 950
Repairs and maintenance	11 939	81 267	11 939	81 267
Salaries	12 096 926	8 614 073	12 096 926	8 499 173
Subscriptions	35 637	24 182	35 637	24 182
Telephone and fax	436 224	366 770	436 224	366 770
Training	105 085	18 143	105 085	18 143
Travel – local	2 194 488	1 249 873	2 194 488	1 249 873
Utilities	217 781	234 022	217 781	234 022
Venue costs and catering	83 007	170 292	83 007	170 292
Website maintenance	212 490	232 400	212 490	232 400
	28 171 187	23 118 355	27 730 062	23 002 614
(Deficit)/Surplus for the year	(1 231 578)	3 434 784	(972 987)	3 389 557

The supplementary information presented does not form part of the annual financial statements and is unaudited.

SACAP Education Fund Financial Statements

The Education Fund of the South African Council for the Architectural Profession

(Established under the Architectural Profession Act, 2000 (Act No. 44 of 2000))

Annual Financial Statements for the year ended 31 March 2016

Index

The reports and statements set out below comprise the annual financial statements presented to the members:

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The supplementary information presented does not form part of the annual financial statements and is unaudited.

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General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	An educational fund for the purpose of education, training, and continuing education and training of registered persons and students in the architectural profession as contemplated by Section 15(5) of the Architectural Profession Act of 2000.
Council	Y Luckan (President) M Gerrans (Vice President) G Bolton (Treasurer) D Arvanitakis R Lekota N Lombard L Mampuru K Ranchod R Ruiters S Thubane S Patel
Registered office	First Floor Lakeside Place Cnr Ernest Oppenheimer and Queen Street Bruma 2026
Business address	First Floor Lakeside Place Cnr Ernest Oppenheimer and Queen Street Bruma 2026
Bankers	First National Bank
Auditors	Nexia SAB&T Registered Auditors
Level of Assurance	These financial statements have been audited in compliance with the applicable requirements of the Architectural Profession Act, 2000 (Act No. 44 of 2000)
Preparer	These annual financial statements were independently compiled by: Tshepo Tefo
Published	22 September 2016



Independent Auditor's Report

To the persons registered with the Education Fund of the South African Council for the Architectural Profession (Established under the Architectural Profession Act)

We have audited the annual financial statements of the Education Fund of the South African Council for the Architectural Profession set out on pages 101 to 111, which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

The Council's responsibility for the annual financial statements

The Council is responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Architectural Profession Act, 2000 (Act No. 44 of 2000) and for such internal control as the Council determines is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual 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 annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual 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 annual 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 annual financial statements present fairly, in all material aspects, the financial position of the Education Fund of the South African Council for the Architectural Profession at 31 March 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Architectural Profession Act, 2000 (Act No. 44 of 2000).

Supplementary information

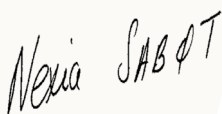
Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 112 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Other reports

As part of our audit of the annual financial statements for the year ended 31 March 2016, we have read the Registrar's Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. The report is the responsibility of the respective preparers. Based on reading the report we have not identified material inconsistencies between the report and the audited annual financial statements. However, we have not audited this report and accordingly to not express an opinion thereon.

Report on other legal and regulatory requirements

In terms of IRBA Rule published in *Government Gazette Number 39475* dated 4 December 2015, we report that Nexia SAB&T have been the auditors of the Education Fund of the South African Council for the Architectural Profession for three years.



Nexia SAB&T

Registered Auditor

Per. Y. Soma

Director

22 September 2016

Council Members' Responsibilities and Approval

The Council members are required by the Architectural Profession Act, 2000 (Act No. 44 of 2000) to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the Council, and explain the transactions and financial position of the business of the Council at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the Council and supported by reasonable and prudent judgements and estimates.

The Council members acknowledge 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 members to meet these responsibilities, the Council sets standards for internal control aimed at reducing the risk of error or loss 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 members are 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 absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the Council members have no reason to believe that the Council will not be a going concern in the foreseeable future. The financial statements support the viability of the Council.

The Council members have reviewed the entity's cash flow forecast and, in the light of this review and the current financial position, it is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements as set out on pages 101 to 112 were approved by the Council on 22 September 2016 and were signed on their behalf by:



Y Luckan
President



M Gerrans
Vice President

Registrar's Report

The Registrar presents her report for the year ended 31 March 2016.

1. Review of activities

Main business and operations

The principal activity of the entity is an educational fund for the purpose of education, training, and continuing education and training of registered persons and students in the architectural profession as contemplated by Section 15(5) of the Architectural Profession Act of 2000 and there were no major changes herein during the year.

Mission

SACAP will transform, promote and regulate the architectural profession through collaborative engagement in the pursuit of excellence.

Vision

People-centered architecture for South Africa.

The Council is tasked with making the major decisions within the organisation. Council members serve a term of four years.

The operating results and statement of financial position of the entity are fully set out in the attached financial statements and do not in our opinion require any further comment.

Net (Deficit)/Surplus was (R258 591) (2015: R160 127).

2. 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.

3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

The Council members are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the entity.

4. Council Members

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

- | | |
|------------------------------|-------------|
| • Y Luckan (President) | • L Mampuru |
| • M Gerrans (Vice President) | • K Ranchod |
| • G Bolton (Treasurer) | • R Ruiters |
| • D Arvanitakis | • S Thubane |
| • R Lekota | • S Patel |
| • N Lombard | |

5. Auditors

Nexia SAB&T were the auditors for the year under review.

Statement of Financial Position

as at 31 March 2016

	Note(s)	2016 R	2015 R
Assets			
Current Assets			
Other financial assets	3	2 764 134	3 031 719
Cash and cash equivalents	4	211 836	162 842
		2 975 970	3 194 561
Total Assets		2 975 970	3 194 561
Equity and Liabilities			
Equity			
Retained earnings		2 935 970	3 194 561
Current Liabilities			
Trade and other payables	5	40 000	-
Total Equity and Liabilities		2 975 970	3 194 561

Statement of Comprehensive Income

for the year ended 31 March 2016

	Note(s)	2016 R	2015 R
Revenue		1,714	1,602
Operating costs		(441,125)	(841)
Operating (deficit)/surplus		(439,411)	761
Finance income	6	180,820	159,366
(Deficit)/surplus for the year		(258,591)	160,127

Statement of Changes in Equity

for the year ended 31 March 2016

	Retained earnings R	Total R
Balance at 1 April 2014	3 034 434	3 034 434
Total comprehensive income for the year		
Surplus for the year	160 127	160 127
Total comprehensive income for the year	160 127	160 127
Balance at 1 April 2015	3 194 561	3 194 561
Total comprehensive income for the year		
Deficit for the year	(258 591)	(258 591)
Total comprehensive income for the year	(258 591)	(258 591)
Balance at 31 March 2016	2 935 970	2 935 970

Statement of Cash Flows

for the year ended 31 March 2016

	Note(s)	2016 R	2015 R
Cash flows from operating activities			
Cash receipts from customers		1 714	1 602
Cash payments to suppliers and employees		(133 540)	(152 896)
Cash generated from operations	9	(131 826)	(151 294)
Investment income		180 820	159 366
Net cash from operating activities		48 994	8 072
Increase in cash and cash equivalents		48 994	8 072
Cash and cash equivalents at beginning of the year		162 842	154 770
Cash and cash equivalents at end of the year	4	211 836	162 842

Accounting Policies

1. Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Architectural Profession Act, 2000 (Act No. 44 of 2000). The annual financial statements have been prepared on the historical cost basis, except where otherwise indicated, and incorporate the principal accounting policies as set out below.

These accounting policies are consistent with the previous period.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented.

2.1 New standards and interpretations

Standards and interpretations effective and adopted in the current year

The entity has not adopted any new standards and interpretations in the current year, as none were effective that are relevant to its operations.

Standards and interpretations not yet effective

The entity has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 1 April 2016 or later periods.

IFRS/IFRIC	Title and details	Effective
IFRS 9 – Financial instruments	Financial Instruments – A final version of IFRS 9 which replaces IAS 39	Annual periods commencing on or after 1 January 2018
IFRS 10	Consolidated Financial Statements	Annual periods commencing on or after 1 January 2016
IFRS 15	Revenue from Contracts from Customers	Annual periods commencing on or after 1 January 2018
IFRS 16	Leases	Annual periods commencing on or after 1 January 2019
IAS 1	Presentation of Financial Statements	Annual periods commencing on or after 1 January 2016
IAS 7	Statement of Cash Flows	Annual periods commencing on or after 1 January 2017
IAS 16	Property, Plant and Equipment	Annual periods commencing on or after 1 January 2016
IAS 19	Employee Benefits	Annual periods commencing on or after 1 January 2016
IAS 27	Consolidated and Separate Financial Statements	Annual periods commencing on or after 1 January 2016
IAS 38	Intangible Assets	Annual periods commencing on or after 1 January 2016

The fact that the entity did not apply the new standard or interpretation that has been issued but is not yet effective; and known or reasonably estimable information relevant to assessing the possible impact that application of the new standard or interpretation will have on the entity's financial statements in the period of initial application.

All applicable standards will be complied with in the financial statements of the period ending 31 March 2017. Compliance with these amendments; revisions and improvements require additional disclosure compared to that required in terms of existing IFRS. Management will perform an assessment of the impact of all applicable standards that will apply for the period ending 31 March 2016.

2.2 Financial assets

Classification

The entity classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term.

Derivatives are also categorised as held for trading unless they are designated as hedges.

Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The entity's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the entity has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within 'Other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of other income when the entity's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as 'Gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the statement of comprehensive income as part of other income. Dividends on available-for-sale equity instruments are recognised in the statement of comprehensive income as part of other income when the entity's right to receive payments is established.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets

Assets carried at amortised cost

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

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, 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 and the amount of the loss is recognised in the consolidated statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the company may measure impairment on the basis of an instrument's fair value using an observable market price.

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 (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

Assets classified as available-for-sale

The entity assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated statement of comprehensive income on equity instruments are not reversed through the consolidated statement of comprehensive income.

If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated statement of comprehensive income.

Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.2.1 Trade and other receivables

Trade and other receivables are initially measured at fair value and, after initial recognition, at amortised cost less impairment losses for bad and doubtful debts, if any, except for the following receivables:

- Interest-free loans made to related parties without any fixed repayment terms or the effect of discounting being immaterial, that are measured at cost less impairment losses for bad and doubtful debt, if any; and
- Short-term receivables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount less impairment losses for bad and doubtful debt, if any.

At each reporting date, the entity assesses whether there is any objective evidence that a receivable or group of receivables is impaired. Impairment losses on trade and other receivables are recognised in profit or loss when there is objective evidence that an impairment loss has been incurred and are measured as the difference between the receivables' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at its original effective interest rate, i.e. the effective interest rate computed at initial recognition. The impairment loss is reversed 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.

2.2.2 Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, bank overdrafts which are repayable on demand form an integral part of the entity's cash management are included as a component of cash and cash equivalents.

2.2.3 Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in reserves. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in the cumulative impairment losses attributable to the application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an

event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of the impaired available-for-sale equity security is recognised in other comprehensive income.

Impairment of financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the entity on terms that the entity would consider otherwise, indications that a debtor or issuer will enter into bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for security.

The entity considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-to-maturity investment securities) at both a specific asset and collective level. All individually significant assets are assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the entity uses historical trends if the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. Deficits are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised when an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

2.3 Financial liabilities

2.3.1 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

2.3.2 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable or received for services provided and goods delivered, net of discounts and Value Added Taxation (VAT) and where there is reasonable expectation that the income will be received and all attaching conditions will be complied with.

2.4.1 Education grants and donations

Education grants and donations received on capital expenditure are generally deducted in arriving at the carrying amount of the asset purchased. Grants for revenue expenditure are netted against the cost incurred by the entity. Where retention of an education grant and donation is dependent on the entity satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the consolidated statement of comprehensive income or netted against the asset purchased.

2.4.2 Rendering of Services

Revenue from subscriptions and training is accounted for when services are rendered.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the reference to the stage of completion of the transaction at the statement of financial position date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The stage of completion of the transaction at the reporting date can be measured reliably;
- The costs incurred for the transaction and the cost to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Notes to the Annual Financial Statements

for the year ended 31 March 2016

3. Other financial assets

	2016 R	2015 R
Loans and receivables		
Nedbank	2 805 243	2 668 459
Investec	226 476	651 205
	2 764 134	3 031 719
Current assets		
Loans and receivables	2 764 134	3 031 719

The maximum exposure to credit risk at the reporting date is the carrying amount of the held-to-maturity financial assets.

4. Cash and cash equivalents

Cash and cash equivalents consist of:

	2016 R	2015 R
Bank balances	211 836	162 842

Cash and bank earns interest at the floating rate based on a daily bank deposit rate.

5. Trade and other payables

	2016 R	2015 R
Accrued liabilities	40 000	-
	40 000	-

6. Finance income

	2016 R	2015 R
Interest income		
Interest received from investments	180 820	159 366
The following is an analysis of the finance income asset category:		
Loans and receivables	180 820	159 366
Total interest income for financial assets not designated as at fair value through profit or loss	180 820	159 366
	180 820	159 366

Taxation

The Education Fund of the South African Council for the Architectural Profession's receipts and accruals are exempt from income tax in terms of the provisions of Section 10(1)(cA)(i) of the Income Tax Act, 1962 (Act No. 58 of 1962).

7. Related party transactions

Relationships

Members of key management	Marella O'Reilly – Registrar Barbara van Stade – COO Thiru Mudaly – CFO (Resigned December 2015) Tshepo Tefo – CFO (Appointed 4 January 2016)
Executive authority	Department of Public Works
Governing body	Refer to the Registrar's Report for the Council member names
Controlling entity	The South African Council for the Architectural Profession
Relationship governed by law	Council for the Built Environment

8. Financial instruments

The Council has classified its financial assets in the following categories:

	Loans and receivables R	Total R
2016		
Other financial assets	2 764 134	2 764 134
Cash and cash equivalents (note 4)	211 836	211 836
	2 975 970	2 975 970
2015		
Other financial assets	3 031 719	3 031 719
Cash and cash equivalents (note 4)	162 842	162 842
	3 194 561	3 194 561

The Council is exposed to credit risk and liquidity risk arising in the normal course of its business and financial instruments. The Council's risk management objectives, policies and processes mainly focus on minimising the potential adverse effects of these risks on its financial performance and position by closely monitoring the individual exposure.

8.1 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of cash available to perform its duties.

The Council's risk to liquidity is as a result of the funds available to cover future commitments. The Council manages liquidity risk through an ongoing review of future commitments.

Cash flow forecasts are prepared and adequately utilised borrowing facilities are monitored.

8.2 Interest rate risk

As the Council has significant interest bearing assets, that cause its income and operating cash flows to be substantially dependent on changes in the market interest rates.

8.3 Capital risk management

The Council's objective when managing capital is to safeguard its ability to continue as a going concern.

The capital structure of the Council consists of cash and cash equivalents disclosed in note 4 and accumulated funds as disclosed in the statement of financial position.

Financial risk management

The Council's activities expose it to liquidity and cash flow interest rate risk.

9. Cash generated from operations

	2016 R	2015 R
(Deficit)/Surplus for the year	(258 591)	160 127
Adjustments for:		
Investment income	(180 820)	(159 366)
Operating cash flow before working capital changes	(439 411)	761
Working capital changes		
Increase in financial asset	267 585	287 945
Decrease in trade and other payables	40 000	(440 000)
	(131 826)	(151 294)



Detailed Income Statement

for the year ended 31 March 2016

	2016 R	2015 R
Gross revenue	1 714	1 602
Sundry income	1 714	1 602
Other income	180 820	159 366
Investment income	180 820	159 366
	182 534	160 968
Expenditure		
Bank charges	1 125	841
Grants	440 000	-
	441 125	841
(Deficit)/surplus for the year	(258 591)	160 127

The supplementary information presented does not form part of the annual financial statements and is unaudited.



PO Box 408 / Bruma / 2026