



**SA COUNCIL FOR THE
PROPERTY VALUERS PROFESSION**

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

ANNUAL REPORT

2021/2022 FINANCIAL YEAR

Contents

PART A: GENERAL INFORMATION	4
1. SACPVP'S GENERAL INFORMATION	5
2. LIST OF ABBREVIATIONS/ACRONYMS	6
3. FOREWORD BY THE PRESIDENT	7
4. REGISTRAR AND CHIEF EXECUTIVE OFFICER'S OVERVIEW	9
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	14
7. STRATEGIC OVERVIEW	15
6.1. Vision	15
6.2. Mission	15
6.3. Values	15
8. LEGISLATIVE AND OTHER MANDATES	16
Table 1: Legislative Mandates	16
9. MANAGEMENT STRUCTURE	18
PART B: PERFORMANCE INFORMATION	19
1. SITUATIONAL ANALYSIS	19
1.1 Introduction	19
1.2 Service Delivery Environment	19
1.3 Registration Statistics	21
1.4 Organisational environment	22
1.5 Accredited programmes	30
PART C: GOVERNANCE	31
1. INTRODUCTION	32
2. EXECUTIVE AUTHORITY	32
3. THE ACCOUNTING AUTHORITY / COUNCIL	32
4. RISK MANAGEMENT	35
5. FRAUD AND CORRUPTION	35
6. CODE OF CONDUCT	35
7. HEALTH SAFETY AND ENVIRONMENTAL ISSUES	35
PART D: HUMAN RESOURCE MANAGEMENT	36
1. INTRODUCTION	37

PART E: FINANCIAL INFORMATION	40
1. REPORT OF THE EXTERNAL AUDITOR.....	41
2. ANNUAL FINANCIAL STATEMENTS.....	41

PART A: GENERAL INFORMATION

1. SACPVP'S GENERAL INFORMATION

REGISTERED NAME: SA Council for the Property Valuers Profession

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EXTERNAL AUDITORS: Rakoma Auditors

BANKERS: ABSA BANK

2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
MEC	Member of Executive Council
BBBEE	Broad Based Black Economic Empowerment
CBE	Council for the Built Environment
CBEP	Councils for the Built Environment Profession
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DPWI	Department of Public Works and Infrastructure
IdoW	Identification of Work
IFRS	International Financial Reporting Standards
PFMA	Public Finance Management Act
SACPVP	South African Council for the Property Valuers Profession
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management

3. FOREWORD BY THE PRESIDENT



**President of South African Council for the Property Valuers Profession (SACPVP)
Mr John F. Cloete**

The SACPVP is the only regulatory body for property valuations in South Africa and always strives to ensure that financial oversight of the Council's effective and efficient management is a priority. The Council is working with strategic partners to achieve good valuation standards, research, and education for the Valuation Profession.

SACPVP remains a member of the International Valuation Standard Council (IVSC) to ensure that valuation principles applied are in line with international standards. Our objective remains to improve our South African (SA) valuation standards locally and internationally and therefore win more confidence in existing investors, potential investors (nationally and globally), and the public.

The Council embarked on a process of having its own Local Valuation Standards Book (called the Gold Book). The IVSC is also in support of our Gold Book.

At a professional level, the Council continues to overcome its challenges and press even harder where results are needed urgently. Our application for the Identification of Work with the Competition Commission (CC) and by working hand-in-hand with the Council for the Built Environment (CBRE) is ongoing to ensure excellence and compliance.

We continue to enjoy a cordial relationship with all our recognized voluntary associations (VA), the South African Institute of Valuers (SAIV), and the Black Professional Valuers Association (BPVA), continuously engage the VAs regularly and as and when needed.

Our Councillors managed to do all our meetings for 2021/2022 online to mitigate the Covid- 19 infections and to keep our staff and councillors safe.

I express my gratitude and appreciation to our Admin staff, the Registrar, our service providers, and Councillors who works whole heartedly, served with dedication and high standards during this past year.

With reference to our Annual Report documents and our strategic objectives and I trust that you enjoy reading this report.



John F. Cloete

President of the South African Council for the Property Valuers Profession (SACPVP)

28 September 2022

4. REGISTRAR AND CHIEF EXECUTIVE OFFICER'S OVERVIEW



**MATSOBANE SEOTA
REGISTRAR**

Introduction

While South African Council for the Property Valuers Profession (SACPVP or the Council) won the IRES Corporate Award in 2020, it will only be receiving the plaque in September this year. SACPVP won first prize as the best corporate registered with the African Real Estate Society (AfRES), an African Chapter of the International Real Estate Society (IRES) for 2020, as an outstanding supporter of real estate/ valuation in Africa. SACPVP was scheduled to receiving the award in 2020, but due to the COVID-19 pandemic, the prize- giving was postponed *sine die*. (more about AfRES under Stakeholder liaison).

SACPVP is celebrating the lifting of the COVID-19 restrictions, during the National State of Disaster since April 2020, like many in the country. However, while the economy started to recover, the Russian Ukraine war put a spanner in the works. This negatively affected the ability of the valuers to pay their annual fees in time throughout the financial year, consequently, impacting negatively income received during the financial year.

The Council's Goals

The following strategic options remained the thrust and focus during this financial year- revenue generation, growth, transformation, stakeholder management, creating internal capacity and training and development. The last is to be achieved through webinars and workshops.

The Council has approved the establishment of a Youth desk in order to improve its registration numbers and to make the profession accessible to a broader spectrum of the society. In doing so, the Council would mainly be targeting candidate valuers and young professionals. The intent is that participants should be able to connect to our IT platform and share formation and ideas among each other until a workable recommendation is attained. The Council still grieves the passing of one council member on 22 August 2021, who was the main driver of this initiative.

Regulatory challenges

It is worth noting that SACPVP has not received the usual complaints from the public about unregistered persons doing valuations for various purposes, mainly divorce and estate late matters. This could be a result of the moribund economic condition that the country has been under since the corona virus pandemic. On the other hand, unregistered person continuing to perform valuation undeterred remains of grave concern to SACPVP. This being due to the rejection of SACPVP's application by the Competition Commission to publish SACPVP's scope of work that would have provided both public and registered persons with the confidence that property valuation work is set aside for qualified and registered valuers. If this scope of work were to be approved, all persons performing valuations would be required to register with the Council thereby ensuring the public is protected against any possible improper conduct by valuers. As a result of the above- mentioned rejection, only the police and our courts of law can deal with these non- registered persons as the Council has jurisdiction only on its registered persons.

The Council resolved to amend its Act in order to, among others, allow for an Alternative Dispute Resolution (ADR) to settle cases where the stakes are not high for each party and a settlement agreement has already been reached. As the Property Valuers Profession Act, 2000 (Act No. 47 of 2000, the Act) provides, all investigated

cases are heard by an externally appointed disciplinary tribunal. Composition of a tribunal includes a lawyer and two assessors; it is time consuming and in the main, costly. The essence of this is that each respondent be afforded an opportunity to a fair representation or hearing- the audi alterem partem maxim. If the amendments are agreed, this will obviate the composition of a tribunal (only) where parties agreed to settle as stated above.

Continuing Education and Training (CET or CPD) compliance is gaining momentum as a measure to keep professionals abreast of developments in the valuers profession. CET was first introduced in April 2007 and those professional registered by then are in fourth third cycle of CPD. In the past, professionals were required to obtain eight points per annum and 40 points before the end of the cycle. However, since 2017, the number of required CPD points have been increased to 50 in a 5 year cycle for all professionals. Mentoring candidates has now been included as a qualifying CPD activity for the first time, to a maximum of two points per year and 10 points in a (CET) cycle of five years.

Registration of professional

In response to the impact of the pandemic, the council resolved not to charge annual fee on candidate valuers registered for the first time. Further the council gave reprieve to all octogenarians- that they pay only R800 annual fee irrespective of their category of registration and amount payable by other ages.

It has been now six years since SACPVP started to host a week-long practical work-school that purports to assist candidates (Candidate Valuers and Professional Associated Valuers) in order to hone in their valuation knowledge. Due to the pandemic, this work school has been hosted remotely since. The candidates are guided through presentations and valuation work exercises by experienced valuers and professionals in related fields. SACPVP has noted that more registered professionals would like to attend this work-school to keep abreast of professional developments and to gain CET points.

In order to increase the number of professionals, the Council hosts pre- examination workshops before they sit for each of the two admission examinations. It has been noted that the examination marks of those who attended these workshops tend to be better than those who did not attend. More emphasis is placed on Financial Mathematics (time value of money) and the legal aspects of valuation, especially the constitutional aspects when compensating for expropriation of land/ property for land reform purposes. This initiative has improved the number of candidates who pass the admission examinations to become professionals (Professional Associated Valuers and Professional Valuers). Since the pandemic, the workshops have been incorporated into the week-long work school mentioned supra.

Programme accreditation

SACPVP continues to recognize valuation programmes being offered at six tertiary institutions throughout the country. The total number of accredited programmes is 11. All programmes were accredited during the fourth term of Council. The fifth term of Council's accreditation visits were affected by the COVID-19 pandemic. The Council will be conducting virtual accreditation visit at two universities in October 2021 and the other four visits are planned for the first semester of 2022.

It can be seen that the bachelor degrees being accredited are four- year degrees as all professional degrees in South Africa span over four instead of the usual three years

for degrees that do not lead to professional registration.

Professional Fees and Identification of Work

Professional fees provide a basis from which professionals charge for their services and they serve to guide consumers in fee expectations for valuation services. The fee guideline will be published soon. As the SACPVP president has mentioned the progress made with the Identification of Work in his Foreword above, it is regrettable that the Competition Commission (CC) has rejected the valuers' scope of work that was published by the CBE towards the end of the previous financial year. This means that it is back to the drawing board for Councils for the Built Environment (CBEP) on this matter. Nonetheless, the intervention of the Minister of Public Works and Infrastructure in the negotiations between CBE and CBEP with CC have brought resulted in CBEP negotiating directly with CC.

Internal capacitation

SACPVP has planned to capacitate itself to be able to deliver on all its mandates as provided for in its Act. While SACPVP and CBE have concluded a Memorandum of Understanding to embark on an exercise of appointing a service provider to upgrade its IT system to be in line with the CBE and other statutory bodies' reporting requirements, progress in this initiative stalled. Only SACPVP and SA Council for the Landscape Architecture had been consulted to progress the initiative. This initiative was intended to be an interactive IT system where registered persons will be able to log in and update their registration details.

Stakeholder liaison

International organisations with offices in South Africa have begun to demand that their valuations both in South Africa and in Africa be done by internationally recognised valuers. To address this, the Council is a member of the International Valuation Standards Committee (IVSC) and the International Association of Assessing Officers-South African Chapter (IAAO-SA). These bodies are custodians of international standards. They play a central role in international recognition of private sector property valuers and municipal valuers, respectively. SACPVP intends to assist our registered persons (valuers) to acclimatize themselves to the changing landscape and globalization of the valuer's profession.

In line with the government's African Agenda or African Renaissance, the Council is a member of the African Real Estate Society (AfRES), an African Chapter of the International Real Estate Society (IRES). This membership aims at pursuing the idea of "an African valuer" by creating co-operation with other statutory bodies within Africa. This co-operation is intended to find a common ground and to agree on minimum property valuation qualifications that all participating African valuation bodies should recognise. The Council's role in this organisation has won it a corporate award in 2020 and the prize giving was delayed due to the corona pandemic and will be September this year.

Conclusion

In conclusion, SACPVP invites all its stakeholders to join it as it charges on during this period. to transform the valuers profession after the challenges of the pandemic.

Achieving some of the foregoing could not have been possible had it not been for, in the main, the support from staff, council members, especially the leadership that served until 2018, our partnership with the Council for the Built Environment, the International Real Estate Society (IRES) and its African Chapter- the African Real Estate Society (AfRES)- who's 2020 corporate award we cherish most, universities that provide the valuation qualification and whose valuation programmes we accredited, as well as voluntary associations SAIV and BPVA. We remain endeared to our registered persons, those who own their businesses as well as employers. The direction provided by the Department of Public Works and Infrastructure is also greatly appreciated. As a statutory body, it remains our constant endeavour to assist the CBE and the government to deliver on their mandates.



Matsobane Seota
Registrar and Chief Executive Officer
South African Council for the Property Valuers Profession

28 September 2022

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by our auditor, Messrs Geysers & du Plessis.

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

The annual report has been prepared in accordance with the guidelines as contained on the attached Annual Financial Statements.

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

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of SACPVP for the financial year ended 31 March 2021.

Yours faithfully



Registrar and Chief Executive Officer of SACPVP
Matsobane Seota
28 September 2022



John F. Cloete
President
South African Council for the Property Valuers Profession
(SACPVP)
28 September 2022

6. STRATEGIC OVERVIEW

6.1. Vision

The vision of the SACPVP is to create a transformed property Valuers profession that is of world class valuation standards

6.2. Mission

The vision will be achieved by:

- Regulating the conduct of registered persons in their dealings with the public;
- providing advisory service to private and public bodies;
- protecting the interest of the public in their dealings with registered persons;
- promoting utilisation and compliance with the International Valuation Standards (IVS), including International Financial and Reporting Standards (IFRS), where applicable;
- ensuring professional and higher standards of competency through education and continued professional development;
- awareness of the range of valuation services offered by the property profession; and
- making the valuers profession a career of choice.

6.3. Values

The following values are the principles that bind and guide South African Council for the Property Valuers Profession (SACPVP) in its continuous effort towards the improvement of services to Registered Persons and the public:

- Integrity
 - We are honest in everything we do. We will carry out our responsibility in a manner that will preserve and enhance the integrity of the organisation.
- Competence
 - We are successful and efficient and able to do the job expected.
- Knowledge
 - We have a mix of relevant experience, contextual information and current understanding to effectively execute our functions
- Honesty
 - We are sincere, truthful, trustworthy, and honourable in everything we do.
- Rationality
 - We exercise good sense and sound judgment in our work.
- Communication
 - We recognise the SACPVP as a public entity and commit to providing reliable information to all our stakeholders.

7. LEGISLATIVE AND OTHER MANDATES

7.1 Legislative Mandates

The SACPVP derives its goal from its Act – Property Valuers Profession Act, 2000 (Act No. 47, 2000). These goals are:

- To provide for the registration of property Valuers;
- to protect the members of the public / property owners by providing for the regulation of the property Valuers profession; and
- to transform the property Valuers profession in order to deliver on the needs of the South African society based on internationally recognised best practice while progressively reflecting the demographics of the country.

SACPVP executes its mandate informed and attentive to a variety of legislations, regulations, collective agreements and policies which amongst others are, but not limited to:

Short Title of the Act	Purpose of the Act
The Constitution of the Republic of South Africa, 1996	The Constitution is the supreme law of the land. No other law or government action can supersede the provisions of the Constitution.
Consumer Protection Act, 2008	To promote a fair, accessible and sustainable marketplace for the consumer.
Council for the Built Environment Act, 2000	To provide for the establishment of the Council For the Built Environment and matters incidental thereto.
Quantity Surveying Profession Act, 2000	To provide for the establishment of the Council for the Quantity Surveying Profession and matters incidental thereto.
Public Finance Management Act, 1999	To regulate financial management and to ensure that all revenue, expenditure, assets and liabilities of Government departments or entities are managed efficiently and effectively.
Basic Conditions of Employment Act, 1997	Employment conditions that govern the employee- employee relationship at the Council
Employment Equity Act, 1998	Applies to all employers and workers and protects workers and job seekers from unfair discrimination, and also provides a framework for implementing affirmative action.
Promotion of Administrative Justice Act, 2000	To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996.
Occupational Health and Safety Act, 1993	The Occupational Health and Safety Act aims to provide for the health and safety of persons at work.
Construction Charter	Provides a framework for the construction sector to address BBBEE, enhance capacity and increase productivity in the sector to meet world best practice.
Property Valuation Act No. 17 of 2014	Establishment of the Office of the Valuer General to deal with national and provincial valuation matters in the Department of Rural Development and Land Reform as well as valuations for any acquisition or disposal of state property.
Property Charter	Promote the BBBEE Act relating to the property sector
Administration of Estate Act No. 66 of 1965	Appointment of appraisers for valuation of immovable property
Competition Commission Act, 1998	Ensures competitiveness of business to protect small business and new entrants

Table 1: Legislative Mandates

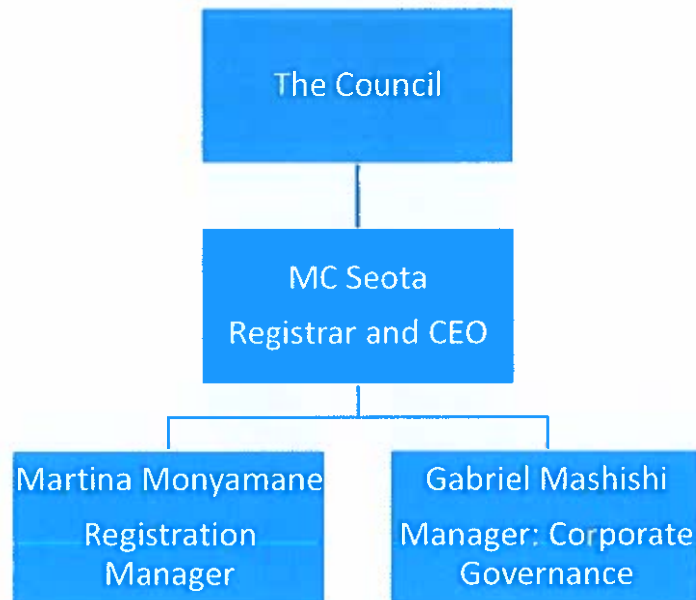
7.2 SACPVP'S Functions

Under the Property Valuers Professional Act No. 47 of 2000, the SACPVP is required to:

- Register person in the following categories: Professional Valuers, Professional Associates Valuers, Candidate Valuers and Special Categories;
- maintain a register of registered persons;
- set and audit academic and other qualification standards for purposes of registration;
- set and audit Professional development standards;
- determine fees payable to the Council by registered persons;
- prescribe requirements for continued Professional development;
- draw up and enforce a code of conduct;
- protect members of the public in their dealings with registered persons;
- identify the type of work to be performed by a person registered in a category of the property valuers profession;
- recognise voluntary associations; and
- advise the Council for the Built Environment, the Minister of Public Works and Infrastructure and any other Minister on matters relating to the property valuers profession.

8. MANAGEMENT STRUCTURE

The council has a staff complement of eight persons, three being the executive. Its functions are categorised into registration and public protection. The executive structure, is as follows:



PART B: PERFORMANCE INFORMATION

1. SITUATIONAL ANALYSIS

1.1 Introduction

The degree and level of specialization in the training of valuers are continually being reviewed in the light of new developments in the financial, legal, economic and technological environments. SACPVP is in constant conversation with universities that offer valuation programmes to ensure they are abreast by these developments

South Africa has embarked on the largest state spending on infrastructure in its history. This will result in a return on investment large enough to sustain the further development cycles needed by the developmental state. The Council, other CBEP and the CBE collaborate with DPWI on the government's initiative on the country's infrastructure development.

SACPVP has identified that there is a change in business and industry in the demand for graduates who may not necessarily become practising valuers but have the training, skill and knowledge to play an advisory role on the firm's real estate portfolios. It is necessary for the Council to pursue research in this area in order to be able to offer appropriate academic backing.

In line with other CBEP, SACPVP has resolved that a four year degree be a minimum academic qualification for professional registration as from October 2020. There are now five tertiary institutions offering seven accredited valuation degrees and one still offering a diploma.

1.2 Service Delivery Environment

Given the close link between property markets and economic performance, people, governments, banks and commercial organisations are looking for more certainty around standards and ethics. As a result of monitoring the implementation of the Act and changes in the internal and external environment several areas were identified where some changes are necessary. SACPVP is currently involved in current projects, both nationally, regionally and internationally; including but not limited to some of the following projects:

International Valuation Standards Council:

- training of valuers in machinery as well as business valuations
- Input into valuation standards and customising the standards to suit local conditions

Royal Institution of Chartered Surveyors:

- Pursuing training and development opportunities offered
- Recognition of South African registered Professionals

Department of Rural Development and Land Reform:

- Participation in the consolidation of the proposed Office of the Valuer General

International Association of Assessing Officers (IAAO)

- Localising municipal valuation standards in consultation with the Department of Cooperative Governance and Traditional Affairs

African Real Estate Society (AfRES):

- Continue liaison with African built environment bodies in collaboration with the DPWI's International Relations Directorate

Property Valuation Voluntary Associations:

- Reviewing of training of candidates and exploring changes to the current preparations for professional admission examinations

Local Government SETA (LGSETA) and Department of Cooperative Governance and Traditional Affairs (CoGTA):

- Appointment of service providers for the municipal property assessor qualification to address the skills shortage for implementation of the Municipal Property Rates Act, 2004, as amended

Council for the Built Environment (CBE):

- Identification of Work- publishing valuers' scope of work
- Completion of Frameworks for, inter alia, registration, guideline on professional fees, continuing education and development and code of conduct

Tertiary Institutions

- Accreditation of valuation programmes offered by educational institutions

Department of Public Works and Infrastructure (DPWI):

- Advise on valuation and related matters within the department

1.3 Registration Statistics- 31 March 2022

The below table is a sign of the continuing transformation of the valuers profession. It shows that female valuers are generally younger than males, albeit that they are fewer in number. Also, that the average age of Black (Africans, Indians and Coloureds) valuers is younger than that of White valuers. In contrast, White males constitute the highest number in the age category of 65 years and above. These points assist in the SACPV's response to the transformational direction of the valuers profession.

SACPVP 2022 GENDER AND AGE PROFILE

MALE

Age		15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65+	Total	%
Gender	African	0	12	34	60	87	71	50	34	23	20	21	412	19%
	White	0	4	24	35	67	70	89	115	119	156	305	984	45%
	Indian	0	2	1	7	14	14	12	16	8	4	8	86	4%
	Coloured	0	0	2	6	9	7	10	12	13	9	13	81	4%
	Total	0	18	61	108	177	162	161	177	163	189	347	1563	71%

FEMALE

Age		15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65+	Total	%
Gender	African	0	10	39	80	114	47	27	14	8	2	4	345	16%
	White	0	5	8	11	30	35	29	45	27	15	20	225	10%
	Indian	0	0	3	6	5	4	8	2	2	1	1	32	1%
	Coloured	0	0	1	2	9	5	1	4	0	1	0	23	1%
	Total	0	15	51	99	158	91	65	65	37	19	25	625	29%
													2188	100%

1.4 Organisational environment

1.4.1 Strategic Goal 1: To increase the revenue of SACPVP

Outcome	Objectives	Key Performance Indicator	Baseline 2017	2021/22 Target / Measure	How we performed: Number	How we performed: %
Larger organisation	Improvement in retention of registered persons	% decrease in total registered persons cancelled	300	>15%	221 of 2188	10.1%
	Better value for customers to stakeholder management	% average of first point call resolution	New indicator	80%		
		% of queries responded to within 5 days	80%	85%		
	Increase in registrations	% increase in registrations	New Ca Val 5%	New Ca Val 7%	128 of 711	18%
			Prof 5%	Prof 5%	78 of 1477	5.3%
Facilitate candidate training	Number of candidates trained for examination preparation	50 candidates	55 candidates	61	122%	
Improved financial management	Increase other income opportunities (from past year)	Income <u>other than annual fees</u> as a % of total income received	12%	8%	(R620k)= 2022	(9.7%)
	Increase in revenue from all existing sources, total income	% increase in revenue from these sources	8%	10%	(2,232k)	(27.5%)
	Improve Credit Management	% annual fee collected within [60] days of invoice Age Analysis= <60 days	33%	65%	R4,007k	49%

1.4.2 Strategic Goal 2: To increase the number of registered persons

Outcome	Objectives	Key Performance Indicator	Baseline 2017	2021/22 Target / Measure	How we performed
A SACPVP that responds to the developmental objectives of the country.	Understand country's needs / Build inter-government relations	% increase in number of inter-governmental platforms used	The Act and CBE quarterly reports	Perform as per CBE/ DPWI requirements	Met 100% reporting target
	Create specific categories for registration	Number of persons within new categories	Appraisers to Valuers and Plant and Equipment Valuers	2 2	Rules drafted to register PE Valuers. To negotiate with DoJ on Appraisers
	Improve quality of service provided	Average response time to query	1 week	Anecdotal 9 days	(80%)(Affected by pandemic)
		Average time to action registration request	1 week after satisfying all requirements	10 days	(100%) (Affected by pandemic)
	Strengthen communication with registered persons	(Website, email and sms) Comm platforms in line with plan	Number as per plan	Quarterly and PRN	Quarterly and PRN
	Improve marketing through website	% increase in number of website hits	New indicator	20%	To be introduced on the website 2023/24
Increased participation of HDI particularly women – Transformation	Attract more HDI's to the profession	% of HDI's registered in the profession	26%	33%	979/2188= 45%
		% of women registered	18%	25%	625/2188 = 29%

1.4.3 Strategic Goal 3: To improve SACPVP delivery mechanisms to support customer service delivery and stakeholder management.

Outcome	Objectives	Key Performance Indicator	Baseline	2021/22 Target / Measure	How we performed
Improve technology utilisation	Enhance information management systems, i.e., automate / document processes and adopt best practice	Investigate and approve the automation / mechanisation of registration process	New indicator	To introduce in 2023/24	N/A
		Number of process data and information areas mapped and documented	New indicator	To introduce in 2023/24	N/A
	Increase the technological reach of SACPVP by registered persons	Investigate the system initiated within CBE database system	New indicator	To introduce in 2023/24	N/A
Increased understanding and awareness of consumer rights	Improve public protection	Number of public education campaigns held	New indicator	To introduce in 2023/24	N/A
		Number of information articles or reports produced for public benefit	New indicator	To introduce in 2023/24	N/A
Efficient regulatory function		% of cases managed within agreed procedural timescales	3	100%	1 = 33%
	Improve measurement and self-assessment	Availability of the standard setting framework/ std operating procedures	New indicator	To introduce in 2023/24	N/A
		Develop self-assessment tool and the number of formal self-assessments conducted	New Indicator	To introduce in 2023/24	N/A
		% of reports / outputs produced accurately and on time	Registrar, AFS/AR, CBE, SAQA	100%	100%
	Produce accurate budget and management reports as well	% of matters of emphasis effectively addressed through audits	100%	100%	100%

	as statutory reports within set timetable	% of reports produced as per required accuracy, timeframe and formatting requirements	100%	100%	100%
		% of accounting reports kept up to date in line with legal requirements	100%	100%	100%
	Provide accurate project reporting and monitoring	% of projects reported on as per reporting timetable	100%	100%	100%
	Ops and Functional structures	Approved structure and organogram	100%	100%	100%
	Corporate Governance	Effective strategic guidance for org delivery.	New Indicator	To introduce in 2023/24	N/A
		Clean financial audit	Since 2005 until 2021	100%	100%
Increased partnerships / research alliances with valuation bodies	Promote partnerships and joint problem solving	Number of partnerships agreed nationally with voluntary associations (VAs)	# and reports of engagements with VAs	3	3
<p>List of Voluntary Associations (VAs):</p> <ol style="list-style-type: none"> 1. Black Professional Valuers Association (BPVA) 2. Professional Valuers Association (PVA) (not active- to be derecognised) 3. South African Institute of Valuers (SAIV) 					

1.4.4 Strategic Goal 4: To reposition SACPVP in the market place

Outcome	Objectives	Key Performance Indicator	Baseline	2021/22 Target / Measure	How we performed
A SACPVP that is a learning site and a resource centre for skills development and transfer	Increase research and development	Number of research papers published Number of persons accessing the reports	New indicator	N/A	N/A
SACPVP seen as a thought leader in the sector	Create new registration categories	Persons registered in new categories created	Plant n Equipment n Appraisers	To introduce in 2023/24	Rules as per approved SACPVP guidelines

1.4.5 Strategic Goal 5: To improve Professional skills base and create sustainable platform for growth

Outcome	Objectives	Key Performance Indicator	Baseline	2021/22 Target / Measure	How we performed
Professionals	Identify and close the skills gap among Professionals Implement new training and mentorship programmes	% of training requirements addressed according to training and development plans	New indicator	Performed through VAs	On track
	Creating CET Programmes	Number of approved programmes and implementation in line with the plan	Council to adopt CET Programme	Measure after Council adoption	N/A
Relevant training of staff within the Council	Service provider to provide training and development of registered persons and staff	Develop training programmes (internal) including identification of skills gaps, Each staff member's PDP	New indicator	To introduce in 2022/23	N/A
Good Corporate Governance	Build effective leadership, management and governance	Availability of an up to date risk management strategy/ plan	New indicator	Risk framework 2023/24	N/A
		% compliance with milestones of the risk management plan	New indicator	To introduce in 2023/24	N/A
		Developed and approved governance policies	New indicator	To introduce in 2023/24	N/A
		% compliance with applicable legislation, policies and guidelines	New indicator	To introduce in 2023/24	N/A
	Develop effective teams living organisational values	Developed employee climate survey % improvement in the results of the employee climate survey	Develop and administer staff satisfaction survey	To introduce in 2023/24	N/A

1.5 Accredited programmes

University	Programme	Accreditation Status
University of Cape Town	BSc Hons in Property Studies	Full Accreditation
	MSc in Property Studies	Full Accreditation
University of Johannesburg	BCom Hons (Property Valuation & Management) together with BCom Finance, Advanced Diploma or Bridging Course in Finance	Full Accreditation
University of Pretoria	BSc Hons Real Estate	Full Accreditation
	MSc Real Estate	Full Accreditation
University of Free State	Master of Land and Property Development Management (MLPM) Property Valuation	Conditional Accreditation
University of the Witwatersrand	BSc in Property Studies (four years)	Full Accreditation
	Post Graduate Diploma in Property Development and Management	Full Accreditation
	MSc Building (study plan in Property Development and Management)	Full Accreditation
Cape Peninsula University of Technology	Diploma in Real Estate (Real Estate) A degree in Real Estate was introduced in 2021	Full Accreditation
University of South Africa	National Diploma in Real Estate (Property Valuation)	Discontinued end of 2011 academic year

PART C: GOVERNANCE

1. INTRODUCTION

The council submits its Annual Financial Statements as well as its Annual Report to both the Council for the Built Environment and the Department of Public Works and Infrastructure (DPWI).

2. EXECUTIVE AUTHORITY

Statutorily, the council reports to the Department of Public Works and Infrastructure (DPWI). The DPWI Minister appoints members of the council. DPWI has concluded that CBEP do not have to be PFMA compliant, mainly because they are not funded by government. However, it is of prime import that CBEP's governance structures are sound.

3. THE ACCOUNTING AUTHORITY / COUNCIL

The council was appointed by the Minister of Public Works and Infrastructure in terms of the Property Valuers Profession Act, 2000 (Act No. 47 of 2000) (PVP Act). During this period, member of (the fifth) Council were appointed to be in office until mid 2022. The Department is still considering how to conclude the 6th Council's correspondence.

The role of the council is to register property valuers and to regulate the profession, ensuring the protection of the public against the (improper) conduct of those registered. One key responsibility of council members is to appoint the Registrar who also acts as the Chief Executive Officer of the council and to also ensure that staff are appointed to achieve the mandate of the PVP Act. See other SACPVP functions under Part A, item 7.2 supra.

Composition of the Council

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
JF Cloete	President	29 June 2018	N/A	ND Real Estate; MBA	Valuation	None	Management Transformation Comms	26
ND Naidoo	Vice President and Chair of Education Comm	29 June 2018	N/A	ND Real Estate; B Admin	Valuation	None	Public Relations & Marketing	34
N Betela	Member	29 June 2018	N/A	ND Real Estate	Valuation	None	Education, Registration, Transformation Comms	22
M Chidi	Chair of Marketing & Public Relation Comm	29 June 2018	N/A	ND Real Estate; MSc	Valuation	None	Public Relations & Marketing and Transformation Comms	24
SD Kuppan	Members and Chair Investigation Com	29 June 2018	N/A	ND Real Estate	Valuation	None	Education and Registration Comms	17
CP Lawrence (Deceased 22 August 2021)	Chair of Transformation Comm	29 June 2018	N/A	BTech Real Estate (Property Valuation); Master's degree	Valuation	None	Transformation Comm and Public Relations & Marketing	6
T Letsholo	Chair of Transformation Comm	29 June 2018	N/A	ND Real Estate	Valuation	None	Registration and Investigation	18
M Pitjeng	Member	29 June 2018	N/A	B Com	Valuation	Denel	Education, Investigation	26
G Rentzke	Member	29 June 2018	N/A	ND Real Estate	Valuation	None	Public Relations & Marketing	18
DB de Wet	Member and Chair of Investigation Com	29 June 2018	N/A	ND Real Estate; MBA	Valuation	None	Education Marketing and Investigation Comms	25

Committees

Committee	No. of meetings held	No. of members	Name of members
Council	11	10 then 9 (1 deceased)	J Cloete , ND Naidoo, SD Kuppan, N Betela, M Chidi, M Pitjeng and D de Wet, T Letsholo, G Rentzke, CP Lawrence (deceased)
Education and Standards	5	5	ND Naidoo , SD Kuppan, N Betela, M Pitjeng and D de Wet
Registration	4	5	SD Kuppan , N Betela, T Letsholo, G Rentzke and D de Wet
Public Relations & Marketing	4	4	M Chidi , N Naidoo, G Rentzke and T Letsholo
Investigations	3	3	D de Wet , T Letsholo and M Pitjeng
Transformation	2	4	T Letsholo , M Chidi, N Betela and J Cloete
Finance	8	4	M Chidi , J Cloete, ND Naidoo, M Pitjeng
Chair of Chairs	2	6	J Cloete , ND Naidoo, SD Kuppan, M Chidi, T Letsholo, and D de Wet

Remuneration of council members

The remuneration of Council members is based on Treasury Guidelines for Remuneration of Board Members and are being adjusted annually as per council's determination. All council members are remunerated per attendance of meetings. Remuneration includes council work done, e.g., setting of professional admission examinations papers. The following council members were remunerated as follows.

Name	Remuneration 2021/2022	Remuneration 2020/2021
J Cloete (President and (Fincom member)	131,920	70,540
ND Naidoo (Vice President and Fincom member)	154,500	75,366
N Betela	68,670	42,570
M Chidi (Chair Fincom and Marketing and Public Relation member)	82,580	31,840
SD Kuppan (Chair Registration)	77,250	66,784
CP Lawrence (deceased-22 August 2021)	24,160	28,046
T Letsholo (Chair transformation)	85,130	26,710
M Pitjeng (Fincom member)	105,020	57,860
G Rentzke	65,610	19,350
D de Wet (Chair Investigations)	151,095	110,325

TOTAL	945,935	529,391
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4. RISK MANAGEMENT

The committee will be formed by the new council during its term of office.

5. FRAUD AND CORRUPTION

SACPVP is part of the Council for the Built Environment Fraud Awareness and Prevention initiative.

6. CODE OF CONDUCT

All registered persons are subject to the Code of Conduct (code) which they are made aware of upon registration as candidates with the council and upon subsequent registration/s as professionals. A summary of this code is presented at each SACPVP workshop, educational seminar and conference to keep Valuers constantly aware thereof. Any breach of the code leads to disciplinary measures as contained in the Property Valuers Profession Act, 2000.

7. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Like with other councils in the built environment, Valuers have to be aware of health and safety issues. The council is a signatory of the CBE Constructions Health and Safety Agreement.

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

- Overview of HR matters of SACPVP

The SACPVP staff complement has grown steadily in the past years, from four in 2005 to eight at the end of the financial year under consideration. Nonetheless, more Set HR priorities for the year under review and the impact of these priorities

While the council tries to find an equitable level of its personnel complement, non-core activities are out-sourced. This is happening in the IT and Accounting sections.

- Policy development

Policies are generally developed with the help of council members due to the low staff complement.

- Challenges faced by SACPVP

While the number of registered valuers is not that high, the skills required to run a statutory body are somewhat constant- IT, admin, finance and legal. Registration numbers will increase when it is compulsory for everyone practicing valuation to be registered. Talks on this matter stalled in this financial year but Competition Commission have promised to resume talks with DPWI. At present, many people masquerade as Valuers without the appropriate valuation qualification, or even competence to act as Valuers; thereby endangering public safety as there are no consequence for incorrect valuation reports. SACPVP, CBEP and CBE are engaging the Competition Commission to ensure that only registered persons perform professional services in the built environment.

- Future HR plans /goals

SACPVP has to supplement its human capital given that the council has to perform on the mandates that appear in its Act. The registration and accounting sections need urgent beefing up.

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	2,553	64%	3	851
Skilled	403	10%	1	403
Semi-skilled	801	21%	3	267
Unskilled	210	5%	1	210
TOTAL	3967	100%	8	496

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	3	0	0	3
Skilled	1	0	0	1
Semi- Skilled	3	0	0	3
Unskilled	1	0	1	0
Total	8	0	1	7

There was no staff movement during the year under review.

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0
Resignation	0	0
Dismissal	0	0
Retirement	1	12.5%
Ill health	0	0
Expiry of contract	0	0
Other	0	0
Total	1	12.5%

Labour Relations: Misconduct and disciplinary action

There were no misconduct or disciplinary measures taken against any employee.

Equity Target and Employment Equity Status

The following are the current staff complement of SACPVP. Due to increasing workload in the finance and registration sections, SACPVP needs to increase the staff complement in these areas urgently. The organogram needs to be reviewed in the near future.

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	2	0	0	0	0	0	0
Skilled	1	1	0	0	0	0	0	0
Semi-skilled	0	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	3	3	0	0	0	0	0	0

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Skilled	0	0	0	0	0	0	0	0
Semi-skilled	3	3	0	0	0	0	0	0
Unskilled	1	1	0	0	0	0	0	0
TOTAL	5	5	0	0	0	0	0	0

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

PART E: FINANCIAL INFORMATION

1. REPORT OF THE EXTERNAL AUDITOR

This audit report forms part of the Audited Annual Financial Statements annexed hereto.

2. ANNUAL FINANCIAL STATEMENTS

The 2021/ 2022 Audited Annual Financial Statements are annexed hereto.

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION
Established by Section 2 of the Property Valuers Profession Act, (Act No 47 of 2000)

GENERAL INFORMATION

For the year ended 31 March 2022

Country of incorporation and domicile	South Africa																						
Nature of the business	<p>The South African Council for the Property Valuers Profession is a non-profit making statutory body that is governed by the Property Valuers Profession Act (Act No. 47 of 2000) and was granted exemption from taxation by the South African Revenue Service. The main statutory functions of the council are:</p> <ul style="list-style-type: none">- to provide for the registration of professionals, candidates and specified categories in the property Valuers profession;- to provide for the regulation of the relationship between the South African Council for Property Valuers Profession and the council for the Built Environment;- to provide for the protection of the public regarding the conduct of registered persons.																						
Council members	<table><tr><td>JF Cloete</td><td>President</td></tr><tr><td>ND Naidoo</td><td>Vice - President</td></tr><tr><td>N Betela</td><td></td></tr><tr><td>M Chidi</td><td></td></tr><tr><td>SD Kuppan</td><td></td></tr><tr><td>CP Lawrence (deceased 22 August 2021)</td><td></td></tr><tr><td>L Letsholo</td><td></td></tr><tr><td>M Pitjeng</td><td></td></tr><tr><td>GM Rentzke</td><td></td></tr><tr><td>DB de Wet</td><td></td></tr><tr><td>MC Seota</td><td>Registrar</td></tr></table>	JF Cloete	President	ND Naidoo	Vice - President	N Betela		M Chidi		SD Kuppan		CP Lawrence (deceased 22 August 2021)		L Letsholo		M Pitjeng		GM Rentzke		DB de Wet		MC Seota	Registrar
JF Cloete	President																						
ND Naidoo	Vice - President																						
N Betela																							
M Chidi																							
SD Kuppan																							
CP Lawrence (deceased 22 August 2021)																							
L Letsholo																							
M Pitjeng																							
GM Rentzke																							
DB de Wet																							
MC Seota	Registrar																						
Registered office	77 Kariba street Lynnwood Glen Pretoria 0081																						
Business address	77 Kariba street Lynnwood Glen Pretoria 0081																						
Bankers	ABSA Bank Limited																						
Value Added Tax number	4640115772																						
Income Tax number	9049569180																						

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION
Established by Section 2 of the Property Valuers Profession Act, (Act No 47 of 2000)

AUDITED ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2022

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION
Established by Section 2 of the Property Valuers Profession Act, (Act No 47 of 2000)

INDEX

For the year ended 31 March 2022

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

	<u>Page</u>
Independent Auditor's Report	3 - 6
Council Members' Responsibilities and Approval	7
Report of the Finance Committee	8
Council Members' report	9
Statement of financial position	10
Statement of surplus and deficit and comprehensive income	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14-19
The supplementary information presented does not form part of the Financial statements and has not been audited:	
Detailed statement of profit and loss and comprehensive income	20

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF THE SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

Qualified opinion

We have audited the financial statements of South African Council for the Property Valuers Profession set out on pages 7 to 16, which comprise the statement of financial position as at 31 March 2022, and the statement of surplus and deficit and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the basis of qualified opinion section of our report, the financial statements present fairly, in all material respects, the financial position of the South African Council for the Property Valuers Profession as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the International Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) and the requirements of the Property Valuers Profession Act (Act No.47 of 2000).

Basis for qualified opinion

Trade Payables

The entity did not recognise other items of trade payables in accordance with fair presentation of transactions and events as required by IFRS for SME paragraph 3.2. Invoices for expenditure incurred in the current year were not recorded in the current year. I was unable to determine the full extent of the understatement of trade payables, stated at R35 795 in note 5 to the financial statements, and related operating expenses, stated at R2 512 585 in note 8 to the financial statements, as it was impracticable to do so. There was a resultant impact on the surplus for the period and on the accumulated surplus.

Context for the opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the council in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to the matter below. Our opinion is not modified in respect of this matter.

Restatement of corresponding figures

As disclosed in note 10 to the annual financial statements, the corresponding figures for 31 March 2021 were restated as a result of errors in the annual financial statements of the South African Council for the Property Valuers Profession at, and for the year ended, 31 March 2022.

Other information

The council is responsible for the other information. The other information comprises the information included in the document titled "South African Council for the Property Valuers Profession Annual Financial Statements for the year ended 31 March 2022", which includes the Council Member's Report, the Report of the Finance Committee and the Detailed Income Statement. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the council for the financial statements

The council is responsible for the preparation and fair presentation of the financial statements in accordance with the International Reporting Standards for SME and the requirements of the Property Valuers Profession Act (Act No.47 of 2000), and for such internal control as the council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the council is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the council either intends to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of financial statements is included in the Appendix to this audit report. The description, which is located in appendix 1, forms part of our audit report.

Rakoma and Associates Inc.

Rakoma & Associates Incorporated

Per: Patience Moyo CA(SA)

Engagement Partner

Registered Auditor

29/09/2022

Willow Wood Office Park Block D,
Corner 3rd Ave & Cedar Road
Johannesburg, 2021.

Appendix 1

Auditors Responsibilities for the Audit of Financial Statements

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Conclude on the appropriateness of the council's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION
Established by Section 2 of the Property Valuers Profession Act, (Act No 47 of 2000)

COUNCIL MEMBERS' RESPONSIBILITIES AND APPROVAL

For the year ended 31 March 2022

The members are required by the Property Valuers Profession Act, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the council as at the end of the financial year and the results of its operations and cash flows for the period then ended. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the council and supported by reasonable and prudent judgments and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the council and places considerable importance on maintaining a strong control environment. To enable the council to meet these responsibilities, the council of members 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 company'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 endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material

The annual financial statements have been audited by the independent auditing firm, Rakoma and Associates Inc, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the members of the council and committees of the council of the members. The members of the council believes that all presentations made to the independent auditor during the audit were valid and appropriate, except for the issues identified by the auditors. The external auditor's qualified audit report is presented on page 3 to 6.

The members of the council directors have reviewed the company's cash flow forecast for the year to 31 March 2023 and, in the light of this review and the current financial position, they are satisfied that the council has or has access to adequate resources to continue in operational existence for the foreseeable future.

The financial statements set out on page 10 to 19, and the supplementary information's set out on page 20. Which have been prepared on the going concern basis, were approved by the council and were on their behalf:



President - JF Cloete

Date: 29 September 2022



Registrar - MC Seota

Date: 29 September 2022

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION
Established by Section 2 of the Property Valuers Profession Act, (Act No 47 of 2000)

REPORT OF THE FINANCE COMMITTEE

For the year ended 31 March 2022

The members have pleasure in submitting their report for the year ended 31 March 2022.

The finance committee is an independent statutory committee appointed by the members. Further duties are delegated to the finance committee by the members of council. This report includes both these sets of duties and responsibilities

1. Finance committee terms of reference

The finance committee has adopted formal terms of reference that has been approved by the members of the council. The committee has conducted its affairs in compliance with its terms of reference and has discharged its responsibilities contained therein. The terms of reference are available on request.

2. Finance Committee Members and Attendance

During the year under review seven meetings were held and the members of this committee are as follows:

M Chidi (Chair person)

JF Cloete

ND Naidoo

MJ Pitjeng

The effectiveness of the finance committee and its individual members are assessed on an annual basis.

3. Role and responsibilities

3.1 Statutory duties

The finance committee's role and responsibilities include statutory duties per the Property Valuers Profession Act 47 of 2000, and further responsibilities assigned to it by the members of the council.

External auditor appointment and independence

The finance committee must appoint the independent auditor and evaluate their independence on an annual basis. The appointment must comply with all legislation relating to the appointment of auditors.

The committee has nominated Rakoma and Associate inc as the designated auditor responsible for performing the functions of the auditor, for the year ended 31 March 2022. The finance committee has satisfied itself that the audit firm and designated auditor are accredited in line with the Auditing Profession Act (as amended) and the Public Audit Act (as amended)

Financial statements and accounting practices

The finance committee has reviewed the accounting policies and the financial statements of the council and is satisfied that they are appropriate and comply with the International financial Reporting standard for Small and Medium-sized entities, except for the significant matters raised in the auditors report on page 3 to 6.



Chairperson of the finance committee

Date: 29 September 2022

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION
Established by Section 2 of the Property Valuers Profession Act, (Act No 47 of 2000)

COUNCIL MEMBERS' REPORT

For the year ended 31 March 2022

The members present their report for the year ended 31 March 2022.

Review of activities

The South African Council for the Property Valuers Profession is a non-profit making body that is governed by the Property Valuers Profession Act (Act 47 of 2000) and was granted exemption from taxation by the south African Revenue Service. There were no major changes herein during the year

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

Members of the council

During the year the following served as members of the council:

JF Cloete	President
ND Naidoo	Vice - President
N Betela	
M Chidi	
SD Kuppan	
CP Lawrence (deceased 22 August 2021)	
L Letsholo	
M Pitjeng	
GM Rentzke	
DB de Wet	
MC Seota	Registrar

Going Concern

The council is expected to continue as a going concern for the foreseeable future.

Events after reporting date

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

The 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 materially effect the financial position and results of these financial statements.

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION
Established by Section 2 of the Property Valuers Profession Act, (Act No 47 of 2000)

STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2022

	<u>Note</u>	<u>2022</u> R	<u>Restated 2021</u> R
ASSETS			
Non-current assets		4 224 972	3 533 471
Property, plant and equipment	2	4 224 972	3 533 471
Current assets		8 855 206	6 554 654
Trade and other receivables	3	2 317 595	256 605
Cash and cash equivalents	4	6 537 611	6 298 049
Total Assets		13 080 178	10 088 125
EQUITY AND LIABILITIES			
Capital and reserves		11 240 353	9 074 467
Accumulated surplus		8 078 293	6 612 407
Other non-distributable reserves		3 162 060	2 462 060
Current liabilities		1 839 825	1 013 658
Trade and other payables	5	1 839 825	1 013 658
Total equity and liabilities		13 080 178	10 088 125

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION
Established by Section 2 of the Property Valuers Profession Act, (Act No 47 of 2000)

STATEMENT OF SURPLUS AND DEFICIT AND COMPREHENSIVE INCOME

For the year ended 31 March 2022

	<u>Note</u>	<u>2022</u> R	<u>2021</u> R
Revenue			
Membership fees	6	7 494 896	6 387 629
Other income	7	619 781	459 195
Total income		8 114 677	6 846 824
Operating expenses	8	(7 087 256)	(5 995 167)
Operating profit		1 027 421	851 657
Finance income		276 864	301 654
Finance costs		-	(1 053)
Surplus for the year		<u>1 304 285</u>	<u>1 152 258</u>

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION
Established by Section 2 of the Property Valuers Profession Act, (Act No 47 of 2000)

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2022

	Note	<u>Other non- distributable reserve</u>	<u>Accumulated Surplus</u>	<u>Total</u>
Balance 31 March 2021		2 462 060	5 460 149	7 922 209
Surplus for the year		-	1 152 258	1 152 258
Balance 31 March 2021		2 462 060	6 612 407	9 074 467
Revaluation		700 000		700 000
Prior year adjustment	10		161 601	161 601
Surplus for the year			1 304 285	1 304 285
Balance 31 March 2022		<u>R 3 162 060</u>	<u>8 078 293</u>	<u>R 11 240 353</u>

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION
Established by Section 2 of the Property Valuers Profession Act, (Act No 47 of 2000)

STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

	<u>2022</u> R	<u>2021</u> R
<u>Cash flows from operating activities</u>	258 760	1 983 458
Cash receipts from members	6 053 687	6 590 218
Cash paid to suppliers and employees	(6 071 791)	(4 907 361)
Cash generated from operations	(18 104)	1 682 857
Interest paid	-	(1 053)
Interest received	276 864	301 654
<u>Cash flows from investing activities</u>	(19 198)	-
Additions to fixed assets	(19 198)	-
<u>Cash flows from financing activities</u>	-	-
Net increase in cash and cash equivalents	239 562	1 983 458
Cash and cash equivalents at beginning of year	6 298 049	4 314 591
Cash and cash equivalents at end of year	6 537 611	6 298 049

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION
Established by Section 2 of the Property Valuers Profession Act, (Act No 47 of 2000)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

1 Accounting Policies

The financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities, and the Property Valuers Profession Act (Act 47 of 2000).

The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below:

1.1 Property plant and equipment

Land and buildings are carried at revalued amounts, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Other property plant and equipment are stated at cost less accumulated depreciation. Any increase in an asset's carrying amount, as a result of revaluation, is credited directly to equity in the revaluation reserve.

Increases in valuation is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recorded in profit or loss.

Major improvements to items of property plant and equipment are capitalized. Repairs and maintenance are charged to the income statement during the financial year in which they incurred. Gains or losses on retirement or disposal of an asset are determined by reference to their carrying amounts and are taken into account in determining operating profit.

Impairment of assets

Property plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount.

Depreciation

The estimated useful lives range as follows:

Furniture and fittings	10 years
Office equipment	5 years
Computer hardware and software	3 years

1.2 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short term investments.

1.3 Revenue

Revenue is measured at fair value of the consideration received or receivable.

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION
Established by Section 2 of the Property Valuers Profession Act, (Act No 47 of 2000)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

1.4 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit and loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortized cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortized cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be reviewed or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at amortized cost

Commitments to receive a loan and equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Financial instruments at amortized cost

All other financial instruments are valued at fair value through profit and loss.

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

2 Property, plant and equipment	<u>Cost/ Revaluation</u>	<u>Accumulated depreciation</u>	<u>Book value</u>	
	<u>2022</u>	<u>2022</u>	<u>2022</u>	
Buildings	4 200 000	-	4 200 000	
Computer hardware and software	595 726	(573 360)	22 366	
Furniture and fittings	115 254	(112 679)	2 575	
Office equipment	461 573	(461 542)	31	
	<u>5 372 553</u>	<u>(1 147 581)</u>	<u>4 224 972</u>	
	<u>Cost/ Revaluation</u>	<u>Accumulated depreciation</u>	<u>Book value</u>	
	<u>2021</u>	<u>2021</u>	<u>2021</u>	
Buildings	3 500 000	-	3 500 000	
Computer hardware and software	576 528	(555 392)	21 136	
Furniture and fittings	115 254	(108 016)	7 238	
Office equipment	461 573	(456 476)	5 097	
	<u>4 653 355</u>	<u>(1 119 884)</u>	<u>3 533 471</u>	
Reconciliation of property plant and equipment 2021	<u>Opening balance</u>	<u>Additions / Revaluations</u>	<u>Depreciation</u>	<u>Closing balance</u>
Buildings	3 500 000	-	-	3 500 000
Computer hardware and software	65 780	9 640	(54 284)	21 136
Furniture and fittings	11 901	-	(4 662)	7 239
Office equipment	20 296	-	(15 200)	5 096
	<u>3 597 977</u>	<u>9 640</u>	<u>(74 146)</u>	<u>3 533 471</u>
Reconciliation of property plant and equipment 2022	<u>Opening balance</u>	<u>Additions / Revaluations</u>	<u>Depreciation</u>	<u>Closing balance</u>
Buildings	3 500 000	700 000	-	4 200 000
Computer hardware and software	21 136	19 198	(17 968)	22 366
Furniture and fittings	7 239	-	(4 663)	2 576
Office equipment	5 096	-	(5 066)	30
	<u>3 533 471</u>	<u>719 198</u>	<u>(27 697)</u>	<u>4 224 972</u>

2.1 Details of revaluation

Office building situated at 77 Kariba Street, Pretoria is described as Erf 221, Lynnwood Glen, Pretoria. The office building was revalued at R4,200,000 on 4 March 2022 by a professional valuer, Lorraine Mocheke

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

	<u>2022</u>	<u>2021</u>
	R	R
3. Trade and other receivables		
Trade and other receivables comprise:		
Trade receivables	<u>2 317 595</u>	<u>256 605</u>
4. Cash and cash equivalents		
ABSA	4 661 146	4 505 721
Investec	1 863 396	1 783 524
Petty cash	2 982	2 697
Deposit	10 087	10 087
Credit card	-	(3 980)
	<u>6 537 611</u>	<u>6 298 049</u>
5. Trade and other payables		
CBE	74 861	70 077
SARS - PAYE SDL and UIF	111 141	81 345
Trade payables	35 795	71 237
Sundry creditors	12 281	12 281
SARS - VAT	219 609	292 182
Provision for bonuses	96 380	95 885
Provision for leave pay	352 155	326 723
Credit card	(3 982)	(3 977)
Accounts receivable in credit	941 585	67 905
	<u>1 839 825</u>	<u>1 013 658</u>
6. Membership fees		
Annual fees	6 393 997	5 429 857
Examination fees	408 536	494 538
Registration fees	660 570	440 199
Admin fees	31 793	22 935
Total	<u>7 494 896</u>	<u>6 387 529</u>

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

	<u>2022</u>	<u>2021</u>
	R	R
7. Other income		
Rental income	132 803	157 453
Duplicate certificates	1 890	4 747
Work schools and webinars	347 449	296 995
Accreditation Fee and other income	67 562	-
CBE Concession	70 077	-
Total	619 781	459 195
8. Operating expenses		
Operating expenses are made as follows:		
Employee benefits expense	4 546 975	4 127 291
Depreciation	27 697	74 146
Other expenses	2 512 585	1 793 730
	7 087 257	5 995 167
9. Related parties		
9.1 Remuneration was paid to the following related parties		
Council members		
JF Cloete President	131 920	70 540
ND Naidoo Vice - President	154 500	75 366
N Betela	68 670	42 570
M Chidi	82 580	31 840
SD Kuppen	77 250	66 784
CP Lawrence (deceased 22 Augsut 2021)	24 160	28 046
L Letsholo	85 130	26 710
M Pitjeng	105 020	57 860
GM Rentzke	65 610	19 350
DB de Wet	151 095	110 325
MC Seota Registrar	1 556 016	1 566 393
	2 501 951	2 095 784
9.2 CBE Levies were collected on behalf of the CBE by the members of SACPVP.		
Levies collected during the year under review.	4 784	70 077
Balance outstanding to CBE at financial year end:	74 861	70 077

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

10. Prior year adjustment

In prior years trade receivables were written off but the VAT portion was not accounted for correctly. VAT provision account was now corrected by way of prior year adjustment against accumulated surpluses.

The net effects is as follows:

Decrease of VAT provision account	(161 601)
Increase of accumulated surplus	161 601

11. Going concern

The council is expected to continue as a going concern for the foreseeable future.

The council is not aware of any new material changes that may adversely impact the entity. The council is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the entity.

12. Events after the reporting period

The council is not aware of any other material event which occurred after the reporting date.

13. Financial instruments and risk management

Overview

The entity is exposed to the following risk from its use of financial instruments:

- Credit risk;
- Liquidity risk;

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Trade receivables is largely comprised of membership fees not yet received.

The maximum exposure to credit risk is presented in the table below

	<u>2022</u>	<u>2021</u>
	R	R
Trade and other receivables		
Trade and other receivables comprise:		
Trade receivables	<u>2 317 595</u>	<u>256 605</u>

Liquidity risk

The entity's risk to liquidity is a result of the funds available in the bank to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities through annual budgeting and periodic management account reporting.

SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION
DETAILED STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME
For the year ended 31 March 2022

	<u>2022</u>	<u>2021</u>
	R	R
Revenue		
Membership fees	7 494 896	6 387 629
Other income	619 781	459 194
Total income	<u>8 114 677</u>	<u>6 846 823</u>
Less: Operating expenses		
Employee benefits expense	(4 546 975)	(4 127 291)
Depreciation	(27 697)	(74 146)
Other expenses	(2 512 584)	(1 793 729)
Accounting fees	42 850	46 493
Advertisement and notices	34 912	1 973
Municipal rates	206 093	229 736
Auditor's remuneration	85 640	67 860
Bank charges	22 805	22 663
Council member remunerations and meeting expenses	904 047	361 543
Database upgrade and computer expenses	39 092	219 446
Disciplinary hearings and legal expenses	128 613	22 631
Insurance	43 705	63 672
Membership fees and IVSC	148 218	87 861
Repairs and maintenance, cleaning, garden and security	135 160	85 620
Telecommunication and office expenses	393 836	114 038
Training, workshops and examinations	327 613	470 193
Surplus from operating activities	<u>1 027 421</u>	<u>851 657</u>
Finance income	276 864	301 654
Finance costs	-	(1 053)
Surplus for the year	<u><u>1 304 285</u></u>	<u><u>1 152 258</u></u>

