



ANNUAL REPORT 2023 – 2024





COUNCIL FOR THE BUILT ENVIRONMENT

**ANNUAL REPORT
2023/24**

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PART A

GENERAL INFORMATION

20 YEARS OF CBE
"Past, present, and future mirror"

1. GENERAL INFORMATION

REGISTERED NAME:	COUNCIL FOR THE BUILT ENVIRONMENT
PHYSICAL ADDRESS:	Hillcrest Office Park 2 nd Floor, Lourie Place 179 Lunnon Road Hillcrest Pretoria
POSTAL ADDRESS:	PO Box 915 Groenkloof 0027
TELEPHONE NUMBER/S:	+27 (0) 12 346 3985 / +27 (0) 87 980 5009
FAX NUMBER:	+27 (0) 12 346 3986
EMAIL ADDRESS:	registrar@cbe.org.za
WEBSITE ADDRESS:	www.cbe.org.za
EXTERNAL AUDITOR:	Nexia SAB&T
BANKER:	Standard Bank
JUDIRISDICTION:	The Council for the Built Environment is a Schedule 3A Public Entity under the Department of Public Works and Infrastructure
ACCOUNTING AUTHORITY:	Council for the Built Environment Council

2. LIST OF ABBREVIATIONS/ACRONYMS

Accounting Authority	CBE Council
AGSA	Auditor-General South Africa
APP	Annual Performance Plan
BBBEE	Broad-Based Black Economic Empowerment
BE	Built Environment
BECC	Built Environment Climate Change
BENL	Built Environment National Logbook
BEP/s	Built Environment Professions/als
BERA	Built Environment Recognition Awards
BEWN	Built Environment Women's Network
The CBE Act	Council for the Built Environment Act (Act No. 43 of 2000)
CBE	Council for the Built Environment
CBEP	Councils for the Built Environment Professions
CCSA	Competition Commission of South Africa
CEO	Chief Executive Officer
CETA	Construction Education and Training Authority
CFO	Chief Financial Officer
CHSM	Construction Health and Safety Manager
CHSO	Construction Health and Safety Officer
CIOB	Chartered Institute of Builders
Council	CBE Council (the accounting authority of the organisation)
CPD	Continuous Professional Development
CPUT	Cape Peninsula University of Technology
CRM	Central Registration Management
CSSO	Chief Shared Services Officer
CTO	Chief Transformation Officer
DDM	District Development Model
DoE	Department of Education
DEL	Department of Employment and Labour
DPME	Department of Planning, Monitoring and Evaluation

DPSA	Department of Public Service and Administration
DPWI	Department of Public Works and Infrastructure
EIA	Environmental Impact Assessment
EPWP	Expanded Public Works Programme
EQ	Equivalent Qualification
Executive Authority	Minister of Public Works and Infrastructure
FIDPM	Framework for the Infrastructure Delivery and Procurement Management
4IR	Fourth Industrial Revolution
GRAP	Generally Recognised Accounting Practice
HC	Human Capital
HDI	Historically Disadvantaged Individuals
ICT	Information Communications Technology
IDoW	Identification of Work
IT	Information Technology
IoT	Internet of Things
King IV™	King IV Report on Corporate Governance for South Africa
Minister	Minister of Public Works and Infrastructure
MoA	Memorandum of Agreement
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NDPIP	National Development Plan Implementation Plan
NQF	National Qualification Framework
NSG	National School of Government
OHS	Occupation Health and Safety
OSD	Occupation Specific Dispensation
PDI	Previously Disadvantaged Individual
PFMA	Public Finance Management Act
PMI	Project Management Institute
POPIA	Protection of Personal Information Act
PPC	Parliamentary Portfolio Committee
PPFA	Preferential Procurement Policy Framework Act
PSM	Professional Skills Module

PWD	Persons with Disabilities
PWI	Public Works and Infrastructure
RICS	Royal Institute of Surveyors
RP	Registered Person
RPL	Recognition of Prior Learning
SAQA	South African Qualification Authority
SCM	Supply Chain Management
SU	Stellenbosch University
TCF	Transformation Collaborative Forum
TVET	Technical Vocational Education and Training
UCT	University of Cape Town
UDA	Universal Design and Access
UoT	University of Technology
VA	Voluntary Association
WBL	Work Based Learning
WC DOI	Western Cape Department of Infrastructure
WIL	Work Integrated Learning

Definitions

Candidate	A graduate who requires workplace training to enable him/her to register as a fully-fledged BE professional with the council of the profession concerned.
IDoW (Identification of Work)	Work that is ring-fenced, only to be undertaken by suitably qualified and registered professionals within the South African BE categories.
Professional	A person registered in terms of an act of a council for a profession; and has met all educational and training requirements set by the council concerned.
Registered Person	A person registered by a council for the professions in the category of professional or candidate or another specified category.
Voluntary Association (VA)	Any association that is recognised and registered with any of the six Councils for the Built Environment Professions in terms of section 25 of the professions Acts. The Certificate of Recognition issued by a CBEP to a VA is valid for a period of five years from the date of issue and must be renewed at least three months prior to the expiry of its recognition.

Committees/Sub-Committees of Council

AC	Appeals Committee
ARC	Audit and Risk Committee
BETC	Built Environment Transformation Committee
EXCO	Executive Committee
ITSC	Information Technology Steering Committee
ORMC	Operational Risk Management Committee
SSC	Shared Services Committee

Councils/Bodies for the Built Environment Professions (CBEP)

SACAP	South African Council for the Architectural Profession
SACLAP	South African Council for the Landscape Architectural Profession
ECSA	Engineering Council of South Africa
SACPVP	South African Council for the Property Valuers Profession
SACPCMP	South African Council for the Project and Construction Management Professions
SACQSP	South African Council for the Quantity Surveying Profession
EAPASA	Environmental Assessment Practitioners Association of South Africa
SACPLAN	The South African Council for Planners
SAGC	South African Geomatics Council

CBE Programmes

Programme 1	Administration
Programme 2	Empowerment and Economic Development
Programme 3	Professional Skills and Capacity Development
Programme 4	Research and Knowledge Management
Programme 5	Public Protection, Policy and Legislation

Transformation Collaborative Forums

PPLSED	Procurement, Policy, Legislation and Socio-Economic Development
WEGE	Women Empowerment and Gender Equality
ES	Environmental Sustainability
PSCD	Professional Skills and Capacity Development
HSPPUA	Health, Safety, Public Protection and Universal Access



3. FOREWORD BY THE MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE

In accordance with the Public Finance Management Act 1994, I am pleased to present the Annual Report of the Council for the Built Environment (CBE) for the financial year 2023/24. The CBE, as a Schedule 3A Public Entity reporting to the Ministry of Public Works and Infrastructure, plays a pivotal role in shaping the Built Environment landscape in South Africa.

I am proud to announce that the CBE has once again received a clean audit opinion for the eighth consecutive year and 100% achievement of their 2023/24 Annual Performance Plan. This achievement reflects our collective commitment to accountability, transparency, and good governance. It highlights our dedication to maintaining high standards in financial management, ethical practices, ensuring that we effectively serve the interest of the public in the Built Environment.

In this report, you find our achievements, challenges and strategic priorities. Despite budget constraints, we remain committed to building capable Built Environment Professions. The CBE reaffirms its commitment to the professionalisation of the Built Environment sector in South Africa. Our focus remains on equipping Built Environment Professionals with the necessary skills, experience, foresight and integrity to effectively contribute to National development and infrastructure delivery.



Mr Dean Macpherson (MP)

Minister of Public Works
and Infrastructure

I want to thank the CBE Council, leadership and staff for their high-quality contributions to the Built Environment and government outcomes across our Republic, and their continued dedication to our vision and purpose.

A handwritten signature in black ink, appearing to be 'DM', written over a horizontal line.

Mr Dean Macpherson (MP)

Minister of Public Works and Infrastructure

Date:

4. FOREWORD BY THE CHAIRPERSON

I am pleased to present the annual report for the fiscal year 2023/2024. This report provides a comprehensive overview of the CBE's strategic initiatives and performance. Our commitment to excellence and innovation has driven significant progress, and I am proud to share our achievements.

Strategic Relationships

Collaboration lies at the heart of our success. Throughout the year, we have fostered strategic relationships with key stakeholders, including:

- a) **Construction Education and Training Authority (CETA)** to launch and deliver the **Built Environment Recognitions Awards**. These awards celebrate outstanding contributions by professionals, organizations, and projects within the Built Environment sector. By recognizing excellence, we inspire continued growth and innovation.

- b) **Walter Sisulu University** on the following:
Built Environment Research Conference. This platform brings together researchers, practitioners, and students to exchange knowledge, share insights, and drive advancements in our field. The conference fosters interdisciplinary dialogue and encourages research-driven solutions.

Expanding Engineering Course Offerings. Our commitment to education extends beyond traditional boundaries. We actively collaborate with educational institutions to expand course offerings for engineering



Ms Holovisa Amelia Mtshali

Chairperson

programmes. By aligning curricula with industry needs, we empower students with relevant skills and prepare them for successful careers in the Built Environment.

Experiential Learning Placements. We recognise the importance of practical experience for students. Through partnerships with industry stakeholders, we facilitate experiential learning placements for students. These opportunities allow aspiring professionals to apply theoretical knowledge in real-world settings, bridging the gap between academia and practice.

- c) **Sustainability Institute** to deliver **Built Environment Seminars**. The aim is to address climate change and sustainability challenges within the Built Environment.

Challenges faced by the Council

Our journey has not been without obstacles. The Council has navigated challenges such as governance issues at some of the Council for the Built Environment Professions (CBEP). Specifically, the CBE and Engineering Council of South Africa (ECSA) attended Parliament to address these issues. We recognise the importance of transparent and effective governance, and are committed to addressing any concerns raised.

Initiatives to Improve Governance

To tackle these challenges head-on, the CBE has initiated a series of governance workshops in collaboration with the CBEP and Department of Public Works and Infrastructure (DPWI). These workshops aim to enhance governance practices within the Built Environment Professions and ensure alignment with industry standards.

Medium to Long-Term Strategic Focus

Looking ahead, we remain steadfast in our pursuit of long-term goals. Our strategic focus over the medium term will include: Capable and Developmental Built Environment Professions, Built Environment Education and Career Advancement, Research, Policy and Advocacy, and Protecting and Promoting Public Interest. By aligning our efforts with this vision, we aim to create lasting impact and drive positive change within the sector.

Acknowledgements

The unwavering support and contributions of the Public Works and Infrastructure Ministry and Portfolio Committee have been instrumental in our achievements. I extend my heartfelt gratitude to our dedicated team, partners, CBEP and stakeholders. Together, we are shaping the future of the Built Environment.

Conclusion

As we reflect on the past year, I am optimistic about the path ahead. The CBE's commitment to quality, professionalism, visionary thinking and embracing inclusivity will continue to propel us towards greater heights. The CBE will promote a multifaceted approach to sustainability in the Built Environment, focussing on public interest, professional development, and best practices in health, safety, governance, and transformative change. Thank you for being a part of our journey.



Ms Holovisa Amelia Mtshali

Chairperson: CBE Council

Date: 31 July 2024

5. CHIEF EXECUTIVE OFFICER'S OVERVIEW

General financial review of the public entity

For the 2023/2024 financial year, the CBE was allocated a R65.7 million budget to carry out its mandated functions, and it successfully collected over R63.3 million in revenue. This budget originates from the following funding sources:

- Transfer Grant from the National Department of Public Works and Infrastructure
- Retained surplus from the 2022/23 financial year and other sources
- Levies from the six CBEP
- Other income

Spending trends of the public entity

In terms of expenditure trends, the CBE managed its spending in line with the budget.

Capacity constraints and challenges facing the public entity

Capacity constraints, especially in the Information Technology (IT) unit, have impacted the CBE negatively. The CBE will continue to enhance its digital capabilities to ensure seamless operations. Budget constraints are a persistent issue that the CBE continues to navigate. Limited financial resources have posed challenges in implementing certain initiatives and expanding the CBE's programmes. Despite these constraints, the CBE remains resilient and resourceful, finding innovative ways to maximize the impact of its work within available means.



Dr Msizi Myeza

Chief Executive Officer

One of the CBE's key challenges is the delineation of functions between itself and the CBEP. This challenge arises from an unclear understanding of the roles and responsibilities of the CBEP, leading to inconsistencies and overlaps in their functions. To address this challenge, the CBE is working towards legislative amendments. The process involves a thorough review of the existing legislation governing the CBE and the CBEP, consultations with relevant stakeholders, and developing proposed amendments. It is anticipated that these amendments will provide clarity and define the specific roles and functions of both the CBE and the CBEP.

Discontinued key activities / activities to be discontinued

No activities were discontinued as operations during the 2023/24 financial year.

New or proposed key activities

a) Built Environment Climate Change Indaba:

The CBE facilitated meaningful discussions on climate change challenges on 05 September 2023. The CBE brought together experts, policy makers, and stakeholders. This event promoted awareness and collaboration for sustainable solutions.

b) Built Environment Recognition Awards: The CBE, in collaboration with the Construction Education & Training Authority (CETA) hosted the Built Environment Recognition Awards (BERA) on 05 December 2023. The awards are part of the transformation agenda, aimed at professionalisation of the sector, and building a capable and ethical Built Environment sector.

c) Built Environment National Logbook: The CBE launched the Built Environment National Logbook (BENL) on 08 March 2024. This is a comprehensive, centrally located electronic database that tracks and monitors Built Environment Professionals, candidates and artisans and provides accurate statistical data continuously to government and the industry.

Requests for roll over of funds

There were no surplus funds in the 2023/24 financial year.

Supply chain management

The CBE's Supply Chain Management (SCM) unit has processes and procedures in place, aligned to section 217 of the Constitution which states that *"When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation,*

contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost effective."

The SCM function is governed by the provisions of the Public Finance Management Act (No. 1 of 1999) (PFMA), the Preferential Procurement Policy Framework Act (Act No. 5 of 2000) (the PPPFA) and its Regulations; and National Treasury (NT) Regulations. Collectively, these instruments guide the SCM unit in managing the interdependent activities of demand, acquisition, and contract administration.

The approved 2023/24 Procurement Plan was submitted to National Treasury as per SCM Instruction 2 of 2016/2017.

All concluded unsolicited bid proposals for the year under review

The CBE does not accept unsolicited bids; hence none were considered during the reporting period.

Whether SCM processes and systems in place

The CBE's SCM function is governed by the provisions of the following legislations and practices:

- a. PFMA
 - b. PPPFA
 - c. NT Regulations and Prescripts as issued
- Collectively, these instruments guide the SCM unit in managing the interdependent activities of demand, acquisition, and contract administration.

Challenges experienced and how resolved

No challenges were experienced with supply chain management.

Audit report matters in the previous year and how would be addressed

The external auditors expressed a clean audit opinion for the 2023/24 financial year, with no irregular expenditure incurred. The CBE continues to work on demonstrating good governance, sound financial management, and a sound internal control environment. Testimony of this is the CBE's sixth consecutive opinion of a clean audit outcome. The CBE's procurement spend for the 2023/24 financial year on Historically Disadvantaged Individuals (HDI) and youth was 84%.

Outlook / Plans for the future to address financial challenges

The CBE is revising its income generating model to mitigate its financial sustainability risks.

Events after the reporting date

The CBE did not convene any events after the reporting date.

Economic viability

Strategies are in place to ensure that the CBE remains a going concern.

Acknowledgement/s or Appreciation

I would like to place on record my thanks to the Portfolio Committee of Public Works and

Infrastructure, and the Honourable Minister and Deputy Minister for their unwavering support. I extend my appreciation to the CBE Council for its steadfast leadership, alongside the dedicated efforts of the CBE management team and employees are instrumental in achieving our goals. Lastly, I also commend our strategic partners who have collaborated with us to enhance our impact.



Dr Msizi Myeza

Chief Executive Officer

Date: 31 July 2024

6. 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 external auditors (Nexia SAB&T).

The annual report is complete, accurate and 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 F) have been prepared in accordance with the GRAP 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, designed to provide reasonable assurance on the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors were 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 2024.

Yours faithfully



Chief Executive Officer
Dr Msizi Myeza
Date: 31 July 2024

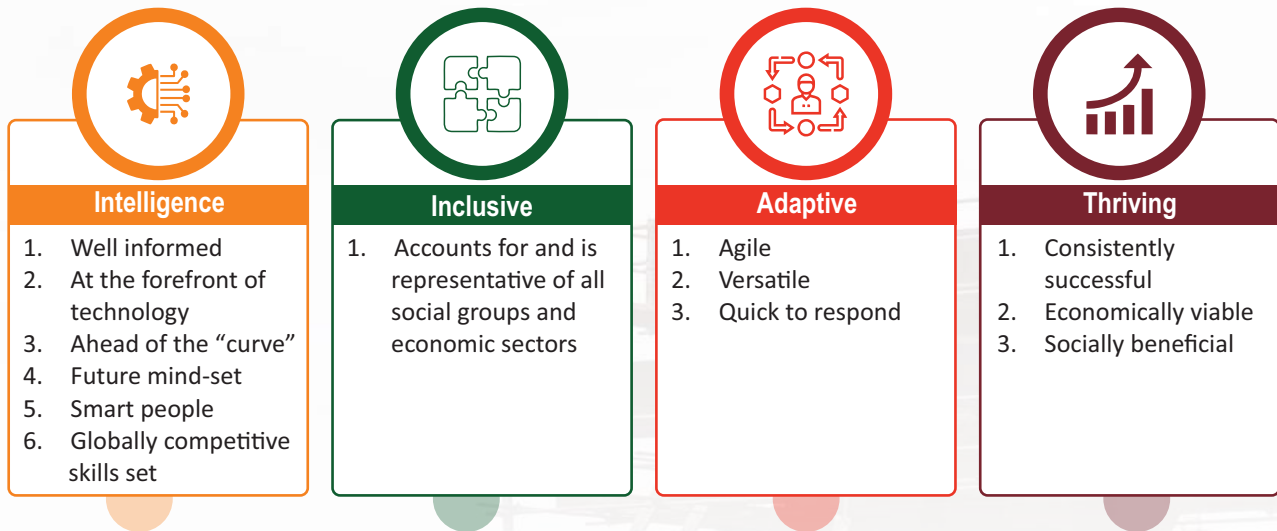


Council Chairperson
Ms Holovisa Amelia Mtshali
Date: 31 July 2024

7. STRATEGIC OVERVIEW

7.1. Vision

An intelligent, inclusive, adaptive, and thriving Built Environment by 2035



7.2. Mission

Lead, regulate, advise and coordinate professions and their councils to meet the National Built Environment and Transformation Future of the industry.

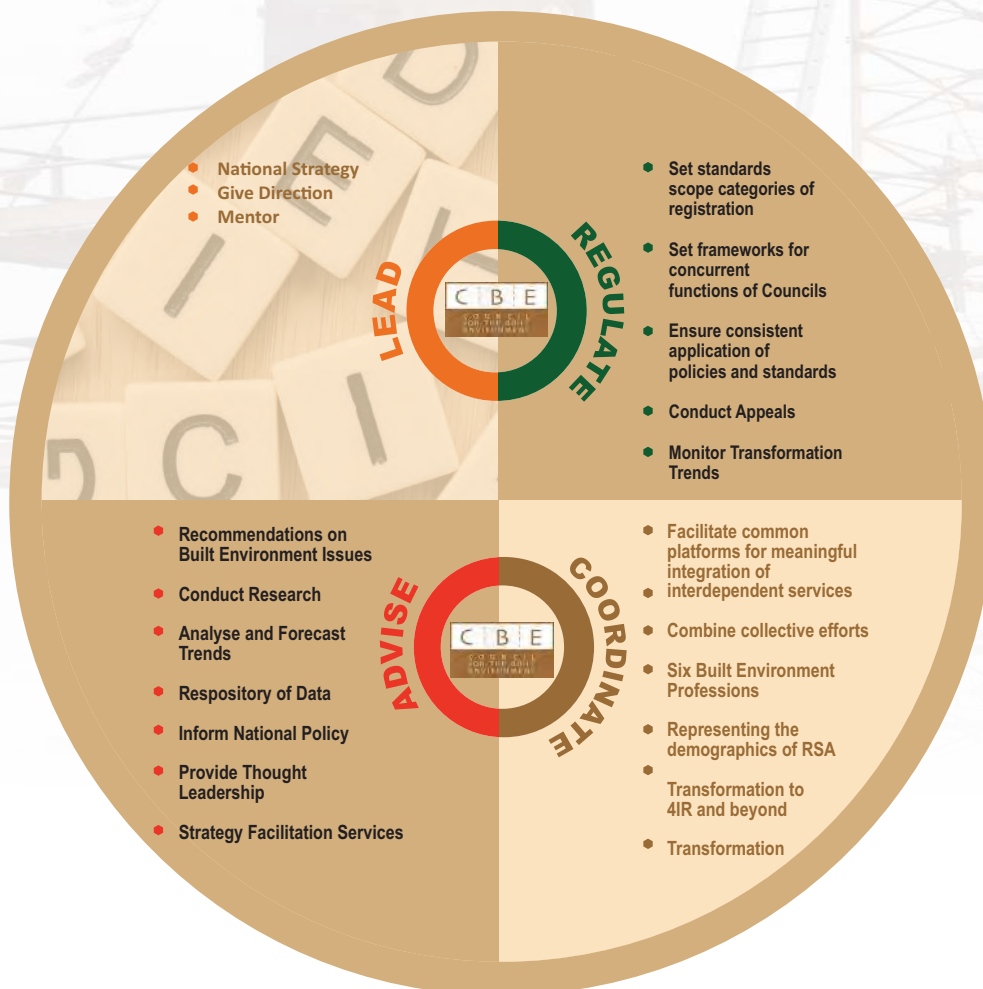


Figure 1: Underlying Principles of the Mission Statement

7.3. Values



Quality is non-negotiable



Professionalism in all that we do



Future orientated



All-round inclusiveness

8. LEGISLATIVE AND OTHER MANDATES

The Council for the Built Environment (CBE) is a Schedule 3A Public Entity as per the Public Finance Management Act (PFMA). The CBE is a statutory body in existence since the enactment of the Council for the Built Environment Act (No 43 of 2000) (The CBE Act) in 2000. It is an entity of the Department of Public Works and Infrastructure (DPWI). The CBE is responsible for regulating the following Councils for the Built Environment Professions (CBEP) in South Africa - Architecture, Landscape Architecture, Engineering, Property Valuation, Project and Construction Management Professions, and Quantity Surveying.

The objectives of the CBE as per section 3 of the CBE Act are to:

- a) *promote and protect the interest of the public in the built environment;*
- b) *promote and maintain a sustainable built environment and natural environment;*
- c) *promote ongoing human resources development in the built environment;*
- d) *facilitate participation by the built environment professions in integrated development in the context of national goals;*
- e) *promote appropriate standards of health, safety and environmental protection within the built environment;*
- f) *promote sound governance of the built environment professions;*
- g) *promote liaison in the field of training in the Republic and elsewhere and to promote the standards of such training in the Republic;*
- h) *serve as a forum where the built environment professions can discuss relevant—*
 - (i) *required qualifications;*
 - (ii) *standards of education;*
 - (iii) *training and competence;*
 - (iv) *promotion of professional status; and*
 - (v) *legislation impacting on the built environment; and*
- i) *ensure uniform application of norms and guidelines set by the councils for the professions throughout the built environment.*

8.1 Functions, Powers and Duties of the Council (section 4 of the CBE Act)

The Council may:

- (a) *advise Government on any matter falling within the scope of the built environment, including resource utilisation, socio-economic development, public health and safety and the environment, and for this purpose carry out such investigations as it or the relevant Minister deems necessary;*
- (b) *communicate to the Minister¹ information on matters of public importance acquired by the council in the course of the performance of its functions under this Act;*

¹ Minister of Public Works and Infrastructure

- (c) make recommendations to the Minister on the composition, functions, assets, rights, employees or financing of the council;*
- (d) advise the Minister with regard to the amendment of this Act, if necessary, in order to support the norms and values of the built environment professions;*
- (e) facilitate inter-ministerial co-operation concerning issues relating to the built environment;*
- (f) provide advice and consultation on national policy that could impact on the built environment, human resource development in relation to the built environment professions, and the recognition of new professions;*
- (g) comment, if necessary, on all proposed legislation impacting on health and safety in the built environment;*
- (h) direct communication from the Minister or the relevant Minister to the councils for the professions;*
- (i) advise the councils for the professions on matters of national importance where the needs of the State, as communicated to the council through the relevant Minister, require joint and co-ordinated action by the built environment professions;*
- (j) coordinate the establishment of mechanisms for professionals to gain international recognition;*
- (k) ensure the consistent application of policy by the councils for the professions with regard to:*
 - (i) accreditation;*
 - (ii) the registration of different categories of registered persons;*
 - (iii) key elements of competence testing of registered persons;*
 - (iv) codes of conduct to be prescribed by the councils for the professions;*
 - (v) the principles upon which the councils for the professions must base the determination of fees which registered persons are entitled to charge in terms of any of the professions' Acts, and in accordance with any legislation relating to the promotion of competition;*
 - (vi) standards of health, safety and environmental protection within the built environment;*
 - (vii) the recognition of voluntary associations for the built environment professions, by approving the framework for that recognition submitted by the councils for the professions, taking due cognisance of the characteristics of each built environment profession;*
- (l) investigate or initiate investigations into matters pertaining to its functions and policies with regard to the built environment and, if necessary, recommend legislation in this regard;*
- (m) act as an appeal body with regard to matters referred to it in terms of the law regulating the built environment professions;*
- (n) in consultation with councils for the professions, obtain recognition for the councils for the professions as bodies responsible for the establishment of education and training standards in terms of the South African Qualifications Authority Act, 1995 (Act No. 58 of 1995);*
- (o) ensure the consistent application of policy throughout the built environment by encouraging coordination between the councils for the professions;*
- (p) promote coordination between the Council on Higher Education and the councils for the professions in relation to the accreditation of education institutions;*
- (q) liaise with the Competition Commission, established in terms of the Competition Act, 1998 (Act No. 89 of 1998), on behalf of the councils for the professions regarding the identification of work for the built environment professions;*

- (r) review fees published by the councils for the professions to ensure the consistent application of the principles regarding such fees;
- (s) charge:
- (i) membership fees in the prescribed manner from the councils for the professions, calculated pro rata to the number of persons registered with that council;
 - (ii) fees payable for appeals in terms of section 21; and
 - (iii) any other fee it considers necessary;
- (t) institute legal proceedings to recover all outstanding membership fees payable under this Act;
- (u) consider proposals from the councils for the professions with regard to the determination of policy contemplated in paragraph (k);
- (v) receive and assimilate the annual reports of the councils for the professions and submit a summary to the Minister;
- (w) purchase, hire or otherwise acquire or dispose of property, borrow money on the security of the assets of the council or accept and administer any trust or donation;
- (x) subject to this Act, approve standing orders for the regulation of its proceedings and of all other matters relating to the management, powers and duties of the council;
- (y) perform such functions as may be prescribed; and
- (z) generally, do all such things as the council deems necessary or expedient to achieve the objectives of this Act.

8.2 Legislative and Policy Mandates

The scope of the CBE and councils for the professions in the Built Environment value chain is to regulate those Built Environment Professions who conceptualise, design, build, maintain and transfer social and economic infrastructure. The CBE executes its mandate from the Council for the Built Environment Act (No 43 of 2000) (the CBE Act), while also being mindful of the following legislations, regulations, policies and best practices guidelines to exercise good governance, ethical leadership and corporate citizenship. The CBE adopted a Compliance Policy and implements a compliance action plan for identified obligations with quarterly closure.

Table 1: Key Legislation and Best Practices

Short Title	Purpose
Republic of South Africa Constitution, Act 108 of 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, 68 of 2008	To promote a fair, accessible, and sustainable marketplace for consumer products and services and for that purpose to establish national norms and standards relating to consumer protection, to provide for improved standards of consumer information, to prohibit certain unfair marketing and business practices, to promote responsible consumer behaviour, to promote a consistent legislative and enforcement framework relating to consumer transactions and agreements, to establish the National Consumer Commission and to provide for related incidental matters.

Short Title	Purpose
Construction Industry Development Board Act, 38 of 2000	To provide for the establishment of the Construction Industry Development Board; to implement an integrated strategy for the reconstruction, growth and development of the construction industry and to provide for matters connected therewith.
Council for the Built Environment Act, 43 of 2000	To provide for the establishment of a juristic person to be known as the Council for the Built Environment; to provide for the composition, functions, powers, assets, rights, duties and financing of such a council; and to provide for matters connected therewith.
Architectural Profession Act, 44 of 2000	To provide for the establishment of a juristic person to be known as the South African Council for the Architectural Profession; to provide for the registration of professionals, candidates and specified categories in the architectural profession; to provide for the regulation of the relationship between the South African Council for the Architectural Profession and the Council for the Built Environment; and to provide for matters connected therewith.
Landscape Architectural Professional Act, 45 of 2000	To provide for the establishment of a juristic person to be known as the South African Council for the Landscape Architectural Profession; to provide for the registration of professionals, candidates and specified categories in the landscape architectural profession; to provide for the regulation of the relationship between the South African Council for the Landscape Architectural Profession and the Council for the Built Environment; and to provide for matters connected therewith.
Engineering Profession Act of South Africa, 46 of 2000	To provide for the establishment of a juristic person to be known as the Engineering Council of South Africa; to provide for the registration of professionals, candidates and specified categories in the engineering profession; to provide for the regulation of the relationship between the Engineering Council of South Africa and the Council for the Built Environment; and to provide for matters connected therewith.
Property Valuers Profession Act, 47 of 2000	To provide for the establishment of a juristic person to be known as the South African Council for the Property Valuers Profession; to provide for the registration of professionals, candidates and specified categories in the property valuation profession; to provide for the regulation of the relationship between the South African Council for the Property Valuers Profession and the Council for the Built Environment; and to provide for matters connected therewith.
Project and Construction Management Professions Act, 48 of 2000	To provide for the establishment of a juristic person to be known as the South African Council for the Project and Construction Management Professions; to provide for the registration of professionals, candidates and specified categories in the project and construction management professions; to provide for the regulation of the relationship between the South African Council for the Project and Construction Management Professions and the Council for the Built Environment; and to provide for matters connected therewith.
Quantity Surveying Profession Act, 49 of 2000	To provide for the establishment of a juristic person to be known as the South African Council for the Quantity Surveying Profession; to provide for the registration of professionals, candidates and specified categories in the quantity surveying profession; to provide for the regulation of the relationship between the South African Council for the Quantity Surveying Profession and the Council for the Built Environment; and to provide for matters connected therewith.
Public Finance Management Act, 1 of 1999	To regulate financial management in the national government; to ensure that all revenue, expenditure, assets and liabilities of that government are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in that government; and to provide for matters connected therewith.

Short Title	Purpose
Skills Development Act, 97 of 1998	To provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce; to integrate those strategies within the National Qualifications Framework contemplated in the South African Qualifications Authority Act, 1995; to provide for learnerships that lead to recognised occupational qualifications; to provide for the financing of skills development by means of a levy-grant scheme and a National Skills Fund; to provide for and regulate employment services; and to provide for matters connected therewith.
Employment Equity Act, 55 of 1998	To provide for employment equity and to provide for matters incidental thereto.
Promotion of Administrative Justice Act, 3 of 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; and to provide for matters incidental thereto.
Promotion of Access to Information Act, 2 of 2000	To give effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith.
Minimum Information Security Standards	(1) Maximises the degree to which unclassified geographic information from various sources can be made electronically compatible and accessible; and (2) Promotes the development of interoperable geographic information systems technologies that shall:- (a) allow widespread, low-cost use and sharing of geographic data by National, Provincial, local governments and state entities, and the public; and (b) enable the enhancement of services using geographic data.
Occupational Health and Safety Act, 85 of 1993	The Occupational Health and Safety Act aims to provide for the health and safety of persons at work and for the health and safety of persons in connection with the activities of persons at work and to establish an advisory council for occupational health and safety.
National Treasury Regulations	These regulations, issued regularly by National Treasury, are applicable to all public entities listed on Schedules 2, 3B and 3D.
National Archives of South Africa Act, 43 of 1996	To provide for a National Archives; the proper management and care of the records of governmental bodies; and the preservation and use of a national archival heritage; and to provide for matters connected therewith.
King IV Report™ on Corporate Governance for South Africa 2016	Ethical and effective leadership is at the heart of the King IV Report on Corporate Governance for South Africa (King IV™). The 17 basic principles are universally applicable to all organisations, and all are required to substantiate a claim that good governance is practised.

8.3 Accountability Structures

The CBE has accountability structures that direct, manage and hold the organisation accountable. These are based on the CBE Act, the Public Finance Management Amendment Act (PFMA) (Act 29 of 1999), and the National Treasury Reporting Framework. In addition, the CBE subscribes to the requirements of the King IV Report on Corporate Governance for South Africa (King IV™). Parliament, through the Parliamentary Portfolio Committee (PPC) on Public Works of the National Assembly, maintains high-level oversight of the entity, while the Executive Authority (the Minister of Public Works and Infrastructure) and the Accounting Authority (the CBE Council) are accountable for the entity.

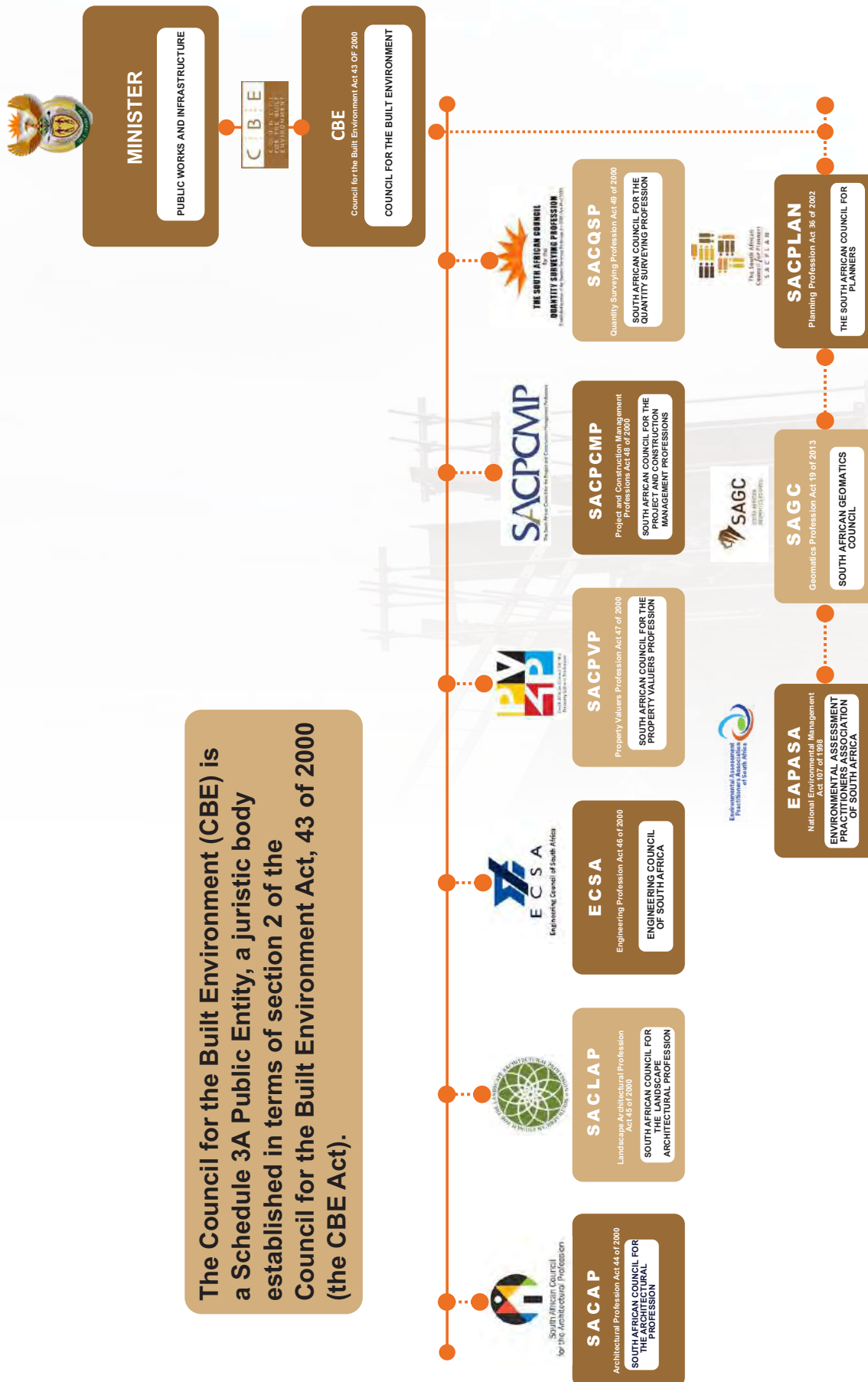


Figure 2: Overview of the CBE

9. ORGANISATIONAL STRUCTURE

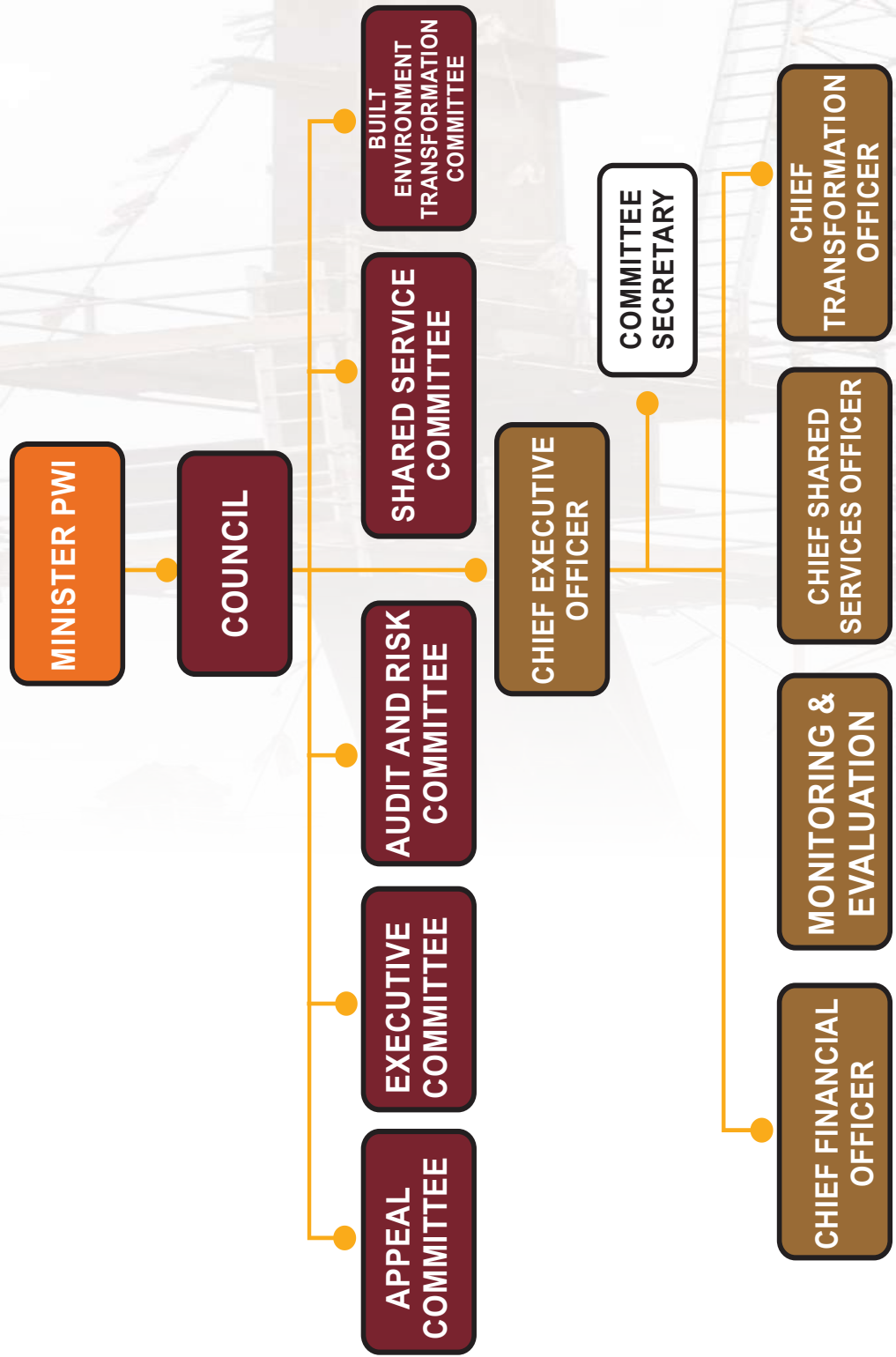


Figure 3: Macro Organogram

PART B

PERFORMANCE INFORMATION

20 YEARS OF CBE
"Past, present, and future mirror"

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The external auditors currently performs the necessary audit procedures on the CBE's performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in this report, with material findings reported under Predetermined Objectives in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 160- 164 for the Audit Report, published in Part F: Financial Information.

2. OVERVIEW OF PERFORMANCE

The CBE's performance is measured against its Key Performance Indicators (KPIs). The overall performance of the CBE against its annual targets for the 2023/24 financial year was 100% (translated as 15 of 15 targets achieved).

The performance highlights for the year under review were the following:

Public Protection:

- i. All appeals received were completed within the statutory period of 60 days.
- ii. All complaints received were completed within 90 days as prescribed.
- iii. A workshop to promote Universal Access and Design was hosted.

Women Empowerment:

- i. The Built Environment Women Network (BEWN) was established to support and empower women in the field.

Human Resource Development:

- i. 101 candidates were supported on their journey to becoming professionals.
- ii. Ten career development initiatives were conducted in eight provinces, covering ten districts.
- iii. A professionalisation strategy for the Built Environment (BE) was developed and submitted to the ministry.
- iv. The Built Environment Recognition Awards (BERA) ceremony was held to acknowledge outstanding contributions.

Sustainable Integrated Development:

- i. The Built Environment Climate Change (BECC) Indaba was convened.

2.1 Service Delivery Environment

According to the policy document on the statutory regulation of the Built Environment Professions (1999), professional expertise in the country is a national asset and should be managed as a scarce resource of high value. This expertise is a resource that is renewable, but also subject to degradation if standards are allowed to decline and/or interest in entering the professions as a career is not promoted. The intrinsic value of professions lies in their essential role and function in socio-economic development. While socio-economic development and the improvement of the quality of life in South Africa enjoys priority attention, professional expertise needs to be nurtured, professional standards need to be maintained and professional services need to be within reach of all communities. To develop a profession and keep it healthy, the profession must be regulated from within, as well as by government. Government has the duty to protect the public, while self-regulation by the professions ensures quality and development within the professions. Government is of the opinion that in the Built Environment, self-regulation by the professions manifests itself in voluntary associations and institutes. Government involves itself by recognising the competence levels set by the professions and protecting the public interest by legislation.

2.2 Organisational Environment

The PFMA requires public entities to submit quarterly performance information reports to the relevant executive authority and the National Treasury. During the period under review, the CBE submitted all the quarterly information reports to the executive authority and the National Treasury. There were no issues of concern raised by the executive authority on the reports.

The primary challenge for the CBE in delivering its mandate is its budget, an allocation from DPWI. Due to the economic slowdown, government's squeezed fiscal space directly impacts on the CBE through proposed reductions in the medium-term budget allocations. The slow growth in the core baseline funding and increased costs of compliance is an ongoing challenge, which is not sustainable without focussed efforts. The increasing governance and compliance demands continue to precipitate unfunded additional investments in human capacity in the organisation. As part of addressing this challenge, the CBE developed a revenue enhancement strategy. The purpose of this strategy is to explore challenges faced by the CBE in enhancing its own sources of revenue and to identify ways to overcome these challenges.

Lack of capacity in Information Communications Technology (ICT) was a challenge. The unit requires permanency in staff to ensure a stable service and address the numerous audit findings. To mitigate these challenges, the CBE established an IT Steering Committee whose work in the past two years has made strides into addressing the majority of audit findings.

cy developments and legislative changes

There were no changes in the policy and legislative environment affecting the CBE in the period under review. The CBE awaits the Ministry's directive on the review of the CBE Act.

2.4. Progress towards achievement of institutional Impacts and Outcomes

The strategic goals listed below were developed to guide the work of the CBE and to co-ordinate work with the CBEP:

Strategic Outcome 1: Optimum Functioning CBE

Strategic Outcome 1	Optimum Functioning of the CBE
Impact Statement	Well-regulated and inclusive Built Environment Professions that contribute to national priorities and ambitions
Programme Name	Programme 1: Administration
NDP Five Year Priority	Priority 6: A capable, ethical and developmental State
NDP Five-Year Implementation Plan Outcome	Ethical, efficient operations and effective accountability mechanisms

There was progress on the following items towards achieving an optimum functioning CBE:

- i. CBE obtained clean audit for four consecutive years (2019/20, 2020/21 and 2021/22 and 2022/23).
- ii. Revenue from the grant and levies increased by 3.091%.
- iii. Migration to IT Cloud service. However, the CBE continues to face capacity challenges in the IT department
- iv. All business processes documented in standard operating procedures were approved
- v. Increased CBE's footprint locally and internationally through marketing communication activities on mainstream media (radio, television and published articles) and social media:
 - (a) The CBE's LinkedIn followers increased by 2 229 (including 87 international followers) to 5 833 by 31 March 2024
 - (b) The CBE's Facebook page has shown improvement in terms of followers and post reach, both locally and internationally (Lesotho, Botswana, Nigeria, Ethiopia, UK, Zambia, Zimbabwe, France and Philippines)
 - (c) Media coverage generated significant traffic to the CBE's website resulting in over 25 133 total users

Strategic Outcome 2: Transformed Built Environment

Strategic Outcome 2	Transformed Built Environment
Impact Statement	Well-regulated and inclusive Built Environment Professions that contribute to national priorities and ambitions
Programme Name	Programme 2: Transformation
NDP Five Year Priority	Priority 1: Economic Transformation and Job Creation
NDP Five-Year Implementation Plan Outcome	Increased ownership and participation by historically disadvantaged individuals

Over the medium-term, the CBE focused its efforts on transforming the Built Environment by expediting the empowerment of women, youth, and persons with disabilities. The country continues to grapple with the triple challenges of poverty, inequality, and unemployment. The CBE's Broad-Based Long-Term Transformation Strategy, which institutionalised five Transformation Collaborative Forums (TCFs), made significant milestones in this area through their interventions commissioned by each of the TCFs viz.:

- Procurement, Policy, Legislation and Socio-Economic Development (PPLSED)
- Women Empowerment and Gender Equality (WEGE)
- Occupation Specific Dispensation (OSD)
- Health, Safety, Public Protection and Universal Access (HSPPUA)
- Professional Skills and Capacity Development (PSCD)
- Environmental Sustainability (ES)

To date, there is a 38% improvement on the 2019 baseline on transformation in the Built Environment Professions.

Strategic Outcome 3: Skilled Built Environment Professionals

Strategic Outcome 3	Skilled Built Environment Professionals
Impact Statement	Well-regulated and inclusive Built Environment Professions that contribute to national priorities and ambitions
Programme Name	Programme 3: Skills and Capacity Development
NDP Five Year Priority	Priority 1: Economic Transformation and Job Creation Priority 2: Education, Skills and Health
NDP Five-Year Implementation Plan Outcome	Improved education, training, and innovation Improved employability of youth through skills training

To contribute towards the ten percent reduction of the Built Environment Skills Gap against requirement forecasts, the CBE undertook the following:

- i. Produced an advisory throughput report on the Built Environment skills pipeline (supply and demand)
- ii. Partnered with the National School of Government (NSG) to provide upskilling and reskilling programmes on project management, entrepreneurship, mentorship, infrastructure delivery and procurement management for both Built Environment candidates and professionals
- iii. Partnered with universities of technology and other Built Environment stakeholders to implement the Work Integrated Learning programme to increase the throughput of Built Environment graduates
- iv. Monitored and evaluated 46 workplaces (over two financial years: 2020/21 and 2021/22), 36 district municipalities (2022/23) on implementing Structured Candidacy programmes to ensure an increase in the conversion rate of candidates and supported 101 candidates through structured candidacy framework
- v. 119 BE career awareness initiatives for school learners in all nine provinces through partnerships with provincial departments of education, South African National Roads Agency (SANRAL), South African Agency for Science and Technology Advancement (SAASTA) other and key stakeholders
- vi. Produced two skills development frameworks- Structured Candidacy and Work Integrated Learning
- vii. Developed one analysis report on the progress of registered Built Environment candidates

Strategic Outcome 4: Informed Decision-making which Impacts the Current and Future Operational Requirements of the Industry

Strategic Outcome 4	Informed decision-making that impacts the current and future operational requirements of the industry
Impact Statement	Well-regulated and inclusive Built Environment Professions that contribute to national priorities and ambitions
Programme Name	Programme 4: Research and Advisory
NDP Five Year Priority	Priority 6: A capable, ethical and developmental State
NDP Five-Year Implementation Plan Outcome	Ethical, efficient operations and effective accountability mechanisms

The CBE contributed to the National Infrastructure Plan (NIP) and the Procurement Bill to ensure sustainable development in the Built Environment through the following:

- i. Provided Occupation Specific Dispensation (OSD) policy recommendations to the Minister of Public Service and Administration (DPSA)
- ii. Investigated issues that impact on the Built Environment and submitted six advisory briefs to relevant stakeholders, resulting in 120% achievement of the five-year target:
 - a. Institutionalisation of the Framework for Infrastructure Delivery and Procurement Management (FIDPM) and skills requirements
 - b. Potential implications of the Fourth Industrial Revolution (4IR) on the Expanded Public Works Programme (EPWP)
 - c. The role of Built Environment Professions in the Effective Implementation of the FIDPM
 - d. Built Environment Skills Requirements to Support the Implementation of the District Development Model (DDM)
 - e. Preferential frameworks to drive transformation in the Built Environment
 - f. Assessment of candidacy programmes implemented within the public sector

Strategic Outcome 5: Public Interest in the Built Environment Promoted and Protected

Strategic Outcome 5	Promote and protect public interest in the Built Environment
Impact Statement	Well-regulated and inclusive Built Environment Professions that contribute to national priorities and ambitions
Programme Name	Programme 5: Regulation and Public Protection
NDP Five Year Priority	Priority 6: A capable, ethical and developmental State
NDP Five-Year Implementation Plan Outcome	Ethical, efficient operations and effective accountability mechanisms

On issues of governance and public protection in the Built Environment, the CBE finalised all lodged appeals within the statutory 60 days as well as the complaints within 90 days from the date of lodgement.

The CBE plays a public protection role through its appeals function and through ensuring consistent application of policy by the professional councils:

- i. Twenty appeals were finalised within the prescribed 60-day period, translating to 100% finalisation of all lodged appeals
- ii. Additionally, to fulfil its public protection function, the CBE developed a public complaints procedure manual to give effect to its legislative mandate in sections 4(a) and (l). Three complaints were finalised within 90 days from the date of lodgement, translating to 100% finalisation
- iii. The six CBEP were assessed on their level of compliance during the year under review. The draft governance assessment checklist was furnished to all CBEP. Three were at a high level of compliance; these were the Engineering Council of South Africa (ECSA), South African Council for the Architectural Profession (SACAP) and South African Council for the Project and Construction Management Professions (SACPCMP). The other three CBEP' compliance was moderate; these were the South African Council for the Property Valuers Profession (SACPVP), South African Council for the Landscape Architectural Profession (SACLAP) and South African Council for the Quantity Surveying Profession (SACQSP). The CBE, in its advisory role, will institute a process to ensure 100% compliance with the Governance Framework.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The strategic direction is implemented through five budget Programmes that enable organisation-wide coordination and consolidation of steering, monitoring and control of execution and achievements against commitments. The CBE's five Programmes are as follows:

Programme 1: Administration

Programme 2: Empowerment and Economic Development

Programme 3: Professional Skills and Capacity Development

Programme 4: Research and Knowledge Management

Programme 5: Public Protection, Policy and Legislation

Alignment to DPWI Outcomes and National Development Plan (NDP) Priorities

The Department of Planning, Monitoring and Evaluation has outlined Priorities to drive the planning and implementation of strategic plans over the 2020/21-2024/25 National Development Plan (NDP Five-Year Implementation Plan [NDPIP]) period. During this Medium-Term Strategic Framework (MTSF) period, the CBE will have contributed to and reported on the following Outcomes detailed in Table 2:

Table 2: Alignment with DPWI, NDP Priorities and NDPIP Outcomes

NDP Priorities	NDPIP Outcomes	DPWI Outcomes	CBE Outcomes	Objective of CBE Act
				
Priority 6: A capable, ethical and developmental State	Ethical, efficient operations and effective accountability mechanisms	A Resilient, Ethical and Capable DPWI	Optimum Functioning Council	
Priority 1: Economic transformation and job creation	Increased ownership and participation by historically disadvantaged individuals	Transformed Built Environment	Transformed Built Environment	3(d) facilitate participation by the built environment professions in integrated development in the context of national goals 3(f) promote sound governance of the built environment professions; (3h) serve as a forum where the built environment professions can discuss relevant issues
Priority 2: Education, skills and health	Improved education, training and innovation Improved employability of youth through skills training	Transformed Built Environment	Skilled Built Environment	3(c) promote ongoing human resources development in the built environment 3(g) promote liaison in the field of training in the Republic and elsewhere and to promote the standards of such training in the Republic

NDP Priorities	NDPIP Outcomes	DPWI Outcomes	CBE Outcomes	Objective of CBE Act
Priority 6: A capable, ethical and developmental State	Ethical, efficient operations and effective accountability mechanisms	A Resilient, Ethical and Capable DPWI	Informed decision-making which impacts the current and future operational requirements of the industry	4(a) advise government on any matter falling within the scope of the built environment, including resource utilisation, socio-economic development, public health and safety and the environment, and for this purpose carry out such investigations as it or the relevant Minister deems necessary;
Priority 6: A capable, ethical and developmental State	Ethical, efficient operations and effective accountability mechanisms	A Resilient, Ethical and Capable DPWI	Public interest in the Built Environment promoted and protected	3(a) promote and protect the interest of the public in the built environment; 3(b) promote and maintain a sustainable built environment and natural environment 3(e) promote appropriate standards of health, safety and environmental protection within the built environment 3(i) ensure the uniform application of norms and guidelines set by the councils for the professions throughout the built environment

3.1 Programme 1: Administration

Purpose: To ensure that the CBE has the necessary capacity and capability to support Government's development priorities within the Built Environment.

Programme 1 provides the organisation with enabling governance structures, strategy and planning capacity, and shared services supported by fit-for-purpose business and Information Systems, Stakeholder Management, Marketing and Communications and Financial support and Procurement services. In addition, the Programme provides strategic, planning, analysis and systems intelligence. Programme 1 contributes towards Priority 6: A capable, ethical and developmental State.

On building a capable State, the NDP emphasises the importance of building institutional capacity in South Africa, particularly in the public sector. It devotes a chapter on building a capable and developmental State, underlining the importance of good management, a commitment to high performance, an uncompromising focus on ethics, and continuous learning. The emphasis is on an efficient, effective, and development-oriented public service and an empowered, fair, and inclusive citizenship. According to the NDP, a developmental State needs to be capable, but a capable State does not materialise by decree, nor can it be legislated or waived into existence by declarations. It must be built, brick by brick, institution by institution, and sustained and rejuvenated over time. It requires leadership, sound policies, skilled managers and workers, clear lines of accountability, appropriate systems, and consistent and fair application of rules. A capable State (chapter 13), with functioning, well-run utilities, departments, and municipalities, will help ensure efficient regulation.

The 2019-24 MTSF highlights modernising business processes in the public sector to ensure effective and efficient service provisioning to our people as a vital process. A capable state requires effectively coordinated state institutions with skilled public servants who are committed to the public good and capable of delivering consistently high-quality services, while prioritising people in the achievement of the nation's developmental objectives. This vision requires a State that has the capacity to formulate and implement policies that serve national interest and address the root causes of poverty and inequality.

The CBE will have sustained and improved its good governance practices and systems, evident by clean audits for the past three financial years, complemented by effective accountability practices. The CBE will finalise the business process mapping and re-engineering initiative to remove operational bottlenecks, streamline systems and processes and design optimised, efficient and effective delivery platforms with a view to enhance accountability, value for money and improved stewardship of resources.

For the 2023/24 APP, Programme 1 had three annual targets. All three of the annual targets were achieved:

3.1.1 IT Strategy Plan that includes IoT and 4IR Initiatives Roadmap completed and implemented by 31 March 2024. – Achieved

IoT *Internet of Things*
4IR *Fourth Industrial Revolution*

This target is to enable the CBE to meet its organisational strategic goals through technological platforms and solutions, while also ensuring that the CBE is aligned to Information Communications Technology (ICT) changes across the industry and around the world.

The annual target was achieved. IT Strategy Plan that includes IoT and 4IR Initiatives Roadmap was completed and implemented by 31 March 2024. The following functions were optimized:

- i. Payroll ledger integration
- ii. Equity reporting
- iii. Performance Management
- iv. Claims module
- v. Leave
- vi. Procurement
- vii. Asset Management
- viii. Company rules

3.1.2 Eight marketing communication initiatives to raise the profile of the CBE by 31 March 2024. – Achieved

The aim of this Programme is to improve public awareness and recognition of the crucial role of Built Environment Professionals across the country, and specifically to highlight the role of the CBE as a custodian of the Built Environment sector in protecting the interest of the public in all matters related to the Built Environment. Raising awareness of the role and contribution of Built Environment Professionals through the media, social media and at public events will help excite and inspire potential Built Environment Professionals and keep citizens informed.

The annual target was achieved. A total of 28 marketing communication initiatives (stakeholder engagements and articles published) were undertaken to raise the profile of the CBE during the 2023/24 financial year. There was a positive variance of 20 initiatives, which was above average.

Reasons for the over achievement of the target can be put down to the following:

- I. The CBE gradually increased its presence in the media (particularly self-generated social media platforms) space.
- II. Collaborative ventures (viz. with [WEGE Webinar], DPWI [BECC Indaba], and CETA [BERA]) benefitted the CBE with joint publicity a significant spin-off.

WEGE: Women Empowerment and Gender Equality

BECC: Built Environment Climate Change

CETA: Construction Education Training Authority

BERA: Built Environment Recognition Awards

The marketing communication initiatives detailed in the next table were undertaken during the 2023/24 financial year.

Table 3: Marketing Communication Activities

No.	Marketing Communication Initiative	Date	Quarter
1	Feenix and CBE: Partnering and investing in the future: https://futuresa.co.za/future-sa/feenix-and-cbe-partnering-and-investing-in-the-future/	3 April 2023	1
2	Feenix and CBE: Partnering and investing in the future: https://www.engineeringnews.co.za/article/feenix-and-cbe-partnering-and-investing-in-the-future-2023-04-03	3 April 2023	
3	CBE helps students through Feenix partnership: https://refrigerationandaircon.co.za/cbe-helps-students-through-feenix-partnership/	4 April 2023	
4	CBE helps students through Feenix partnership: https://www.concretetrends.co.za/news/cbe-helps-students-through-feenix-partnership/	26 April 2023	
5	Freedom Day: An Opportunity to re-Imagine the role of The Built Environment Sector: https://m.engineeringnews.co.za/article/freedom-day-an-opportunity-to-re-imagine-the-role-of-the-built-environment-sector-2023-04-26	26 April 2023	
6	Youth Day Roundtable Engagement at the University of Johannesburg	14 June 2023	
7	Television interview: Construction sector identified as one of the faces of corruption: https://lt.co/V38KGfJWG	27 June 2023	
8	Radio interview: Impact of Construction Mafias on communities and the economy: https://omny.fm/shows/ukhozi-fm-current-affairs/dt-msizi-myeza-council-for-the-built-environment-		
9	Youth Engagement Roundtable Discussion with the Northern Cape Rural TVET* College in De Aar.	4 August 2023	2
10	Youth Engagement Roundtable with University of KwaZulu-Natal School of Built Environment and Development Studies (BEDS) under the theme "Transformation of the Built Environment sector is an integral part of professionalising the State".	22 August 2023	
11	Built Environment Climate Change Indaba under the theme "Restoring Access-Rebuilding Social-Cohesion and Healing of Communities through Social	31 August–1 September	
12	Town Planners must build Strategic Movements covered by IOL Daily News - https://www.iol.co.za/dailynews/opinion/town-planners-must-build-strategic-movements-2ad5d034-67e7-401c-86f3-58ed19e48419	8 September 2023	
13	Radio Interview; CEO's radio interview on SA FM - https://omny.fm/shows/beyond-the-headline/a-second-fire-breaks-out-in-a-hijacked-building-in	15 September 2023	
14	Women Empowerment and Gender Equality webinar covered in: - The role played by women in building for the future covered by IOL Daily News - https://www.iol.co.za/dailynews/opinion/the-role-played-by-women-in-building-for-the-future-995b1d4a-5d7f-4345-ae41-d4daed4bd58d1 - Overcoming Leadership Barriers For Women In The Built Environment Sector covered by To Build - https://tobuild.co.za/news/overcoming-leadership-barriers-for-women-in-the-built-environment-sector-27fb0dc=IwAR0q-6XGfSoXIGUn2cROMS4pWmO6iUySvTvPIWBRSaPBuWw5xPYTM - Overcoming Leadership Barriers For Women In The Built Environment Sector covered by SA Building SA: Annual Resource Handbook covered - https://sdbuildingreview.co.za/construction-news/overcoming-leadership-barriers-for-women-in-the-built-environment-sector/	18 and 19 September 2023	

No.	Marketing Communication Initiative	Date	Quarter
15	9th UNESCO Africa Week & 7th Africa Engineering Conference	25-28 September 2023	2
16	Council for the Built Environment (CBE) Partners with Walter Sisulu University and Eastern Cape Department of Public Works for a Successful Skills Pipeline Initiative published on the CBE website and shared with media houses database - https://cbe.org.za/council-for-the-built-environment-cbe-partners-with-walter-sisulu-university-and-eastern-cape-department-of-public-works-for-a-successful-skills-pipeline-initiative/	10 October 2023	3
17	Celebrating International Day of the Girl Child With "Take a Girl Child to Work" Program published on the CBE website and shared with media houses database - https://cbe.org.za/celebrating-international-day-of-the-girl-child-with-take-a-girl-child-to-work-program/	11 October 2023	
18	Address mental health fears for young graduates by written by Dr Myeza covered by IOL Daily News. - https://www.iol.co.za/dailynews/opinion/address-mental-health-fears-for-young-graduates-16546660-9678-4ea0-a7b0-f9d89fe02d40	17 October 2023	
19	Built Environment Seminar under the theme "Co-creation of spaces which entrenches Universal Access".	3 November 2023	
20	The Absence of a Comprehensive and Integrated National Master Plan Hinders Development and Growth in Municipalities published on the CBE website and shared with media houses database - https://cbe.org.za/the-absence-of-a-comprehensive-and-integrated-national-master-plan-hinders-development-and-growth-in-municipalities/	16 November 2023	
21	No More Barriers: The Need for Universal Design and Access in South Africa's Built Environment published on the CBE website and shared with media houses database - https://cbe.org.za/no-more-barriers-the-need-for-universal-design-and-access-in-south-africas-built-environment/	27 November 2023	
22	Built Environment – Inaugural Colloquium on International Day of Persons with Disabilities:	5 December 2023	
23	Built Environment Recognition Awards:	7 December 2023	
24	Re Aga Mmogo Gauteng Construction Expo 2024	15 February 2024	4
25	ECSA World Engineering Day 2024 under the theme "Engineering Solutions for a Sustainable World"	4 March 2024	
26	Built Environment National Logbook (BEVL): Pre-launch webinar, launch and registration at CPUT and UCT	7 – 8 March 2024	
27	National School Government (NSG) Master Class – Sustainability Infrastructure Development	17 March 2024	
28	Sustainable Infrastructure Development Symposium	17 – 19 March 2024	

3.1.3 Increase the CBE's revenue by 1% of the grant and levies received by 31 March 2024. – **Achieved**

The annual target was achieved. Revenue from partnerships for major events resulted in a 11.65% increase of the grant and levies received by 31 March 2024.

Table 4: Programme 1: Objectives/Purpose, Planned Targets and Actual Achievements

PROGRAMME 1: ADMINISTRATION						
Objectives/Purpose	Audited Performance 2021/22	Overall Audited Performance 2022/23	Planned Annual Targets 2023/24	Overall Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement for 2023/24	Reasons for Deviations
Ensuring that the CBE is in the best shape to achieve goals set out in the Strategic Plan.	Four	Four	Three	Three	All the targets were achieved A total of twenty-eight marketing communication initiatives were undertaken. The CBE increased its revenue by 11.65% of the grant and levies received by 31 March 2024.	Annual target for programme 1.2 was over-achieved with a total of twenty marketing communication initiatives as a result of collaborative ventures (viz. with Feenix [WEGE Webinar], DPWI [BECC Indaba], and CETA [BERA]) that benefitted the CBE with joint publicity a significant spin-off.
Promoting awareness about the CBE and its functions to all relevant stakeholders.						
To provide effective and efficient financial and supply chain management services.						Programme 1.3 was over-achieved by 10.65%. Partnership agreements with DPWI and CETA resulted in the target being exceeded.

Table 5: Programme 1: Outcome, Outputs, Output Indicators, Targets and Actual Achievements

SUB – PROGRAMME: COMMUNICATIONS, MARKETING AND STAKEHOLDER MANAGEMENT								
Outcome	Output	Output Indicator	Audited Performance 2021/22	Audited Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement	Deviation from Planned Target to Actual Achievement for 2023/24	Reasons for Deviations
Optimum Functioning CBE.	IT Strategy Plan that includes IoT and 4IR Initiatives Roadmap completed and implemented.	1.1 IT Strategy Plan that Includes IoT and 4IR Initiatives Roadmap completed and implemented.	Not Achieved ICT Cloud Strategic Plan that includes IoT and 4IR Initiatives Roadmap was not implemented by 31 March 2022.	Achieved IT Strategy Plan that includes IoT and 4IR Initiatives Roadmap completed and implemented by 31 March 2023.	IT Strategy Plan that includes IoT and 4IR Initiatives Roadmap completed and implemented by 31 March 2024.	Achieved IT Strategy Plan that includes IoT and 4IR Initiatives Roadmap completed and implemented by 31 March 2024.	N/A	N/A
	Eight marketing communication initiatives conducted.	1.2 Number of marketing communication initiatives conducted to raise the profile of the CBE.	Achieved Four marketing communication activities were undertaken in the provinces of KwaZulu-Natal, Limpopo, Eastern Cape and Mpumalanga to raise the profile of CBE.	Achieved Twenty-three marketing communication activities were undertaken to raise the profile of CBE by 31 March 2023.	Eight marketing communication initiatives to raise the profile of the CBE by 31 March 2024.	Achieved The annual target over-achieved. A total of twenty-eight marketing communication initiatives were undertaken.	There is a positive variance of twenty initiatives, which was above average.	The CBE gradually increased its presence in the media (particularly self-generated social media platforms) space. Collaborative ventures (viz. with Feenix [WEGE Webinar], DPWI [BECC Indaba], and CETA [BERA]) benefitted the CBE with joint publicity a significant spin-off.

SUB -PROGRAMME: FINANCE								
Outcome	Output	Output Indicator	Audited Performance 2021/22	Audited Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement for 2023/24	Reasons for Deviations
Optimum Functioning CBE.	Effective Revenue/ Income generation.	1.3 Percentage Increase of income generated.	Achieved Revenue increased by 1% of the grant and levies received by 31 March 2022.	Achieved Increase the CBE's revenue by 1% of the grant and levies received by 31 March 2023.	Increase the CBE's revenue by 1% of the grant and levies received by 31 March 2024.	Achieved The CBE increased its revenue by 11.65% of the grant and levies received by 31 March 2024.	There is a positive variance of 10.65%, which was above average.	Partnership agreements with DPWI and CETA resulted in the target being exceeded.

Table 6: Programme 1: Linking Performance with Budget

	2022/23			2023/24		
	Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Actual Expenditure	(Over) / Under Expenditure
Performance Indicator	R'000	R'000	R'000	R'000	R'000	R'000
1.1 IT Strategy Plan that include IoT and 4IR Initiatives Roadmap completed and implemented.	1434	376	1058	767		
1.2 Number of marketing communication initiatives conducted to raise the profile of the CBE.	55	-	55	288		
1.3 Percentage increase of income generation.	-	-	-	-	-	-

3.2 Programme 2: Empowerment and Economic Development

Programme 2 contributes to Priority 1: Economic Transformation and Job Creation as well as Priority 2: Education, Skills, and Health. The overall objective of the CBE's Transformation unit is to become the sector-coordinating arm of the CBE.

Specifically, the transformation programmes aim to:

- a) generate focus and synergy in facilitating the development of a unified Transformation Agenda for the Built Environment sector of South Africa
- b) promote collaboration in driving the Transformation agenda of the Built Environment sector of South Africa
- c) participate actively in joint initiatives, conferences and platforms that advance transformation in the sector
- d) coordinate efforts in transforming the Built Environment through various initiatives and actions
- e) support/coordinate efforts to unblock the skills pipeline and ensure a sustainable supply of aptly skilled and quality individuals to meet future demands
- f) establish and facilitate partnerships and working relationships, local and international and across private and public sectors to drive transformation initiatives
- g) provide expert guidance, consultation and services to support internal change management initiatives and organisational development

For the 2023/24 APP, Programme 2 had four annual targets. All four annual targets were achieved:

3.2.1 One programme supporting the involvement of women-owned enterprises in the Built Environment implemented by 31 March 2024. – Achieved

The country continues to grapple with the triple challenges of poverty, inequality, and unemployment. The CBE's strategic objectives emphasize supporting women-owned businesses and youth participation, while the Women Empowerment and Gender Equality TCF (WEGE TCF) specifically focuses on increasing women's participation and ensuring equal opportunities in the Built Environment. The Built Environment Women Network (BEWN) platform builds upon the recommendations of the WEGE TCF and aims to empower women through networking, knowledge sharing, professional development, and advocacy initiatives.

The annual target was achieved. The BEWN platform was officially launched on 31 March 2024. To date, 167 women from various occupation categories have registered to gain access to the BEWN system:

Table 7: BEWN Registration Statistics

Criteria	Registration Statistics				
BEWN Link - BUILT ENVIRONMENT WOMEN NETWORK https://cbeorgza.sharepoint.com/sites/BEWN?e=1%3A8011e065f65f46fb8bcf885378a3741f					
Number of Responses	167				
Age Profile	Majority in the 36-45 category (63) Youth ≤ 35 (104)				
Women-Owned Enterprises Responded	84	Youth	18	Percentage	21%
Province Representation	All 9 provinces				
Built Environment Disciplines	All disciplines represented				
Industry selection	Top 2: Construction (72) BE Consultancy (Professional Practices) (47)				
Services interested in from the BEWN platform	Top 3: Networking (152) Webinar/workshops (148) Mentorship (140)				

3.2.2 One programme supporting the development and involvement of youth in the Built Environment implemented by 31 March 2024. – Achieved

Through its youth development programme, the CBE aims to promote and support initiatives that seek to empower young people and address the issue of skills shortages. The annual target was achieved. During the 2023/24 financial year, the CBE undertook youth development initiatives in partnership with the Western Cape Department of Infrastructure (WC DoI) to assist students to progress with their academic studies, and empower them with employability and general life skills as follows:

- i. Academic Support and Social Adjustment for BE students at tertiary institutions** – 176 students from the University of Cape Town (UCT), Cape Peninsula University of Technology (CPUT) and Stellenbosch University (SU) participated in the Masakhi'Sizwe bursary programme. Students with an average of 34% grade prior to the intervention experienced an average grade rise to 56%.
- ii. Employability Skills for BE undergraduates** – A driver's license is identified as a vital and valuable employability skill in the labour market. Fourteen students from UCT, CPUT and SU enrolled in the driver's license project. This endeavour will enhance the employability competencies of students, elevate their confidence and perception of value, and render them more formidable contenders in the labour market.
- iii. Financial Literacy** – The CBE facilitated the introduction of Blackbullion, a financial literacy, youth-centric, digital learning platform that delivers engaging and accessible content across a wide range of personal finance topics. The Blackbullion platform gives BE youth access to a budgeting tool and 26 modules of content.
- iv. Entrepreneurship Awareness** – An entrepreneurship awareness presentation, delivered to the Masak'iSizwe bursars on 24 February 2024, highlighted statutory requirements and steps in developing a start-up business.
- v. Graduate Internships** (work experience for unemployed graduates) - The CBE facilitated the process of enlisting BE unemployed graduates to participate in the Coega Development Corporation (CDC) project located in Silverton, Pretoria where 15 unemployed graduates were successfully placed.

3.2.3 One assessment report on the implementation of universal design and access in the public sector by 31 March 2024. – Achieved

The purpose of this project is to facilitate transformation in the Built Environment and create more opportunities for persons with disabilities (PWD). One way to contribute to this is through ensuring universal design and access (UDA). Therefore, the CBE assessed the implementation of UDA in the public sector as per Government's White Paper on the rights of PWD.

The annual target was achieved. One assessment report on the implementation of universal design and access in public sector infrastructure was developed by 31 March 2024. The assessment report covered the following aspects as per the approved assessment plan:

- i. Degree of compliance with the South African Bureau of Standards (SABS) minimum norms and standards for use by persons with disabilities
- ii. Development of a finance strategy to retrofit existing infrastructure
- iii. Appointment and training of infrastructure accessibility liaison officers (ALOs)
- iv. Incentives for universally designed barrier-free infrastructure
- v. Regulatory framework for accessibility

The assessment revealed that the state of UDA in public sector buildings continues to be of critical concern, presenting significant barriers to universal access for PWD and other vulnerable groups.

This target received a boost when the CBE hosted a stakeholder engagement in observance of Disability Rights Awareness Month on 5 December 2023 at Birchwood Conference Centre (Gauteng) where the Deputy Minister of PWI, Ms Bernice Swarts delivered the keynote address.

The following salient points emerged from the Deputy Minister's keynote address:

- i. DPWI and its entities were encouraged to improve their activities and representation of persons with disabilities in their employ as per Employment Equity prescripts, and lead by example to change the status quo.
- ii. The public sector was urged to transform its operations and inclusivity of persons with disabilities, especially since sign language is a recognized official language of South Africa (meaning all departments and state-owned entities must have a sign language interpreter available).
- iii. The need for more accessible infrastructure. DPWI is already undertaking green building as per the approved policy and framework to ultimately transform all government buildings to accommodate issues raised by stakeholders such as the National Albinism Task Force, amongst others.
- iv. Stakeholder engagement must be broadened to include the Departments of Basic Education and Higher Education and Training to inform the Built Environment sector on their level of preparedness to build for all citizens.

3.2.4 One analysis report on the status quo of women in the BE developed and approved by 31 March 2024. – *Achieved*

This study investigated the status quo of women in the Built Environment sector to understand the reasons behind the slow growth rate of women in the sector and to provide recommendations for a programme of action to challenge the status quo.

This report analysed data from the National and Provincial Infrastructure Departments.

The following findings and recommendations emerged from the study:

- i. Even though the perception exists that the Built Environment is predominantly male-dominated, the sector is currently transforming, and women are actively participating at various occupational levels within infrastructure government departments. However, there remains room for improvement.
- ii. Through engagements with organizations, women entrepreneurs, and stakeholders (including webinars hosted by the CBE), emerging women-owned businesses and female professionals are receiving support, particularly those owned by black women and black professionals.
- iii. Despite significant progress, women continue to encounter numerous challenges. These include factors related to race, culture, geographical location, limited access to finance, inadequate social networks, and insufficient education and training. Moreover, the absence of mentors from established businesses further compounds these hurdles.
- iv. Only 15% of women are currently professionally registered according to CBEP statistics. To address this disparity, it is crucial for the Built Environment sector and its skill development stakeholders to intentionally focus on assisting women in achieving professional registration. Existing programmes aimed at facilitating professional registration should prioritize a larger percentage of female candidates. By doing so, we can work towards increasing the number of professionally registered women and promoting greater gender equity within the field.
- v. While women-owned enterprises are making strides, they are not fully participating in critical projects such as social infrastructure and bulk infrastructures. To promote growth the Built Environment needs to facilitate the transition of women-owned businesses from emerging to established and thriving enterprises.
- vi. The BE sector should be deliberate in ensuring focused efforts on female candidates receiving adequate support so that they can ultimately be professionally registered. It is recommended that the CBE should lead the development of the “She-structured candidacy and mentorship” programme, envisaged to train registered female professionals so that they can ultimately be able to mentor female candidates.
- vii. Stakeholders have highlighted shortcomings in legislation, particularly related to implementation and monitoring. These narratives underscore the need for responsive policies to support women in their careers and business ventures.

Table 8: Programme 2: Objectives/Purpose, Planned Targets and Actual Achievements

PROGRAMME 2: EMPOWERMENT AND ECONOMIC DEVELOPMENT						
Objectives/Purpose	Overall Audited Performance 2021/22	Overall Audited Performance 2022/23	Planned Annual Targets 2023/24	Overall Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement for 2023/24	Reasons for Deviations
To facilitate transformation in the built environment and create more opportunities for women, youth and persons with disabilities.	Three	Three	Four	Four	All targets were achieved	N/A

Table 9: Programme 2: Outcome, Outputs, Output Indicators, Targets and Actual Achievements

PROGRAMME: EMPOWERMENT AND ECONOMIC DEVELOPMENT								
Outcome	Output	Output Indicator	Audited Performance 2021/22	Audited Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement for 2023/24	Reasons for Deviations
Transformed Built Environment.	One programme supporting the involvement of Women-owned enterprises in the Built Environment implemented.	2.1 Number of programmes supporting the involvement of women owned enterprise in the Built Environment.	Achieved Three Functional Databases of women-owned Built Environment Professionals and Built Environment companies by 31 March 2022: a. Women-owned construction companies b. Women-owned material supplier companies c. Women-owned professional practices in the Built Environment	Achieved One programme supporting the involvement of women-owned professional practices in the Built Environment delivery and maintenance of Built Environment infrastructure developed by 31 March 2023.	One programme supporting the involvement of women-owned enterprises in the Built Environment implemented by 31 March 2024.	Achieved One programme supporting the involvement of women owned enterprises in the Built Environment implemented by 31 March 2024: i. Built Environment Woman Network platform launched with a total of 167 registered participants.	N/A	N/A

PROGRAMME: EMPOWERMENT AND ECONOMIC DEVELOPMENT								
Outcome	Output	Output Indicator	Audited Performance 2021/22	Audited Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement for 2023/24	Reasons for Deviations
	One programme supporting the development and involvement of youth in Built Environment implemented.	2.2 Number of programmes supporting the development and involvement of youth in the Built Environment.	N/A	Achieved One CBE programme promoting youth development and involvement in the Built Environment by 31 March 2023.	One programme supporting the development and involvement of youth in the Built Environment implemented by 31 March 2024.	Achieved One programme supporting the development and involvement of youth in the Built Environment implemented by 31 March 2024. i. Academic Support & Social adjustment for BE students at tertiary ii. Employability skills offered to BE undergraduates iii. Entrepreneurship Awareness Programme	N/A	N/A

PROGRAMME: EMPOWERMENT AND ECONOMIC DEVELOPMENT								
Outcome	Output	Output Indicator	Audited Performance 2021/22	Audited Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement for 2023/24	Reasons for Deviations
	One assessment report on the implementation of universal design and access in the public sector.	2.3 Number of assessment reports on the implementation of universal design and access in the public sector.	N/A	Achieved One CBE programme promoting empowerment of people with disabilities in the Built Environment developed by 31 March 2023.	One assessment report on the implementation of universal design and access in the public sector by 31 March 2024.	Achieved One assessment report on the implementation of universal design and access in the public sector by 31 March 2024.	N/A	N/A
	Approved analysis report on the status quo of women in the BE.	2.4 Number of analysis reports on issues impacting transformation in the Built Environment professions.	N/A	N/A	One analysis report on the status quo of women in the BE developed and approved by 31 March 2024.	Achieved One analysis report on the status quo of women in the BE developed and approved by 31 March 2024.	N/A	N/A

Table 10: Programme 2: Linking Performance with Budget

	2022/23			2023/24		
	Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Actual Expenditure	(Over) / Under Expenditure
Performance Indicator	R'000	R'000	R'000	R'000	R'000	R'000
2.1 Number of programmes supporting the involvement of women owned enterprise in the Built Environment.	468	411	57	363	24	339
2.2 Number of programmes supporting the involvement and development of youth in the Built Environment	65	65	-	466	114	352
2.3 Number of assessment reports on the implementation of universal design and access in the public sector.	80	65	15	49	147	(98)
2.4 Number of analysis reports on issues impacting transformation in the Built Environment Professions	323	331	(8)	481	5	476

3.3 Programme 3: Professional Skills and Capacity Development

Programme 3 responds to the following sections of the CBE Act:

3(c): promote ongoing human resource development in the built environment;

4(n): in consultation with councils for the professions, obtain recognition for the councils for the professions as bodies responsible for the establishment of education and training standards in terms of the South African Qualifications Authority Act, 1995 (Act No. 58 of 1995);

4(p): promote coordination between the Council on Higher Education and the councils for the professions in relation to the accreditation of education institutions.

The CBE's strategic objectives are aligned to the DPWI's broad strategy for the Built Environment sector and National Government's Outcomes in the NDP five-year priorities. The 2020 budget speech by the Minister of Finance set aside billions of rands for infrastructure development, such as school infrastructure backlogs; upgrading informal settlements to enable households to access basic amenities and the improvement of non-toll roads. Registered Built Environment Professionals are well equipped to deliver such projects to support the economic infrastructure of the country. However, the skills shortage in the Built Environment remains a challenge to meet infrastructure development.

The CBE endeavours to bridge this gap through monitoring the implementation of its Structured Candidacy Framework. The implementation of the CBE Structured Candidacy programme in the last Medium Term Expenditure Framework (MTEF) period concluded that to increase the numbers of skilled registered Built Environment Professionals within the designated groups, it is necessary to collaborate with Built Environment workplaces, and government departments, including municipalities.

The CBE aims to contribute to transformation in the Built Environment through the implementation of its Structured Candidacy Framework.

*3.3.1 Nine district-based Built Environment career development initiatives conducted in provinces for school learners by 31 March 2024. – **Achieved***

The career development programme is in line with the Push strategy of the CBE's approved Skills Pipeline Strategy, which emphasises career awareness initiatives as critical to bring about transformation in the Built Environment sector and to develop much-needed capacity to roll out future infrastructure development in the provinces and municipalities in South Africa.

The annual target was achieved. Ten career development initiatives were undertaken in collaboration with host stakeholders in eight provinces covering ten districts. The career development initiatives were in the form of career exhibitions, expos, and Take-a-Girl Child to Work activities, reaching a total of 6 708 learners. Career information was disseminated on disciplines in the Built Environment sector and tertiary study opportunities and entry requirements.

Table 11: Career Awareness Initiatives

No	Date	Host Stakeholder	District	Province	Learner Attendance
1	25 – 26 May 2023	Department of Employment and Labour	John Taolo Gaetsewe	Northern Cape	263
2	27 – 28 June 2023	Ehlanzeni District Municipality	Ehlanzeni	Mpumalanga	99
3	16 – 17 August 2023	Department of Education	OR Tambo	Eastern Cape	479
4	22 – 23 August 2023	Department of Education	Alfred Nzo	Eastern Cape	457
5	24 August 2023	Department of Public Works and Infrastructure	Zululand	KwaZulu-Natal	1500
6	30 August 2023	SANRAL	Rustenburg	North West	169
7	22 September 2023	Jane Furse Leap School	Sekhukhune	Limpopo	357
8	6 – 8 February 2024	Cape Career Exhibitions Association & Western Cape Department of Agriculture	Central Karoo	Western Cape	2000
9	28 February 2024	NDPWI, Eastern Cape Department of Public Works, Department of Education, Mquma Local Municipality, Walter Sisulu University	Amathole	Eastern Cape	1200
10	16 March 2024	Gauteng Department of Education	Sedibeng	Gauteng	166

The CBE reached an additional 1180 learners through career development initiatives in four Metropolitan Municipalities (City of Tshwane, eThekweni Municipality, City of Johannesburg and City of Cape Town).

*3.3.2 Two skills development frameworks (Structured Candidacy and Work Integrated Learning) developed and approved by 31 March 2024. – **Achieved***

This programme is focused on developing the Structured Candidacy Framework and the Work Integrated Learning Framework; therefore, the aim is to:

- collaborate with relevant stakeholders in developing the Structured Candidacy and Work Integrated Learning frameworks
- review regulatory literature from equivalent professional bodies in other sectors for good practices
- support industry stakeholders with implementing the frameworks

The annual target was achieved. Two skills frameworks were developed through consultation with BE stakeholders and role-players by 31 March 2024:

- **Structured Candidacy Framework** – The purpose of this framework is to institutionalise the training and development of practitioners within the Built Environment Professions via candidacy programmes in eligible organisations in a structured, uniform and coordinated manner.
- **Work Integrated Learning Framework** – The framework is intended to guide Work Integrated Learning (WIL) to benefit BE students as well as management and support employees to implement WIL in public and private institutions (Built Environment Professions, academic institutions, and businesses).

*3.3.3 Hundred Built Environment candidates supported in the identified candidacy programmes by 31 March 2024. – **Achieved***

To drive transformation, the CBE adopted a Skills Pipeline Strategy which recognises the need to implement candidacy programmes to support Built Environment (BE) candidates at district municipalities, government departments, entities, and in the private sector. This candidacy support accelerates the Intermediate Phase of the Skills Pipeline Strategy to ensure quality effectiveness and sustainability as well as provides an opportunity to propel candidates into professional registration in the shortest possible time. It also ensures the requisite mentorship of candidates by seasoned BE professionals.

The annual target was achieved. A total of 101 candidates were supported during the 2023/24 financial year. The following support were priorities for year 1 (2023/24):

- i. **Analysis** – for a full appreciation of challenges faced by candidates, an analysis was undertaken to understand where each candidate is and to map a programme for them.
- ii. **Workshops** – the first area of candidate support was workshops to outline professional council requirements to candidates and to present the route to registration to new candidates.
- iii. **Structured Candidacy Support Model** – all identified candidates were supported with structured contracting and professional development plans in alignment with stages 1 and 2 of the Structured Candidacy Support.
- iv. **Monitoring and Evaluation** – engagements with mentors, employers and professional councils to advocate for support of identified candidates and focused sessions on the route to registration with relevant CBEP.

STRUCTURED CANDIDACY SUPPORT

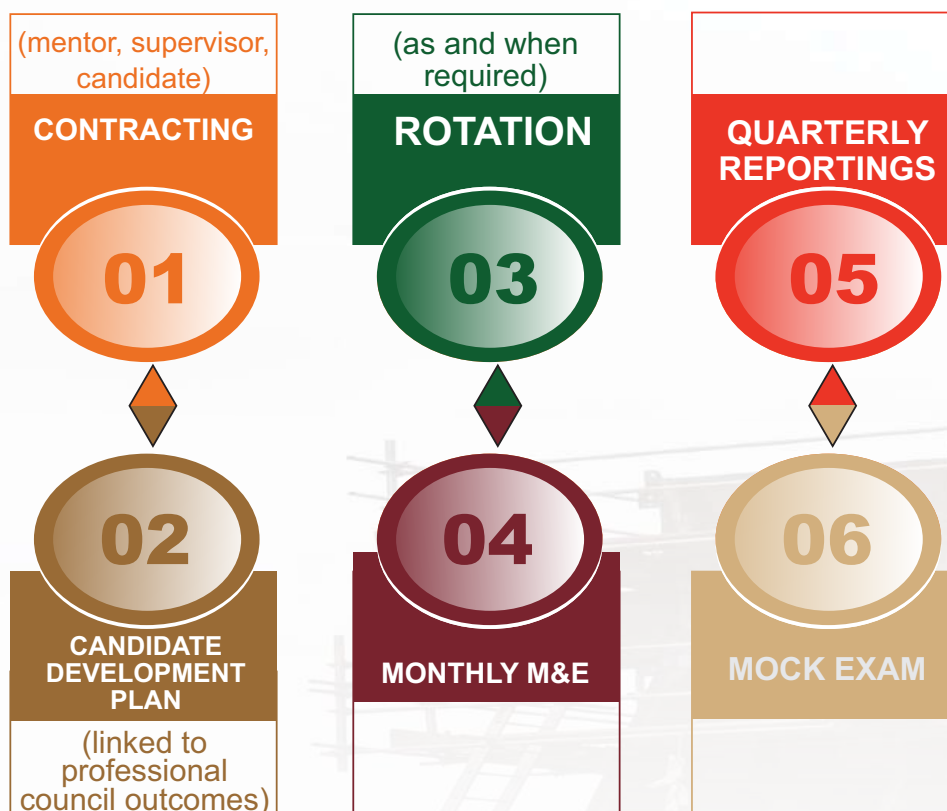


Figure 4: Structured Candidacy Support Model

The next stage(s) of the candidate journey will continue in the 2024/25 financial year.

3.3.4 One analysis report on the progress of registered Built Environment candidates developed and approved by 31 March 2024. – **Achieved**

In response to slow conversion rates, the CBE conducted an analysis of the progress of BE candidates. The study aims to identify key barriers constraining BE candidates from converting to registered professionals through these objectives:

- Determine the candidate to professional conversion period as opposed to the prescribed period by professional councils
- Determine challenges faced by candidates in the public and private sector
- Analyse the effectiveness of candidacy programmes in the public and private sector
- Develop interventional measures for a structured support programme

The annual target was achieved. One analysis report on the progress of registered Built Environment candidates was developed and approved by 31 March 2024. The Construction Education Training Authority (CETA) candidate database was instrumental in analysing the progress of registered BE candidates. On this candidacy database of 891, 373 candidates were verified and confirmed as registered or cancelled their registration with their professional council. The CETA database reflects the CBEP candidates' registration statistics as follows:

CBEP	Registration Rate	Conversion Period
ECSA	67.88%	5 years
SACPCMP	12.87%	4 years
SACQSP	5.89%	480 credits = 3 years 360 credits = 4 years
SACAP	5.36%	5 – 6 years

There were no verified candidates registered with SACPVP and SACLAP.

The following salient issues need address by Government, Public Sector, Industry and Higher Education Institutions:

- Strategic alignment and flexibility are required to generate agile future-ready pupils.
- Tertiary institutions to collaborate and create a deeper interaction with possible host employers to keep abreast with the newest changes in the workplace.
- Students are not assigned uninteresting and menial work to supplement their studies, but rather are involved in projects that challenge them to apply their knowledge and skills to address real-world problems.
- An overarching framework for all vocational and occupationally directed learning programmes that require practical workplace experiences to adequately prepare students for their careers. This framework would allow TVET colleges, Universities of Technology, etc., to tailor their WIL or Work Based Learning (WBL) programmes accordingly.
- It is recommended that all education and learning programmes requiring WIL/WBL is demand-driven. In other words, the intake of learners should be based on real demand from various sectors rather than scarcity, aiming for a near 100% graduation rate.

Table 12: Programme 3: Objective/Purpose, Planned Targets and Actual Achievements

PROGRAMME 3: PROFESSIONAL SKILLS AND CAPACITY DEVELOPMENT						
Objective/Purpose	Overall	Overall Audited Performance 2022/23	Planned Annual Target 2023/24	Overall Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement for 2023/24	Reasons for Deviations
Coordination of an enabling Built Environment Skills Pipeline from school to professional level.	Four	One	Four	Four	All targets were achieved	N/A

Table 13: Programme 3: Outcome, Outputs, Output Indicators, Targets and Actual Achievements

Outcome	Output	Output Indicator	Audited Performance 2021/22	Audited Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement for 2023/24	Reasons for Deviations
Skilled Built Environment Professionals.	Nine district based Built Environment career development initiatives conducted in provinces for school learners.	3.1 Number of district-based Built Environment career development initiatives conducted in provinces for school learners.	Achieved Eighty-seven Built Environment career awareness initiatives conducted for school learners across nine provinces by 31 March 2022.	N/A	Nine district- based Built Environment career development initiatives conducted in provinces for school learners by 31 March 2024.	Achieved Ten career development initiatives were undertaken in eight provinces, covering ten districts, thus, reaching a total of 6 708 learners.	There is a positive variance of 1 career development initiative undertaken.	The positive variance was as a result of stakeholders inviting the CBE to exhibit in their planned career exhibitions.
	Two skills development frameworks developed and approved by 31 March 2024.	3.2 Number of skills development frameworks developed.	N/A	N/A	Two skills development frameworks developed and approved by 31 March 2024.	Achieved Two skills development frameworks developed and approved by 31 March 2024.	N/A	N/A

Outcome	Output	Output Indicator	Audited Performance 2021/22	Audited Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement for 2023/24	Reasons for Deviations
	Hundred BE candidates supported in the identified candidacy programmes.	3.3 Number of Built Environment candidates supported in the identified candidacy programmes.	Achieved Thirty-two workplaces monitored and evaluated in implementing the Structured Candidacy Programme.	Not Achieved Thirty-six district municipalities were supported through monitoring the implementation of the BE Structured Candidacy Programme by 31 March 2023.	Hundred BE candidates supported in the identified candidacy programmes.	Achieved 101 candidates were supported in the identified candidacy programmes, translating to 101% achievement.	There is a positive variance of one candidate supported in the identified candidacy programme.	The positive variance arose from more than anticipated candidates/organisations requesting support.
	One analysis report on the progress of registered BE candidates developed and approved.	3.4 Number of analysis reports on the progress of registered Built Environment candidates developed.	N/A	N/A	One analysis report on the progress of registered Built Environment candidates developed and approved by 31 March 2024.	Achieved One analysis report on the progress of registered Built Environment candidates developed and approved by 31 March 2024.	N/A	N/A

Table 14: Programme 3: Linking Performance with Budget

Programme /Activity/ Objective	2022/23			2023/24		
	Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Actual Expenditure	(Over) / Under Expenditure
Performance Indicator	R'000	R'000	R'000	R'000	R'000	R'000
3.1 Number of district-based Built Environment career development initiatives conducted in provinces for school learners.	423	186	237	2 199	354	1 845
3.2 Number of skills development frameworks developed.	2	24	(22)	67	960	(893)
3.3 Number of Built Environment candidates supported in the identified candidacy programmes.	-	-	-	670	0	670
3.4 Number of analysis reports on the progress of registered Built Environment candidates developed.	-	-	-			

3.4 Programme 4: Research and Knowledge Management

The CBE Act mandates the CBE to advise Government on any matter that falls within the scope of the Built Environment, as well as to create platforms for such engagements. The CBE and CBEP have a role to play in proactively identifying, investigating, and explaining trends and changes that are likely to have an impact on the Built Environment Professions and Professionals. Working with the six CBEP, the CBE will secure Built Environment experts as needed to help policy and decision-makers to propose, develop, and implement appropriate policies, procedures, and processes for long-term solutions that will improve public safety, reliability, and the value of public infrastructure. This information will be communicated to the regulators on an ongoing basis to input on their own decision-making and direction setting.

The objective of Programme 4 is to coordinate research outputs, provide advice and facilitate knowledge management on Built Environment matters, including the professions. Programme 4 responds to section 3(d) of the CBE Act to facilitate participation by the built environment professions in integrated development in the context of national goals. Programme 4 contributes following mandates of the CBE Act:

- i. *Sections 4(a), (d), and (e) of the CBE Act impel the CBE to offer advice to the Minister of Public Works (the Minister) on BE matters, whilst the dynamic and changing BE sector requires regulatory intelligence to fine-tune Government's planning and infrastructure investment*
- ii. *Section 4(e): facilitate inter-ministerial co-operation concerning issues relating to the built environment*
- iii. *Section 4(f): provide advice and consultation on national policy that could impact on the built environment, human resource development in relation to the built environment professions, and the recognition of new professions*

For the 2023/24 APP, Programme 4 had two annual targets, both of which were achieved.

3.4.1 *One research report on the state of Built Environment professions produced by 31 March 2024. – Achieved*

This project is part of CBE's strategic priority to reposition itself as a thought leader in the Built Environment through the coordination of research outputs, provision of advice and facilitation of knowledge management on BE matters.

The annual target was over-achieved. Two research reports were produced:

A. The state of the Built Environment Professions

This research focused on the following areas:

- i. Factors affecting the registration of candidates, graduates, and non-registered:** The key finding was that they do not fully understand the professional registration requirements
- ii. Impediments of attaining professional registration of women and persons with disabilities in the Built Environment:**
 - a) Women** encounter multiple impediments on their journey towards professional registration which include gender discrimination, microaggressions, limited placements for experiential training, lack of career development opportunities, lack of funding for academic studies and meagre stipends for WIL placements, limited access to formal and structured mentorship, role models, poor health and safety on construction sites.
 - b) Persons with disabilities** encounter multiple structural barriers on their journey to professional registration which include work-life conflict, lack of experiential learning opportunities that accommodate persons with disabilities, inaccessible physical structures, lack of assistive technology and lack of opportunities for career development and progression.
- iii. Challenges facing women-owned professional consulting firms in the Built Environment sector:** Women business owners in the Built Environment sector encounter multiple challenges though with different intensities. The leading challenges are the lack of access to start-up capital, difficulty in sourcing clients, lack of cashflow, limited access to business management training, high incidence of sexual harassment, poor health and safety practices on construction sites and limited access to business mentorship and networks.
- iv. Comparative analysis of mentorship programmes in various industries:** Multiple factors contribute to the success of mentorship programmes in the accountancy and actuarial professions such as the dedication and commitment of mentees, servant leadership of mentors and financial and human resources provided by the professional bodies. On the other hand, the effectiveness, and success of the mentorship programme in the health profession is hindered by human and financial resource constraints.
- v. Skills Analysis of Leadership, Executive Management, and Committees of the Councils for the Built Environment Professions:**
 - Respondents occupying leadership positions in the CBEP have over 19 years of practicing Built Environment work. A significantly small proportion of the respondents occupying leadership positions have 6 – 9 years of practice in the Built Environment.
 - Respondents falling under other occupations (non-Built Environment) are registered as professionals.

B. Promotion of Technical and Vocational Education and Training (TVET) occupation programmes (CETA support)

The aim of this study was to:

- i. understand the current demand and supply of occupationally directed programmes at TVET colleges
- ii. outline the role of the CETA in addressing the demand of occupationally directed programmes
- iii. identify the capacity of lecturers of construction-related qualifications and the required intervention by CETA
- iv. identify interventions required for TVET colleges to be key providers of skills required for socio-economic development
- v. identify the required intervention to expand the college system with a focus on improving quality

3.4.2 Four advisory notes on issues affecting the Built Environment developed by 31 March 2024. – **Achieved**

This project is aligned with the CBE's strategic objective of coordinating research outputs, providing advice, and facilitating knowledge management on Built Environment matters, including the professions. The project objective was to develop and submit four advisory reports to relevant stakeholders by 31 March 2024. These are advisory notes on matters emanating from the work of the TCFs.

The annual target was achieved. Four advisory notes on matters emanating from the TCFs were developed by 31 March 2024 as follows:

- i. Resuscitation of DPWI Women Empowerment Advisory Committee (WEAC) and its impact on the Built Environment
- ii. Review of Council for the Built Environment Act 43 of 2000 since the establishment of the organisation
- iii. Development of the Built Environment education and training standards
- iv. Governance Framework for the Councils for the Built Environment Professions the brief looks at (shortfalls and recommendations)

Table 15: Programme 4: Objective/Purpose, Planned Targets and Actual Achievements

PROGRAMME 4: RESEARCH AND KNOWLEDGE MANAGEMENT						
Objective/Purpose	Audited Overall Performance 2021/22	Audited Overall Performance 2022/23	Planned Annual Targets 2023/24	Overall Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement for 2023/24	Reasons for Deviations
To coordinate research outputs, provide advice and facilitate knowledge on built environment matters, including the professions.	Three	Four	Two	Two	The annual target was over-achieved: Two research reports were developed.	Programme 4.1 over-achieved by one research report, developed through collaboration with other BE entities for an integrated approach in producing a report on the State of the Built Environment.

Table 16: Programme 4: Outcome, Outputs, Output Indicators, Targets and Actual Achievements

PROGRAMME: RESEARCH AND KNOWLEDGE MANAGEMENT								
Outcome	Output	Output Indicator	Audited Performance 2021/22	Audited Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement for 2023/24	Reasons for Deviations
Informed decision making that impacts the current and future operational requirements of the industry.	One research report on the state of the Built Environment professions developed.	4.1 Number of research reports on issues impacting transformation in the Built Environment professions.	Achieved Four research discussion papers were developed in line with the CBE Research Agenda by 31 March 2022.	Achieved One research report on the assessment of BE Candidacy Programmes within public sector institutions produced by 31 March 2023.	One research report on the state of the Built Environment professions developed by 31 March 2024.	Achieved Two research reports were developed. One research report on the state of Built Environment professions produced by 31 March 2024. One research report on promotion of TVET occupation programme (CETA Support) by 31 March 2024.	There is a positive variance of one research report.	Fostered collaboration with other BE entities for an integrated approach in developing the report on the State of the Built Environment.
				Achieved One research report analysing the implementation of legislation and policies impacting the Built Environment produced by 31 March 2023.				

PROGRAMME: RESEARCH AND KNOWLEDGE MANAGEMENT								
Outcome	Output	Output Indicator	Audited Performance 2021/22	Audited Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement for 2023/24	Reasons for Deviations
	Two advisory briefs developed and submitted to relevant stakeholders.	4.2 Number of advisory notes developed.	Achieved Two advisory reports were developed and submitted to relevant stakeholders: 1. Advisory Report on the Role of Built Environment Professions in the Effective Implementation of the FIDPM. 2. Advisory Report on the Built Environment Skills Requirements to Support the Implementation of the DDM.	Achieved Two advisory briefs developed and submitted to relevant stakeholders by 31 March 2023. 1. Advisory brief on the assessment of candidacy of programmes implemented within the public sector. 2. Advisory brief on preferential frameworks to drive transformation in the Built Environment.	Four advisory notes on issues affecting the Built Environment developed by 31 March 2024.	Achieved Four advisory notes on issues affecting the Built Environment developed by 31 March 2024. 1. Resuscitation of the Public Works and Infrastructure – Women Empowerment Advisory Committee (WEAC) and its impact on the Built Environment. 2. Review of Council for the Built Environment Act 43 of 2000 since the establishment of the organisation. 3. Development of the Built Environment education and training standards. 4. Governance Framework for the Councils for the Built Environment Professions (the brief looks at shortfalls emanating from governance assessment processes and provide recommendations in addressing those shortfalls).	N/A	N/A

Table 17 Programme 4: Linking Performance with Budget

Programme /Activity/ Objective	2022/23			2023/24		
	Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Actual Expenditure	(Over) / Under Expenditure
Performance Indicator	R'000	R'000	R'000	R'000	R'000	R'000
4.1 Number of research reports on issues impacting transformation in the BE Professions.	512	270	242	1 000	164	836
4.2 Number of advisory notes developed.	2	16	(14)	51	23	28

3.5 Programme 5: Public Protection, Policy and Legislation

This Programme is responding to sections 3, 4, 20 and 21 of the CBE Act.

Programme 5 contributes to Priority 6: A capable, ethical and developmental State. The CBE is empowered by the following areas of its mandate:

Section 4(a): advise government on any matter falling within the scope of the Built Environment, including resource utilisation, socio economic development, public health and safety and the environment, and for this purpose carry out such investigations as it or the relevant Minister deems necessary;

Section 3(a): promote and protect the interest of the public in the built environment;

Section 3(b): promote and maintain a sustainable built environment and natural environment; promote appropriate standards of health, safety, and environmental protection within the built environment;

Section 3(i): ensure the uniform application of norms and guidelines set by the councils for the professions throughout the built environment;

For the 2023/24 APP, Programme 5 had three quarterly targets. All three annual targets were achieved. The targets performed as follows:

3.5.1 One report on the root causes of accidents within the Built Environment sector developed by 31 March 2024. – **Achieved**

The annual target was achieved. One report on the root causes of accidents within the Built Environment sector was developed by 31 March 2024. The report identified the following root causes of accidents over the period of 10 years (2014 – 2023):

- i. 'Struck-by' accidents, which occur when there is forceable contact with either an object or a piece of equipment, were the primary cause of accidents on site resulting in 132 accidents over a period of ten years.
- ii. The second most prevalent root cause was motor vehicle accidents, resulting in 299 more fatalities.
- iii. 'Falls from different levels' ranked as the third most frequent cause of fatal accidents resulting in 114 accidents.
- iv. Poor compliance with legislation- The construction industry has less than 50% compliance with legislation and regulatory frameworks.

The analysis highlights the need to promote and protect the interests of the public by maintaining appropriate standards for health, safety, and the environment within the South African construction industry.

*3.5.2 Hundred percent of lodged appeals finalised within the statutory 60 days from the date of lodgement by 31 March 2024. – **Achieved***

This programme addresses the CBE's mandate to act as an appeal body on matters referred to it in terms of the law regulating the Built Environment Professions. It also gives effect to the CBE's mandate to promote and protect the interest of the public in the Built Environment. Appeals lodged with the CBE must be decided within 60 days of lodgement.

During the year under review, two appeals were lodged. One was finalized within the financial year, while the second is due for decision during the first quarter of the new financial year i.e. 2024/25. The details for the finalized appeal are as follows:

APPELLANT VERSUS THE ENGINEERING COUNCIL OF SOUTH AFRICA (ECSA)

Date of lodgement:	4 May 2023
Date of 60-day lapse:	3 July 2023
Date of appeal hearing:	23 June 2023
Date of decision:	3 July 2023

REASON FOR LODGEMENT

The appeal was lodged for ECSA's failure to approve the appellant's application for professional registration as a Professional Engineering Technologist without providing adequate reasons, hence making it difficult if not impossible to understand where one is lacking. As part of the relief sought, the appellant requested the CBE Appeal Committee to overturn the decision of the respondent and subsequently approve his registration as a Professional Engineering Technologist.

APPEAL COMMITTEE AND COST

Designation	Qualification	Cost
Chairperson	Admitted Attorney	R 40 200.00
Generalist	Professional Quantity Surveyor	R 30 000.00
Specialist	Professional Engineering Technologist	R 21 000.00
Total		R 91 200.00

OUTCOME OF THE APPEAL

- i. The Appeal Committee dismissed the appeal on the basis that the appellant failed to demonstrate competencies as provided in ECSA's competency standard and registration policy.
- ii. The Appeal Committee concluded that the respondent provided reasons; perhaps it was whether the appellant understood them. The Appeal Committee further raised that failure to attend the advisory interview as proposed in the outcome letter from the respondent was a missed opportunity; clarity would have been provided during this interview.
- iii. The Appeal Committee emphasized that the appellant cannot be registered as a Professional Engineering Technologist simply because the reasons provided were not satisfactory to him. It was the Appeal Committee's view that professional registration can only be awarded once an applicant demonstrated competencies as a professional. Therefore, professional registration cannot be awarded based on non-compliance with the respondent's procedure. Hence the Appeal Committee ordered that:
 ordered that:
 - condonation for late filing of the documents is granted
 - the Appeal is dismissed
 - each party pays its costs

*3.5.3 Hundred percent of complaints received from the public finalised within 90 days from the date of lodgement by 31 March 2024. – **Achieved***

The CBE is empowered to promote and protect the interests of the public in the Built Environment and to investigate or initiate investigations into matters pertaining to its functions with regard to the Built Environment and, if necessary, recommend legislation in this regard.

This empowers the CBE to receive and address complaints from the public as part of its broader public protection function in the Built Environment. The CBE has developed a Complaints Procedure Manual to address all complaints lodged.

The annual target was achieved. Hundred percent of complaints received from the public were finalised within 90 days from their date of lodgement. Eleven complaints were lodged during the year under review- eight of these were finalised, two were withdrawn and one is due for finalisation in Quarter 1 of the 2024/25 financial year:

Details of the complaint in progress:

The complaint, related to contract matters on a property leased by the South African Council for the Property Valuers Profession (SACPVP) and other governance matters, was lodged on 7 February 2024 by a representative of Tshwane Chambers of Business Industries (TCBI) against SACPVP. Finalisation of the complaint in terms of the Complaints Procedural Manual is on or before 7 May 2024 which falls within Quarter 1 of 2024/25 financial year.

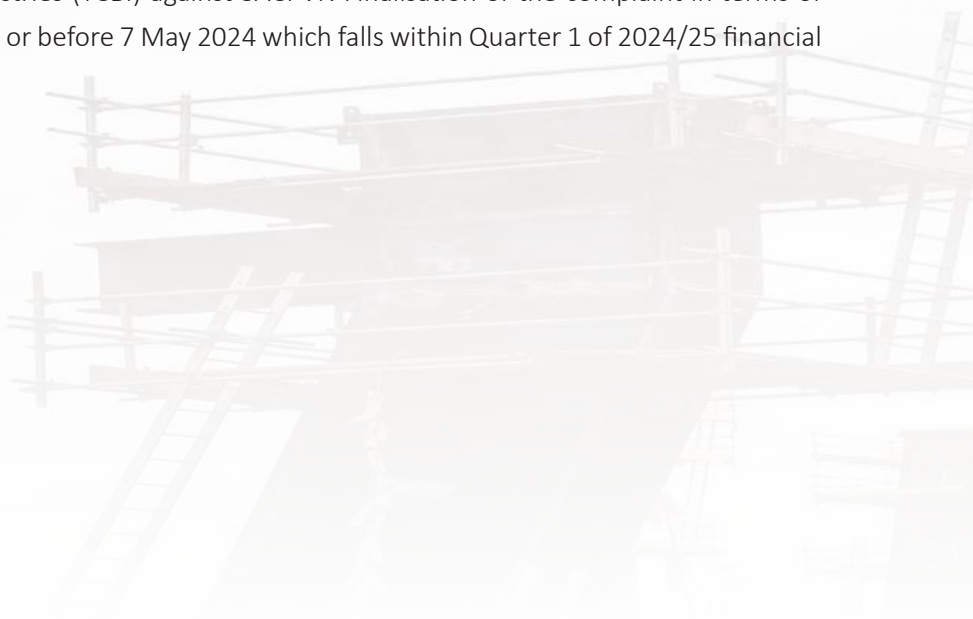


Table 18: Finalised Complaints

No	Respondent	Reason	Date of Lodgement	Date of Finalization	Outcome
1	SACQSP	Professional Skills Module (PSM) outstanding results	21 April 2023	19 July 2023	The PMS results were issued to the complainant, and it was arranged for the complainant to review the requested scripts.
2	SACPCMP	Staff Grievances	2 May 2023	28 July 2023	Governance assessment to ensure that CBEP have policies and processes in place.
3	SACPCMP	Non-approval of logbook for professional registration	29 May 2023	21 April 2023	Complainant's assessment finalized.
4	DPWI	Non-registered Occupation Health and Safety (OHS) managers appointed	13 June 2023	31 August 2023	Respondent agreed to embark on a process to register OHS Managers.
5	KwaZulu-Natal Department of Public Works	Exclusion of some engineering disciplines from the Occupation Specific Dispensation (OSD)	12 July 2023	10 October 2023	The matter is currently under review at the Labour Court. Once finalized, the CBE will revisit the matter if necessary.
6	KwaZulu-Natal Department of Public Works	Exclusion of some engineering disciplines from the Occupation Specific Dispensation (OSD)	13 July 2023	11 October 2023	The matter is currently under review at the Labour Court. Once finalized, the CBE will revisit the matter if necessary.
7	Msunduzi Municipality	Tariff increase	18 July 2023	-	The matter was withdrawn as it was prematurely reported to the CBE.
8	JB Marks Municipality	Identification of Work (SACAP)	23 November 2023	-	The matter was withdrawn on 29 January 2024 by the complainant after confirmation that SACAP had engaged the municipality who committed to address all identified issues.
9	SACPCMP	Request for registration outcome	15 February 2024	21 February 2024	Outcome letter issued to the complainant.
10	SACQSP	Request for examination script and Memo for PSM Module1	20 February 2024	26 February 2024	- Complainant allowed to review the script. - Complainant provided with assistance to address challenges with PSM Module 1.

Table 19: Programme 5: Objectives/Purpose, Planned Targets and Actual Achievements

PROGRAMME 5: PUBLIC PROTECTION, POLICY AND LEGISLATION						
Objectives/Purpose	Audited Overall Performance 2021/22	Audited Overall Performance 2022/23	Planned Annual Targets 2023/24	Overall Achievement 2023/24	Deviation from Planned Target to Actual Achievement for 2023/24	Comment on Deviations
Ensuring that the CBE protects members of the public in the Built Environment.	Three	Three	Three	Three	All targets were achieved	N/A

Table 20: Programme 5: Outcome, Outputs, Output Indicators, Targets and Actual Achievements

PROGRAMME: PUBLIC PROTECTION, POLICY AND LEGISLATION								
Outcome	Output	Output Indicator	Audited Performance 2021/22	Audited Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement for 2023/24	Reasons for Deviations
Promote and protect public interest in the Built Environment.	Providing advice and recommendations related to Built Environment related legislation to DPWI.	5.1 Number of compliance reports on relevant BE legislation and policies.	Achieved Hundred percent of the Built Environment legislative updates action plan implemented.	Achieved One report on the state of compliance with Construction Health and Safety within the Built Environment sector produced by 31 March 2023.	One report on the root causes of accidents within the Built Environment sector produced by 31 March 2024.	Achieved One report on the root causes of accidents within the Built Environment sector produced by 31 March 2024.	N/A	N/A

PROGRAMME: PUBLIC PROTECTION, POLICY AND LEGISLATION							
Outcome	Output	Output Indicator	Audited Performance 2021/22	Audited Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement for 2023/24
	Finalise lodged appeals within 60 days.	5.2 Percentage of lodged appeals finalised within the statutory 60 days from the date of lodgement.	Achieved A total of six appeals were lodged during the financial year, all of which were due for decision. All six appeals were decided within the statutory period of 60 days.	Achieved Hundred percent of lodged appeals finalised within the statutory 60 days from the date of lodgement by 31 March 2023.	Hundred percent of lodged appeals finalised within the statutory 60 days from the date of lodgement by 31 March 2024.	100% Achieved Two appeals were lodged during the year under review, one appeal was finalised during the year under review, the second appeal is due for finalisation in quarter 1 of 2024/25 FY.	N/A
	Finalise public complaints within 90 days.	5.3 Percentage of received complaints from the public finalised.	N/A	Achieved Hundred percent of complaints received from the public finalised by 31 March 2023	Hundred percent of complaints received from the public finalised within 90 days from the date of lodgement by 31 March 2024.	100% Achieved A total of eleven complaints were lodged during the year under review, eight were finalised, two were withdrawn and one is due for finalisation in quarter 1 of 2024/25 FY.	N/A
							N/A

Table 21: Programme 5: Linking Performance with Budget

	2022/23			2023/24		
	Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Actual Expenditure	(Over) / Under Expenditure
Performance Indicator	R'000	R'000	R'000	R'000	R'000	R'000
5.1 Number of compliance reports on relevant BE legislation and policies.	235	411	(176)	30	6 237	(6 207)
5.2 Percentage of lodged appeals finalised within the statutory 60 days from the date of lodgement.	567	597	(30)	1 766	158	1 608
5.3 Percentage of complaints received from the public finalised.	27	-	27	100	34	66

4. REVENUE COLLECTION

The CBE receives its funding from National Treasury via DPWI for its operations. During the reporting period, the CBE met its administrative obligations with the allocated amount of R63 308 million. The CBE's baseline budget allocation covers operational costs and core business projects- which entails the cost of employment, occupational costs (office rental), audit fees, travel and accommodation and consulting fees as the main cost drivers. The CBE received levy income from the CBEP which amounted to R1 960 million for the financial year.

The table below indicates the sources of revenue:

Table 22: Sources of Revenue

	2022/23			2023/24		
Source of revenue	Estimate	Actual Amount Collected	(Over) / Under Collection	Estimate	Actual Amount Collected	(Over) / Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Government grant from DPWI	54 495	54 495	-	54 704	54 704	-
Levies	2 405	2 102	303	2 512	1 960	552
Interest	469	492	(23)	946	607	339
Other operating income	431	414	17	569	6 037	(5 468)
Total	57 800	57 503	297	58 731	63 308	(4 577)

Reasons for the (Over) / Under Collection

4.1 Government Grant from DPWI

The grant income from DPWI was received as budgeted.

4.2 Levies Received

Less than budgeted levies were received from ECSA, due to fewer membership fees collected.

4.3 Interest Income

The CBE is optimising its revenue. The interest received was due to the receipt of the grant in four tranches instead of two, which resulted in less cash surpluses available for investing.

4.4 Other Operating Income

The major contributors to the amount over collected were from:

- a. proceeds from insurance claims for assets replaced
- b. accrued income for a claim finalised from the employment benefit service provider
- c. CBE received funding as a result of partnership agreements with the DPWI for the Built Environment Climate Change Indaba and with CETA for the Built Environment Recognition Awards and TVET growth research

4.5 Programme Expenditure

Table 23: Expenditure per Programme

	2022/23			2023/24		
Programme	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
Programme 1: Administration	55 061	54 964	97	54 851	59 655	(4 804)
Programme 2: Empowerment and Economic Development	935	872	63	1 638	917	721
Programme 3: Professional Skills and Capacity Development	453	321	132	2 022	1 314	708
Programme 4: Research and Knowledge Management	522	286	236	626	188	438
Programme 5: Public Protection, Policy and Legislation	829	1 008	(179)	6 642	6 498	144
Total	57 800	57 451	349	65 779	68 572	(2 793)
Assets (additions)		6 079	(6 079)		1 735	(1 735)
Total including assets (additions)	57 800	63 530	(5 730)	65 779	70 307	(4 528)

Reasons for (Over) / Under Expenditure

4.5.1 Administration

The shortfall is attributable to:

- a. A budget was allocated for the CBE's 20-year strategic review; however, there was no suitable service provider identified to undertake the project
- b. Prior year committed funds, utilised for the revenue enhancement strategy, organisational redesign, and computer expenses (i.e., Microsoft 365, Kaspersky and the Integrated Electronic Built Environment System) resulted in actual expenditure exceeding budgeted expenditure. The difference was offset against the underspending indicated above

4.5.2 Empowerment and Economic Development

The surplus is attributed to a multi-year contract which is set to end after year-end.

4.5.3 Professional Skills and Capacity Development

Fewer trips were undertaken than initially planned.

4.5.4 Research and Knowledge Management

No suitable service provider was identified for a planned research project.

4.5.5 Public Protection, Policy and Legislation

There was a shortfall due to appeal committee fees. Due to the unpredictable nature of appeals, the number of appeals cannot be accurately determined at the beginning of the year.

The next table indicates that there were no infrastructure projects during the 2022/23 reporting period and the prior 2021/22 financial year:

Table 24: Infrastructure Projects

	2022/23			2023/24		
Infrastructure Projects	Budget	Actual Expenditure	(Over) / Under Expenditure	Budget	Actual Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
None	None	None	None	None	None	None

There were no major maintenance projects undertaken or backlogs experienced during the period under review.

5. CAPITAL INVESTMENT

The CBE did not have any infrastructure projects during 2023/24 and prior years.



2

YEARS OF CBE

"Past, present, and future mirror"

PART C

GOVERNANCE

20

YEARS OF CBE

"Past, present, and future mirror"

1. INTRODUCTION

Corporate Governance is essentially about effective leadership, the ethics of responsibility, accountability, fairness and transparency. In the context of the CBE, it entails:

- a. creating an appropriate, ongoing and dynamic monitoring system of checks and balances
- b. implementing a system to ensure the CBE complies with its legal and regulatory obligations
- c. implementing a process to identify and manage risks that threaten the sustainability of the CBE's mandate
- d. developing practices that make and keep the CBE accountable to its stakeholders

The CBE takes its governance responsibility from applicable legislation, the principles of the King IV Report in Corporate Governance for South Africa (King IV™) and best practice.

According to this Report, Corporate Governance is about the exercise of ethical and effective leadership by the CBE Council (Council). Such leadership includes the following responsibilities for the Council:

- a. providing strategic direction to the CBE
- b. approving policy to put strategy into effect
- c. providing informed oversight of implementation and performance
- d. disclosing (Reporting)

The pursuance of ethical and effective leadership should result in the following beneficial outcomes for the CBE:

- a. an ethical culture
- b. sustainable performance and value-creation
- c. adequate and effective control by the Council
- d. protecting and building trust in the CBE as an organisation, its reputation and legitimacy

2. PORTFOLIO COMMITTEE

The Public Works and Infrastructure Parliamentary Portfolio Committee (PPC) of the National Assembly exercises oversight over the work of the CBE as an entity of DPWI. During the 2023/24 financial year, the CBE presented the following to the PPC:

- i. The CBE's 2022/23 Annual Report
- ii. The CBE's 2023/24 Annual Performance Plan

3. EXECUTIVE AUTHORITY

The Minister of Public Works and Infrastructure (the Minister) is the Executive Authority of the CBE. The table below lists the reports submitted to the Executive Authority during the 2023/24 financial year.

Table 25: Reports submitted to the Minister of Public Works and Infrastructure

Report	Date
Fourth Quarterly Report 2022/23	April 2023
First Quarterly Report 2023/24	July 2023
Annual Report 2022/23	August 2023
Second Quarterly Report 2023/24	October 2023
Third Quarterly Report 2023/24	January 2024
Annual Performance Plan 2024/25	January 2024
Strategic Plan 2025-2029	January 2024

4. ACCOUNTING AUTHORITY

The CBE Council is the Accounting Authority of the CBE. The Minister of Public Works and Infrastructure (the Minister) appoints the CBE Council upon the approval from Cabinet in terms of section 6 of the Council for the Built Environment Act (No. 43 of 2000) (the CBE Act). Council, as the CBE's governing body, determines the organisation's strategic direction, approves policies to support its mandate and exercises oversight over the execution of the CBE's mandate and Annual Performance Plan (APP) deliverables.

The Sixth Term Council, appointed from 1 December 2022 to 30 November 2026, was inaugurated on 24 January 2023. The Minister subsequently appointed seven members on 7 September 2023 to fill the existing vacancies.

4.1 Council Charter

The Council operates in terms of an adopted Charter. The Charter was reviewed during the financial year to comply with the requirements of the King IV™.

The Charter confirms, inter alia, the Council's duty to:

- i. provide strategic direction based on the CBE's mandate
- ii. approve business plans, annual reports and annual financial statements
- iii. ensure that the CBE maintains a programme to effectively communicate with its stakeholders, employees and the public
- iv. be responsible for the governance of risk

The Sixth Term Council is reviewing the Delegation of Authority Framework in conjunction with the CBE's revised Supply Chain Management (SCM) Policy.

Sections 12 and 13 of the CBE Act make provision for the following statutory committees on Council:

- i. Executive Committee (EXCO)
- ii. Audit and Risk Committee (ARC)
- iii. Appeals Committee (AC)

In addition, the Council appointed the following committees, in terms of sections 14 and 16 of the CBE Act, to assist with its oversight function as the governing body:

- i. Shared Services Committee (SSC)
- ii. Built Environment Transformation Committee (BETC)

The Council receives quarterly reports from its statutory and established committees.

4.2 Role of the Council

The role and responsibilities of the Council are to-

- (1) Act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the councils for the professions, DPWI, the Ministry of Public Works and Infrastructure and other stakeholders of the organisation along sound corporate governance principles.
- (2) Appreciate that strategy, risk, performance and sustainability are inseparable and to give effect to this by:
 - a. contributing to and approving the strategy
 - b. satisfying itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management

- c. identifying key performance and risk areas
 - d. ensuring that the strategy will result in sustainable outcomes
 - e. considering sustainability as a business opportunity, that guides strategy formulation
- (3) Provide effective leadership for an ethical foundation.
 - (4) Ensure that the organisation is and is seen to be a responsible corporate citizen by having regard to not only its financial aspects, but also its impact on the environment and society within which it operates.
 - (5) Ensure that the organisation's ethics are managed effectively.
 - (6) Ensure that the organisation has an effective and independent Audit and Risk Committee.
 - (7) Be responsible for the governance of risk.
 - (8) Be responsible for Information Technology (IT) governance.
 - (9) Ensure that the organisation complies with applicable laws and considers adherence to non-binding rules and standards.
 - (10) Ensure that there is an effective risk-based internal audit function.
 - (11) Appreciate that stakeholder perceptions affect the organisation's reputation.
 - (12) Ensure the integrity of the organisation's quarterly and annual reports.
 - (13) Act in the best interests of the organisation by ensuring that members:
 - a. adhere to legal standards of conduct
 - b. are permitted to take independent advice in connection with their duties following an agreed procedure
 - c. disclose real or perceived conflicts to the Council and deal with them accordingly
 - close real or perceived conflicts to the Council and deal with them accordingly
 - (14) Appoint and evaluate the performance of the Chief Executive Officer (CEO) and the Company Secretary.

The Council should take all reasonable steps to fulfill its role as set out above.

4.3 Composition of the Council [sections 5(1) and (2) of the CBE Act]

The Act prescribes the composition of the Council. The Council comprises 20 members consisting of –

- a) *One representative from the department;*
- b) *Not more than three persons nominated by state departments within whose functional areas the professions are also practiced; taking due cognisance of provincial participation;*
- c) *Two representatives nominated by each council for the professions; and*
- d) *Not more than four persons nominated by the public through an open process of public participation*

The Minister considered and appointed six additional members to the Sixth Term Council in terms of section 5(3) of the CBE Act from the following professional bodies:

- i. Environmental Assessment Practitioners Association of South Africa (EAPASA)
- ii. South African Council for Planners (SACPLAN)
- iii. South African Geomatics Council (SAGC)

(3) (a) If a profession which is involved and active in the built environment establishes a council in terms of legislation similar to the professions' Acts, that council may make a request to the Minister to be represented on the council.

(b) On receipt of a request contemplated in paragraph (a), the Minister may appoint representatives to the council in accordance with this section for the remainder of the term of office of the council.

4.4 The Council's Term of Office

The CBE Act prescribes the Council's nomination and appointment process. The Minister appoints the Chairperson, Deputy-Chairperson and members of the Council for a period of four years. A Committee Secretary supports the Council and its Committees on governance matters. The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Shared Services Officer (CSSO), and Chief Transformation Officer (CTO) attend meetings of the relevant Council Committees. The CEO and CBE staff are responsible for operational matters.

Sixth Term Council

Cabinet approved the appointment of the Sixth Term Council on 30 November 2022, effective from 1 December 2022 to 30 November 2026.

The Minister determined the date of the Sixth Term Council's first meeting (as required by the CBE Act) for 24 and 25 January 2023, to include their inauguration and onboarding.

On 7 September 2023, the Minister made appointments to fill the following representations on Council:

i. Department of Public Works and Infrastructure (DPWI)	1
ii. South African Council for the Architectural Profession (SACAP)	1
iii. South African Council for the Project and Construction Management Professions (SACPCMP)	2
iv. South African Council for the Quantity Surveying Profession (SACQSP)	2
v. Public	1

4.5 Shareholder Compact between the Accounting Authority and Executive Authority

The Accounting Authority (CBE Council) and the Minister (Executive Authority) promote good governance and engagement between themselves through an annual Shareholder Compact.

4.6 Challenges

The following challenges confronted the CBE during the financial year:

- There were seven vacancies on Council. Three were resignations, while the four for SACPCMP and SACQSP representatives persisted until their individual Councils were appointed.
- Governance challenges in most CBEP, especially the Engineering Council of South Africa (ECSA) and SACQSP.
- Sustainability of the smaller CBEP viz. SACLAP.
- Budgetary cuts to the CBE's grant on a year-to-year basis.

4.7 Council Meetings

Date	Scheduled	Special	Workshop/ Training	Purpose
31 May 2023				Quarterly Meeting
7 September 2023				Quarterly Meeting
8 September 2023				Strategic Planning Workshop
17 November 2023				Induction of New Council Members
24 November 2023				NSG Community of Practice
11 December 2023				Quarterly Meeting
25 January 2024				Strategic Planning and Risk Workshop
26 January 2024				Strategic Planning and Risk Workshop
26 January 2024				Special Meeting
15 February 2024				Special Meeting
14 March 2024				Quarterly Meeting
25 March 2023				NSG Community of Practice

*NSG National School of Government

Annual Report for 2023/24 Financial Year

COUNCIL FOR THE BUILT ENVIRONMENT

Matters Approved by Council	Q1	Q2	Q3	Q4
2022/2023 Audited Annual Report and Financial Statements for statutory submissions				
2023/2024 Mid-Term Budget Review				
2024/2025 Annual Performance Plan for statutory submission				
2024/2025 Budget Allocation				
Appointment of Appeal Committee				
2023 Cost of Living Increase				
CBE Micro Organisational Structure and Phased Implementation				
2022/2024 Quarterly Expenditure Report				
2023/2024 Quarterly Expenditure Reports				
2022/2024 Procurement Report and Procurement Plan				
2023/2024 Procurement Report and Procurement Plan				
Elect Newly Appointed Council members to serve on the Sixth Term Council Committees				

Matters Considered by Council	Q1	Q2	Q3	Q4
External Audit Management Letter and Audit Report for the year ending 31 March 2023				
Chairpersons report of EXCO, ARC*, FHLC**, BEMC*** and Presidents Forum				
CEO's Report				
Compliance Report				
Strategic Risk Register				
Appeal Ruling Reports				

*ARC *Audit and Risk Committee*

**FHLC *Finance, Human Resources and Legal Committee*

***BEMC *Built Environment Matters Committee*

4.8 Sixth Term Council

Table 26: Sixth Term Council (2022-2026)

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No of Meetings Attended
Holovisa Amelia Mtshali (Chairperson)	Section 5(2)(c) Nominated by ECSA	1 December 2022	-	National Diploma Electrical Engineering; B-Tech Electrical Engineering (Cum Laude)	Directs engineering and technology for the Design Base and Outage process; Leads the specific Centre of Excellence in delivering exceptional engineering services (including designs, applications and technical support to the Operating Units). Provides specialist strategic advice, solutions and support on the Customer Contact Centre processes, tools and technologies Develop Technical Governance Framework	ECSA Council Member	CBE: Council Chair EXCO Chair	15

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No of Meetings Attended
Ditaba Lucy Maraka (Deputy Chairperson)	Section 5(2) (d) Public nominee	1 December 2022	-	BA Art; BA Education; BA Hon; Psychometrist; Masters Diploma in HRM; Ethics Officer	Registered Psychometrist; Certified Ethics Officer; Coaching and Mentorship Facilitator Human Resources (HR) and Organizational Development (OD) consultant; Compilation of Workplace Skills Plans and Employment Equity	Associate HR Auditor; Chartered HP Professional (CHRP); Ethics Officer-The Ethics Institute (TEI); University of Stellenbosch Business School (USB-ED); Business executive, specializing in HR / Training / Psychometrist / HR Audits / Career Development.	CBE: Council Deputy Chair EXCO Alternate Member SSC Member	15

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No of Meetings Attended
Douglas Munro Affleck	Section 5(2)(c) Nominated by SACPCMP	7 September 2023	-	Registered Construction Health and Safety Manager	Compliance auditing and continual improvement of Integrated SHEQ Management Systems; Developing Base Line Risk Assessments and Site Specific Health and Safety Specifications during the design phase(s) for construction projects; Management of SHEQ on the multiple construction sites	SACPCMP Council member	CBE: Council Member SSC Member	8
Christopher Kobla Gavor	Section 5(2)(c) Nominated by SACPVP	1 December 2022	-	BTech (University of Science & Graduate Studies); BSc. (Hons) Land Economy (Kumasi-Ghana); MSc Urban & Regional Planning; MBA	Property Valuation		CBE: Council Member BETC Member	12

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No of Meetings Attended
Ngwako Edward Hutamo	Section 5(2)(c) Nominated by SACLAP	1 December 2022	-	BTech Horticulture; Nat Dipl Open Space and Recreation Management	-	SACLAP President	CBE: Council Member SSC Member	5
Adv Nomonde Nokhuthala January	Section 5(2)(d) Public nominee	7 September 2023	-	Attorney	Admitted conveyancer and Notary in 2007 and later removed when she was admitted as an Advocate Legal Advisor and head of Legal Services in various government departments for 18 years past 8 years Head of Legal Services at the Department of Science and Innovation advising the entities and Boards reporting to the Minister of Higher Education, Science and Innovation		CBE: Council Member SSC Member	5

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No of Meetings Attended
Molefi Kubuzie	Section 5(2)(c) Nominated by SACPPV	1 December 2022	-	MBA B. Tech Real Estate; N. Diploma Real Estate; B.A Education and Economics; B. Ed; Certificate in Commercial Property Practice; Property Development Programme Certificate in Auctioneering, Personal computing; Diploma in Project Management; Certificate in Training and Development; Certificate in Adjudication	Property Valuation and reviews; Public Infrastructure Procurement Policies Development; Development of International Valuation Standards; Public Infrastructure Procurement and Sourcing Management; Asset Management and Property Management of Public Infrastructure; Estate Agency and International Valuation Standards Training; Environmental and Conservation Management Coaching; Mentoring and Teaching Skills Development Facilitation		CBE: Council Member BETC Member	5

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No of Meetings Attended
Dr Deenadayalan Ruthensamy Letchmiah	Section 5(2)(c) Nominated by SACQSP	7 September 2023	-	Quantity Surveyor Construction Project Manager B.Sc. Honours (QS) – Univ. of Natal (1979) PhD (Construction Economics) – Wits (2013)	Services in project management, specialist consulting, facilities management, training and development, valuations and energy management		CBE: Council Member BETC Member	5
Salome Velma Mabilane	Section 5(2)(d) Public nominee	1 December 2022	-	Advanced Certificate in Municipal Management & Governance; BCompt Accounting; BTech in Cost and Management Accounting; National Diploma in Cost and Management Accounting	Auditing; Risk Management; Accountancy & Finance Business Management; Municipal Management & Governance; Performance Management; Human Resources Project Management		CBE: Council Member EXCO Member ARC Member	17

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No of Meetings Attended
Thembinkosi Cedric Madikane	Section 5(2)(c) Nominated by ECSA	1 December 2022	-	Post Grad Dip (Business Management); Dip in Project Mgt; BSc (Elec Eng); National Diploma (Elec Eng)	Energy Management, Power Engineering; Project Management	ECSA Deputy President	CBE: Council Member EXCO Member BETC Chair	17
Anele Emanuel Mahlawe	Section 5(2)(b) Nominated by DFFE	1 December 2022	-	MSc Eng (Civil); Graduate Diploma in Engineering (Civil); B Tech Eng. (Structures); N Dip (Civil Eng.)	Construction of heavy civil structures - water supply schemes, pump stations, dams, reservoirs, tippler vault, bridges, roads, wastewater treatment works, sports fields and building structures		CBE: Council Member BETC Member	10

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No of Meetings Attended
Seemole Angela Mahopo	Section 5(3)(a) SACPLAN	1 December 2022	-	Professional Town Planning; (Honours) degree in Urban and Regional Planning; Master's Degree in Town and Regional Planning; Bachelor of Law (LLB)	Spatial planning and land use management; Development planning; Local economic development; Property development, planning law and urban design	SACPLAN Council Member	CBE: Council Member BETC Member	10
Snowy Mercy Makhudu	Section 5(3) (a) SAGC	1 December 2022	-	National Higher Diploma in Meteorology; National Diploma in Meteorology; Certificate in Local Government and Development Management	Environmental impact assessment; Waste project management	Chairperson EAPASA	CBE: Council Member BETC Deputy Chair SSC Member	16
Thabang Mberbele	Section 5(2)(c) Nominated by SACPCMP	7 September 2023	-	Quantity Surveyor; Project Management	Quantity Surveying and Construction Management	SACPCMP Council member	CBE: Council Member SSC Member	5

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No of Meetings Attended
Modiehi Elisa Molebatsi	Section 5(3)(a) SAGC	1 December 2022	-	BSc. Land Surveying; Diploma in Financial Management; Diploma in Local Governance; Project Management; Bonds, Mergers and Acquisitions	Land Surveying; Land Claims; Land Reform Data Management; Land Management Business Development; Marketing and Sales Asset Registers; GRAP 17; Use of BAS in Government Institutions; Smart City Concept, Strategy and Plans Formulation; Project Management; Financial Management; Revenue Enhancement for Municipalities	SAGC Council Member	CBE: Council Member BETC Member SSC Member	14
Tshepo Albia Monakedi	Section 5(3)(a) SACPLAN	1 December 2022	-	Professional Town Planner	Town Planning	SACPLAN Council Member	CBE: Council Member SSC Chair	8

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No of Meetings Attended
Sinenhlanhla Thuleleni Mthembu	Section 5(2) (d) Public nominee	1 December 2022	-	LLB; Corporate Governance; SCM; Labour Law	Legal practice	Director Attorney; ARC Jozini Municipality; Chairperson KZN Liquor Authority; Member KZN Gaming and Betting Board; Chairperson Valuation Appeal Board KZN COGTA; Member Bid Appeals Tribunal KZN Prov Treasury; Commissioner Small Claims Court	CBE: Council Member SSC Deputy Chair	8

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No of Meetings Attended
Dr Khangwelo Desmond Musetsho	Section 5(3) (a) EAPASA	1 December 2022	-	PhD Environmental Management; Master of Business Leadership; Master of Environmental Management; Bachelor of Environmental Management; Certificate Programme in Law (NQF Level 5) Project Management	Environmental Science	EAPASA Deputy Chair	CBE: Council Member BETC Member	11
Ntsindiso Charles Nduku	Section 5(2)(c) Nominated by SACAP	7 September 2023	-	Architect	-	SACAP President	CBE: Council Member BETC Member	6

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No of Meetings Attended
Elizabeth Faith Nyaka	Section 5(2) (b) NSG	1 December 2022	-	Master of Education: Quality Assurance & Assessment; BEd: Education Management (Honours); Bachelor of Arts (Honours); Bachelor of Education	Planning, execution, and monitoring of new and existing functions and projects. Coordinating the Ministerial Task Team responsible for the development of a National Framework for the Implementation of Professionalisation of the Public Sector. Represented SAQA in international platforms dealing with the National Qualifications Frameworks		CBE: Council Member EXCO Member SSC Chair	14
Mandisa Princes Pepeta	Section 5(2) (c) SACAP	1 December 2022	-	National Diploma: Architectural Technology; Building Design and Engineering Approaches to Airborne Infection Control Course	Architecture	SACAP Council Member	CBE: Council Member BETC Member	14

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No of Meetings Attended
Arthur Quphe	Section 5(2) (c) SACQSP	7 September 2023	-	Quantity Surveyor Construction Management	-	SACQSP Council Member	CBE: Council Member SSC Member	4
Mandla Sithole	Section 5(2) (a) DPWI	7 September 2023	DPWI CFO				CBE: Council Member ARC Member	4
Tinyiko Laurel Palesa Shipalana	Section 5(2) (b) DPME	1 December 2022	-	Masters of Commerce; LLB; Honours in Economics; Bachelor of Social Sciences	Economic research, policy formulation, analysis and review; Economic data interpretation and analysis; Strategy development and execution; Fiscal policy and Public finance management; Policy coordination and M&E; Problem Diagnosis and Problem Solving		CBE: Council Member SSC Member	7
Craig Victor Silva	Section 5(3) (a) SAGC	1 December 2022	-	Nat Dip Surveying; BTech Surveying	Professional Engineering Surveyor		CBE: Council Member BETC Member	8

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No of Meetings Attended
Christiaan Johannes Steynberg	Section 5(2)(c) Nominated by SACLAP	1 December 2022	-	BL (Pret.) Urban design studies	Landscape Architecture		CBE: Council Member BETC Member	7

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No of Meetings Attended
Resignations								
Ashley Latchu	Section 5(2) (d) Public nominee	1 December 2022	22 July 2023	BSc IT Management; Honors Degree; MSc Degree; MCSE, MCSD, MCSA, MCDBA	Sitting on Boards, Steering Committees, Audit & Risk Committees, and Councils building my Leadership in aspects of governance and fiduciary duties	CIO – Human Sciences Research Council HSRC; Acting Group Executive: Shared Services (B&M Oversight); e-Tutor UNISA; Board Member – The Performing Arts Centre – Free State; Board Member – The National Arts Council – Gauteng;	CBE: Council Member ARC Member	10

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No of Meetings Attended
Vangile Nene	Section 5(2)(a) Nominated by DPWI	1 December 2022	28 February 2023	-	-	Board Member – Tertiary Education and Research Network of South Africa (TENET) – Western Cape; Board Member - William Humphreys Art Gallery (WHAG) – Kimberley; Risk Committee Member – HSRC; Audit & Risk Committee Member – PACOFS; Audit & Risk Committee Member – Eastern Cape Department of Transport – Mayibuye Transport Corp	-	-

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No of Meetings Attended
Dr Sitsabo Samuel Dlamini	Section 5(2)(c) Nominated by SACAP	1 December 2022	16 December 2022	PhD; MSc in International Construction Management; Architectural Technology	-	-	-	-

Sixth Term Committees of Council – Purpose and Composition

STATUTORY COMMITTEES					
Executive Committee (EXCO)		Audit and Risk Committee (ARC)			Appeal Committee
		ARC OPERATIONAL COMMITTEES			
		IT Steering Committee (ITSC)	Operational Risk Management Committee (ORMC)		
ESTABLISHED COMMITTEES OF COUNCIL					
Shared Services Committee (SSC)		Built Environment Transformation Committee (BETC)			
ESTABLISHED FORUMS					
Presidents Forum	Registrars Forum	Transformation Collaborative Forums (TCF)			
		Procurement, Policy, Legislation and Socio- Economic Development Forum (PPLSED)	Women Empowerment and Gender Equality Forum (WEGE)	Environmental Sustainability (ES)	Professional Skills and Capacity Development (PSCD)
					Health, Safety, Public Protection and Universal Access (HSPPUA)

Council appointed the following committees in terms of the provisions of the CBE Act and PFMA:

- Executive Committee (sections 12, 13 and 16 of the CBE Act)
- Audit and Risk Committee (section 77 of the PFMA)
- Appeal Committee (section 21(3) of the CBE Act)
- Shared Services Committee (section 14 of the CBE Act)
- Built Environment Transformation Committee (section 14 of the CBE Act)

Committees of Council operate in terms of a charter (ARC), terms of reference (EXCO, SSC and BETC) and a standard operating procedure.

Statutory Committee: Sixth Term Executive Committee

Established in terms of the CBE Act, the EXCO may hold meetings as and when necessary, but at least four times per year. The mandate of EXCO is to:

In terms of section 13 of the CBE Act, *the executive committee has the power to—*

- (a) *ensure that the resolutions of the council are carried out;*
- (b) *consider any matter delegated to it by the council in terms of any law, and to advise the council in connection therewith;*
- (c) *prepare estimates of revenue and expenditure of the council;*
- (d) *control the expenditure of moneys voted by the council in its approved estimates and all other moneys or funds made available by the council;*
- (e) *exercise or perform any power, duty or function delegated to it by the council under section 16; and*
- (f) *report at every ordinary meeting of the council on the activities of the committee.*
- (g) It is noted that (a) to (f) above are functions allocated to the EXCO by legislation. It must however be noted that the Council, as the Accounting Authority, is empowered to consider all relevant steps to ensure good governance and adequate financial control. The need for the Council not to involve itself in operational matters dictates that functions (c) and (d) are performed by the CBE administration, as per the Council's delegation of authority; however these are overseen by the Council, and supported by the Audit and Risk Committee (ARC).

In terms of section 16 of the CBE Act, the Council delegates the following additional powers, duties and functions to the EXCO –

- (h) Oversee Risk Governance with reference to:
 - (i) The review of performance information as per the quarterly and annual reports prepared by management
 - (ii) The review of mitigating measures proposed by management to address identified performance shortfalls and other identified risks, and monitor and assist management in its execution of mitigating measures and/or propose mitigating measures
- (i) Make recommendations to the Council on the above and inform the Council of decisions finalised in terms of the Council's delegation
- (j) Approval of quarterly reports for statutory submission after circulation to Council members for consideration and input, on –

Quarter 1: 1 April to 30 June by 31 July

Quarter 2: 1 July – 30 September by 31 October

Quarter 3: 1 October – 31 December by 31 January

Quarter 4: 1 January – 31 March by 30 April

- (k) Approval of the external auditor's Audit Management Letter and Audit Report; the audited Financial Statements and the audited Annual Report for statutory submission and sign-off by the Council Chairperson by 31 July
- (l) Monitor and guide the CBE's Stakeholder Management Strategy

Finance

- (i) Consider matters of financial strategy and policy (including procurement and supply chain), risk management and insurance as they relate to the operation of the CBE, in particular the optimum use of available and potential financial resources (including internal investment options and their rate of return);
- (ii) Consider and assess investment opportunities available to the CBE in respect of all funds it administers, and determine the manner and extent to which funds are to be invested to ensure both security and optimisation of income;
- (iii) Review the CBE's annual financial statements in conjunction with the ARC, and make recommendations to the Council;
- (iv) Receive and consider budget proposals from the Executive and recommend the annual operating and capital budgets to the Council;
- (v) Monitor compliance with the PFMA in respect of matters relating to the CBE Act;
- (vi) Review the adequacy of the working capital by comparing cash focus against the actual;
- (vii) Receive reports of fraud relating to the CBE;
- (viii) Report on activities of the Committee at every ordinary meeting of the Council;
- (ix) Establish an annual work plan to ensure that all relevant matters of the Committee's roles and responsibilities are covered;
- (x) Receive recommendations from the Bid Specification, Bid Evaluation, and Bid Adjudication Committees as prescribed in the SCM policy; and
- (xi) Take resolutions, make recommendations, receive information and consult as required by the Delegation of Authority (DoA).

Planning, Monitoring and Evaluation

Consider planning, monitoring and evaluation functions of the CBE and make recommendations to Council in pursuance of the Council's mandate and strategic objectives.

Executive Committee Meetings

Date	Scheduled	Special	Purpose
Fifth Term Council			
25 April 2023			Quarterly deliverables; address year-end statutory approvals
13 July 2023			Additional funding for the Built Environment Climate Change Indaba
28 July 2023			Quarterly deliverables; Audit Management Letter and Audit Report; approve statutory submissions;
30 October 2023			Quarterly deliverables; approve statutory submissions
30 January 2024			Meeting not held but quarterly deliverables and statutory approvals were done through a formal written vote

Matters Approved by EXCO	Q1	Q2	Q3	Q4
2022/2023 Quarterly Report				
2023/2024 Quarterly Reports				
External Audit Management Letter and Audit Report for the year ending 31 March 2023				
Audited Annual Report and Financial Statements				

Matters Considered by EXCO	Q1	Q2	Q3	Q4
Risk Management Reports and Registers				
Audit Matrix for External and Internal Audit Findings				
Compliance Report				
Stakeholder Management Report				
Revised Council Charter				
Revised Standard Operating Procedure				

Statutory Committee: Audit and Risk Committee

The Audit and Risk Committee (ARC) is constituted in terms of section 77 of the PFMA, read with Chapter 9 of the Treasury Regulations. The ARC consists of three external members and two Council members. The ARC Chairperson is an external member. The ARC assesses the CBE's risks, with reference to the entity's available resources, expertise, experience in financial management, supply chain management (SCM), and the internal audit function. The ARC has a charter that outlines its terms of reference.

The role of the ARC is to assist the Council with the following:

- The CBE implements an effective policy framework and plan for Risk Management that will enhance the CBE's ability to achieve its strategic objectives;
- Disclosure regarding risk is comprehensive, timely, and relevant;
- Review the annual financial statements, and summarise integrated information;
- Comment on the annual financial statements, accounting practices and effectiveness of internal financial controls;
- Review the disclosure of sustainability issues in the reporting to ensure that it is reliable and does not conflict with the financial information;
- Recommend to the Council the engagement of an external assurance provider on material sustainability issues;
- Recommend quarterly and annual reports for the Council's approval;
- Review the content of the summarised information for whether it provides a balanced view;
- Engage the external auditors to provide assurance on the summarised financial information; and
- Ensure that the Risk Register is updated in line with the APP* bi-annually.

*APP Annual Performance Plan

ARC Meetings

Date	Scheduled	Special	Purpose
29 May 2023			Address the draft Annual Report and draft Financial Statements
30 May 2023			Consider the External Audit Strategy and Engagement Letter
20 June 2023			Induction of the Newly Appointed ARC External Members
26 July 2023			Q1 Reports and Outcome of Audit
26 September 2023			Internal Audit Contract
26 October 2023			Q2 Reports
29 January 2024			Q3 Report
13 February 2024			Self-Assessments; SCM Policy; Terms of Reference Internal Audit Services; Condonement of Legal Irregular Expenditure; Extension of Internal Audit Services
26 February 2024			2024-2025 Annual Performance Plan; Condonement of Legal Irregular Expenditure; Extension of Internal Audit Services

Matters Recommended by ARC	Q1	Q2	Q3	Q4
2022/2023 Quarterly Report				
2023/2024 Quarterly Reports				
External Audit Management Letter and Audit Report for the year ending 31 March 2023				
Audited Annual Report and Financial Statements 2022/2023				
Review and recommend relevant policies				

Matters Considered by ARC	Q1	Q2	Q3	Q4
Finance/Expenditure/Procurement/Governance/Performance Reports				
Risk Management Report, Strategic and Operational Registers				
Irregular, Fruitless and Wasteful Registers				
Fraud Incidence Reporting				
IT Governance Reports				
Audit Finding Matrix for External and Internal Audit				
Compliance Report				
Internal Audit Reports and Work Plans				

Statutory Committee: Appeals Committee

The CBE Act and the professions' Acts make provision to lodge appeals against decisions of the Councils for the Built Environment Professions (CBEP). The CBE Act [section 21(3)] requires that an Appeal Committee is appointed for every appeal lodged, consisting of three persons, viz.

- i. legally qualified and experienced person
- ii. professional with appropriate experience
- iii. specialist in the professional field concerning the appeal

The appointed Appeal Committee must decide an appeal within 60 days of its lodgement, as prescribed by section 21(5) of the CBE Act.

APPOINTED APPEAL COMMITTEE

Council at its meeting of 31 May 2023, appointed a standing Appeal Committee for a period of three years to be allocated for every appeal lodged on a rotational basis. The appointed Appeal Committee consists of 37 members – 26 Chairpersons, and 11 Generalists.

Appeal Committee Sitzings

Two appeals were lodged in the 2023/24 financial year; one was finalised (as indicated in the next table), while the other is due for decision in the coming financial year.

No of Finalised Appeals	Appeal Committee	Cost
One	Chairperson: Admitted Attorney	R 40 200.00
	Generalist: Professional Quantity Surveyor	R 30 000.00
	Specialist: Professional Engineering Technologist	R 21 000.00

**Details of the finalised appeal appear in Programme 5 in this Report.*

Established Committee: Sixth Term Council Shared Services Committee (SSC)

The mandate of the SSC is as follows

In terms of section 16 of the CBE Act, the Council delegated the following powers, duties and functions to the SCC –

a. Human Capital

- (i) Consider and make recommendations on the Human Capital Strategy to ensure that CBE is able to attract, retain and develop the best possible talent to support business performance;
- (ii) Consider and make recommendations to create or review organisational culture, structure, and processes that seek to support staff development and optimisation of their potential, particularly those previously disadvantaged to address any existing inequalities in staff profiles and organisational practice;
- (iii) Ensure compliance with all employment legislation such as the Employment Equity Act, Labour Relations Act and Basic Conditions of Employment Act, etc.;
- (iv) Consider and make recommendations on a formal and transparent procedure to develop a policy on remuneration with particular reference to Senior Management;
- (v) Determine the annual remuneration adjustments for the CBE staff;
- (vi) Create and abolish Senior Management positions, appointments, transfers and promotions of Senior Managers; and
- (vii) Ensure compliance in the performance appraisals of Senior Management. The Council Chairperson performs the CEO's performance appraisal and implements disciplinary action against the CEO.

b. Legal

- (i) Consider DPWI's BE Policy proposal relating to the repeal of the CBE Act;
- (ii) Address the Identification of Work (IDoW); Appeals; Planning, Monitoring and Evaluation; and other legal compliance matters within the CBEP;
- (iii) Corporate Governance matters in the Council;
- (iv) Receive information on the database of Appeals Committee members and recommend inclusions to the Council; and
- (v) Receive appeal findings and make recommendations to the Council on required corrective action identified by Appeal Committees.

c. Social, Ethics and Governance Matters

- (i) Ensure the establishment of an ethical culture and adherence to ethical standards;
- (ii) Promote good corporate citizenship and community development;
- (iii) Ensure employee safety and health; and
- (iv) Ensure good governance practices.

Sixth Term Council SSC Meetings

Date	Scheduled	Special	Purpose
25 May 2023			Quarter meeting and recommendations to Council
24 July 2023			Quarter meeting and recommendations to Council
23 October 2023			Quarter meeting and recommendations to Council
22 February 2024			Quarter meeting and recommendations to Council

Matters Considered and/or Recommended by SSC	Q1	Q2	Q3	Q4
Human Capital Policy Review Process, Review and recommend relevant policies				
Cost of Living Increases; 2023/2024 Performance Bonuses				
Appointment of the Appeals Committee				
Appeal Outcomes and Rulings Report				
Social and Ethics Report				
Compliance Report				
Human Resources Report				
Contract Report				

Established Committee: Sixth Term Council Built Environment Transformation Committee

The mandate of BETC is as follows:

In terms of section 16 of the CBE Act, the Council delegates the following powers, duties and functions to the BETC –

- Consider progress reports from management on the achievement of the APP targets per Programme, propose remedial action where required to management and follow up on the implementation thereof through the Project Champions;
- Project Champions are members of the BETC allocated the role to promote specific APP targets;
- Receive reports and information required in terms of the APP on behalf of the Council;
- Monitor and guide the CBE's Transformation Strategy;
- Receive and consider information reported by the six Councils for Built Environment Professions (CBEP) to the CBE quarterly, and recommend remedial steps or intervention where required;
- Monitor the execution of actions required of the CBE by the CBE EXCO/President's Forum; and
- Consider and recommend all CBE policies not considered by the SSC to the Council.

BETC Meetings

Date	Scheduled	Special	Purpose
22 May 2023			Quarter meeting and recommendations to Council
18 July 2023			Quarter meeting and recommendations to Council
19 October 2023			Quarter meeting and recommendations to Council
23 February 2024			Quarter meeting and recommendations to Council

Matters Considered and/or Recommended by BETC	Q1	Q2	Q3	Q4
IDoW Implementation and Monitoring; Publishing of Guideline Professional Fees and MoU* with CCSA**				
CBEP Quarterly Reports and Registrations				
Quarterly Performance Reports / Dashboard				
Project Reports: Policy and Research, Skills, Transformation, Data Collection Feedback				
Programme 2: Empowerment and Economic Development				
Programme 3: Professional Skills and Capacity Development				
Programme 4: Research and Knowledge Management				
Programme 5: Public Protection, Policy and Legislation				
cidb Register of Professional Service Providers				

*MoU Memorandum of Understanding

**CCSA Competition Commission

Forums

Transformation Collaborative Committees: 2023 – 2024

Procurement, Policy, Legislation and Socio-Economic Development (PPLSED)	Women Empowerment and Gender Equality (WEGE)	Environmental Sustainability (ES) Occupation Specific Dispensation (OSD) (2021-2023)	Professional Skills and Capacity Development (PSCD)	Health, Safety, Public Protection and Universal Access (HSPPUA)
4 April 2023 ES: Built Environment Sustainability Seminar: Past – Present – Future Mirror				
19 April 2023	21 April 2023	2 May 2023 (ES Inception Meeting)	4 May 2023	8 May 2023
11 July 2023	28 June 2023	4 July 2023	3 July 2023	5 July 2023
25 August 2023 WEGE Webinar: Women in the Built Environment				
31 August 2023 – 1 September 2023 ES: Built Environment Climate Change Indaba				
20 September 2023 WEGE Webinar: Advancing Her: Overcoming Leadership Barriers in the Built Environment				
26 September 2023	5 October 2023	2 October 2023	4 October 2023	6 October 2023
24 October 2023 PPLSED Working Group – Procurement Regulations				
3 November 2023 HSPPUA Webinar: Built Environment Seminar on Universal Access and Disability Rights Awareness Month				
30 November 2023 HSPPUA Webinar: Inclusion and Empowerment of Persons with Disabilities in the Built Environment				
5 December 2023 HSPPUA: Built Environment Inaugural Colloquium: International Day of Persons with Disabilities				
7 December 2023 CETA / CBE Built Environment Recognition Awards				
2 February 2024	6 February 2024	14 February 2024	16 February 2024	21 February 2024

Sixth Term Council – Committee Composition and Meetings

Council Committee	Number of Scheduled Meetings	Number of Meetings Convened (1 April 2023-31 March 2024)	Committee Membership	No of Members
EXCO	4	4	HA Mtshali (Chairperson) TC Madikane (BETC Chair) TA Monakedi (SSC Chair) SV Mabilane DL Maraka (Deputy Chair – Alternate member)	4
ARC	5	9	T Njozela (External Member)(Chairperson) VG Magan (External Member) P Mukheli (External Member) SV Mabilane M Sithole	5
SSC	4	4	TA Monakedi (Chairperson) ST Mthembu (Deputy Chair) EF Nyaka DL Maraka NE Hutamo SM Makhudu ME Molebatsi TLP Shipalana DM Affleck Adv NN January A Quphe T Mbembe	12

Council Committee	Number of Scheduled Meetings	Number of Meetings Convened (1 April 2023-31 March 2024)	Committee Membership	No of Members
BETC	4	4	TC Madikane (Chairperson) SM Makhudu (Deputy Chair) CK Gavor M Kubuzie AE Mahlawe SA Mahopo ME Molebatsi Dr KD Musetsho M Pepeta CV Silva CJ Steynberg Dr DR Letchmiah NC Nduku	13

Council Committee	Number of Scheduled Meetings	Number of Meetings Convened (1 April 2023-31 March 2024)	Committee Membership	No of Members
COUNCIL	4	10	HA Mtshali (Chairperson) DL Maraka (Deputy Chair) DM Affleck CK Gavor NE Hutamo Adv NN January M Kubuzie Dr DR Letchmiah SV Mabilane TC Madikane AE Mahlawe SA Mahopo SM Makhudu T Mbembele ME Molebatsi TA Monakedi ST Mthembu Dr DK Musetsho NC Nduku EF Nyaka MP Pepeta A Quphe M Sithole TLP Shipalana CV Silva CJ Steynberg Dr SS Dlamini (Resignation 16 December 2022) V Nene (Resignation 31 January 2023) A Latchu (Resignation 22 July 2023)	26

4.8 Remuneration of Council Members

In terms of a National Treasury prescript, the Minister approved the remuneration rate for the Council on 22 January 2013 as a Category Classification A2 (Part-time members), with an annual adjustment.

The following members were/are not remunerated due to their employment in the public sector:

- i. HA Mtshali
- ii. NE Hutamo
- iii. M Kubuzie
- iv. A Mahlawe
- v. T Mbembele
- vi. EF Nyaka
- vii. A Quphe
- viii. TLP Shipalana
- ix. M Sithole

Council members receive an amount claimed for a day tariff and preparatory time, parking, travel, and toll fees.

Table 27: Sixth Term Council Remuneration

Designation	Preparatory Time		Day Tariff	
	Number of Hours	Tariff per Hour	Meetings/Activities	Day Rate Only
Chairperson	Council: 3 hours + day rate EXCO: 2 hours + day rate	R598	Special Council Special EXCO Inauguration Induction CBE Workshops Selection Panel Strategic Sessions	R4,785
Deputy Chairperson and Chairpersons of Committees	Council: 3 hours + day rate EXCO: 2 hours + day rate SSC: 2 hours + day rate BETC: 2 hours + day rate	R508	Special Council Special EXCO Special SSC Special BETC	R4,061
Members of Council/Committees	Council: 3 hours + day rate EXCO: 2 hours + day rate SSC: 2 hours + day rate BETC: 2 hours + day rate	R472	Inauguration Induction CBE Workshops Selection Panel Strategic Sessions	R3,779

Name	Remuneration R'000	Other Allowances R'000	Other Reimbursements R'000	Total R'000
HA Mtshali (Chairperson)	-	-	5	5
DL Maraka (Deputy-Chairperson)	64	-	5	70
DM Affleck	17	-	2	19
CK Gavor	47	-	1	48
NE Hutamo	-	-	17	17
Adv NN January	18	-	1	19
M Kubuzie	-	-	-	-
Dr DR Letchmiah	-	-	-	-
SV Mabilane	62	-	11	73
TC Madikane	48	-	4	52
AE Mahlawe	-	-	-	-
SA Mahopo	43	-	1	44
SM Makhudu	66	-	6	72
T Mbembele	-	-	-	-
ME Molebatsi	61	-	9	70
TA Monakedi	-	-	23	23
ST Mthembu	39	-	15	54
Dr KD Musetsho	42	-	9	51
NC Nduku	18	-	0	18
EF Nyaka	-	-	-	-
M Pepeta	53	-	8	61
A Quphe	-	-	-	-
TLP Shipalana	-	-	-	-
M Sithole	-	-	-	-
CV Silva	-	-	-	-
CJ Steynberg	46	-	4	50
Dr SS Dlamini (Resignation 16 December 2022)	-	-	-	-
V Nene (Resignation 31 January 2023)	-	-	-	-
A Latchu (Resignation 22 July 2023)	-	-	-	-
T Njozela (Audit Committee External Member) (Chairperson)*	109	-	2	111
V Magan (Audit Committee External Member)*	34	-	1	35
P Mukheli (Audit Committee External Member)*	64	-	1	65
P Kgole	21	-	3	24
N Mkondweni	26	-	0	26
J Ngobeni	24	-	0	24
NJ Raphela	26			26
ZZY Nzo	11	-	0	21

*The ARC External Members are remunerated with a fixed rate based on the South African Institute of Chartered Accountants (SAICA) determined rates, as approved by the Minister of Public Works and Infrastructure.

5. RISK MANAGEMENT

Risk management forms a central part of the CBE's strategic management with the task of identifying, assessing, managing and monitoring risks across the organisation. In line with good governance, risk management and planning is an emphasised element for which the Accounting Authority is directly responsible. Risk Management is also a compliance requirement, as per the PFMA. The CBE risk management framework provides a common 'risk language', describes the roles and responsibilities of key players in managing enterprise risk, and measures the risk appetite of management.

6. INTERNAL CONTROL UNIT

The role of the internal audit function is to improve the CBE's operations. It helps the CBE to accomplish its objectives by embedding a systematic, disciplined approach to evaluate and improve risk management, control, and governance processes. The internal audit function reports to ARC meetings and, if necessary, meets with the ARC Chairperson prior to, and immediately after, each ARC meeting.

7. INTERNAL AUDIT

The CBE's internal auditor, Rakoma's contract ended on 11 April 2024. The internal auditor regularly submitted audit reports to ARC meetings, based on the approved audit plan that covered:

- i. significant findings and management action plan
- ii. follow-up on previously reported audit findings
- iii. fraud and non-compliance with legislation
- iv. annual review of the Audit and Risk Committee and Internal Audit Charters
- v. development of a three year rolling plan and one year internal audit plan
- vi. internal audit fieldwork

Based on the approved internal audit plan, the following audits were performed during the period under review:

- i. Information Technology
- ii. Legal Compliance Review
- iii. Quarter 1-4 review of performance information against objectives
- iv. Follow up on findings raised by the external auditor and internal audit for Quarter 1-4
- v. Review of Annual Performance Report
- vi. Review of the Financial Statements
- vii. Review of the Internal Audit Charter

- viii. Accreditation – Skills Development
- ix. Fraud and Risk Management Review
- x. Human Resources Management
- xi. Supply Chain Management
- xii. POPIA* Implementation Review

*POPIA *Protection of Personal Information Act, 2013*

Challenges faced during the financial year:

- i. Management action and reaction to findings raised should become more immediate

Recommendations:

- i. Follow-up audits are conducted on time to determine whether management is addressing audit findings and to prevent the same findings recurring in future reports.
- ii. Continue to perform quarterly reviews on Performance Information prior to the submission thereof of to DPWI. These reviews should continue to be performed close to the ARC meeting at which the results are presented within a short period.
- iii. Annual review of the Financial Statements for GRAP* compliance.
- iv. Continue to perform an annual review of the draft Annual Performance Plan and the Strategic Plan before submission to the Executive Authority to ensure that indicators and outcomes are SMART** and aligned to legislation.
- v. Continued co-ordination between Internal Audit and External Audit to enhance the benefits derived by management which outweighs the cost of the audits.

*GRAP *Generally Recognized Accounting Practice*

**SMART *specific, measurable, achievable, relevant, and time-bound*

The next table discloses relevant information on the ARC members.

Table 28: ARC Disclosure

Name	Qualifications	Internal/External	Date Appointed	End of Contract	No of ARC Meetings Attended	No of Other Meetings Attended
T Njozela	CIA	External	1 May 2023	30 April 2027	9	6
VG Magan	CIA	External	1 May 2023	30 April 2027	7	2
P Mukheli	BCom (Hons)	External	1 May 2023	30 April 2027	9	0
SV Mabilane	BCompt Acc	Sixth Term Council Member	1 December 2022	31 October 2026	8	N/A
M Sithole	DPWI CFO	Sixth Term Council Member	7 September 2023	31 October 2026	1	N/A

8. COMPLIANCE WITH LEGISLATION AND REGULATIONS

The CBE has adopted and maintains a compliance policy which identifies compliance obligations and mechanisms to ensure compliance, mitigation and disclosure. Disclosure is through quarterly reports on compliance to ARC, SSC, EXCO and Council.

The Council adheres to an approved Delegation of Authority Framework, approved on 10 March 2020.

The Council declared that it is satisfied that the Delegation of Authority Framework contributes to role clarity and the effective exercise of authority and responsibility.

9. FRAUD AND CORRUPTION

The CBE has an all-encompassing policy in the CBE Fraud Prevention Plan. The CBE utilises the service of Whistle Blowers to manage this function. This service provider conducted quarterly workshops with CBE staff to remind and sensitise them to fraud detection and prevention. The office of the CFO circulated a fraud incident report.

10. MINIMISING CONFLICT OF INTEREST

A conflict of interest occurs when an individual or organisation is involved in multiple interests and where there is potential to possibly corrupt the motivation to act in one's or another's interests. Council members are required to declare all their financial, economic and other interests upon appointment. Council and committee members are required to, at each meeting declare, in writing, any interest in matters on the meeting agenda.

Paragraphs 5.6.2 and 5.6.3 of the Code of Conduct, CBE employees are required to declare their interests annually by the end of April or upon appointment of new employees. A Declaration of Interest is signed before a Commissioner of Oaths and submitted for approval. There was 100% compliance recorded.

11. CODE OF CONDUCT

A Code of Conduct for Council members was adopted and is due for review in the next financial year. The CBE adopted a code of ethics, values and business conduct as part of its consolidated human resources policies and procedures. A Code of Conduct binds employees. Any alleged transgression of the Code of Conduct is investigated and handled in accordance with an adopted Disciplinary Policy.

12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Occupational Health and Safety (OHS) Act prescribes specific compliance requirements for specific environments. In compliance with this Act, the CBE's Health and Safety Committee met quarterly on workplace-related health and safety issues. This committee also held scheduled and impromptu emergency evacuation drills, and the observation was that response times improved with each exercise.

13. COMPANY SECRETARY

The Fifth Term Council abolished the Company Secretary function and resolved to outsource the function when required. This status quo continues.

14. SOCIAL RESPONSIBILITY

The Council resolved to establish a Social, Ethics and Governance Committee with external independent members. Terms of reference for this committee was compiled and approved by the Council.

Declaration by the Governing Body

The CBE Council, as the governing body of the CBE, declares it is satisfied that it has fulfilled its responsibilities in accordance with its Charter for the reporting period.

15. AUDIT COMMITTEE REPORT

The Audit and Risk Committee (ARC) is pleased to present its report for the financial year ended 31 March 2024. The report details its responsibilities in terms of section 51 (1)(a)(ii) of the PFMA and Treasury Regulation 27.1.

Audit and Risk Committee Responsibility

The Audit Committee obtains its mandate from the PFMA, 1999 (Act No.1 of 1999) as amended and Treasury Regulations as amended. The Audit Committee is established to serve as an independent governance structure whose function is to provide an oversight role on the financial reporting process, the system of internal control, the audit process, the process of monitoring compliance with laws and regulations, the code of conduct and evaluation of the adequacy and efficiency of risk management and governance. The Audit and Risk Committee

adopted appropriate, formal Terms of Reference as its Audit and Risk Committee Charter. It regulated its affairs in compliance with this Charter and discharged its responsibilities contained therein.

The Committee assessed its performance against its mandate and is satisfied that it has executed its mandate and diligently discharged its responsibilities independently and objectively within the relevant provisions of the PFMA and the Charter. The Audit and Risk Committee is accountable to the Council.

The table below records the ARC meeting attendance:

Member	Qualifications	External / Council Member	Date of Appointment	End of Contract	ARC Meetings Attended	Additional Meetings Attended
Ms T Njozela (Chairperson)	CIA	External Members	1 May 2023	30 April 2027	9/9	6
Mr V Magan	CIA		1 May 2023	30 April 2027	7/9	2
Mr P Mukheli	BCom BCom Hon		1 May 2023	30 April 2027	9/9	0
Ms SV Mabilane	BCompt Acc	Sixth Term Council Members	1 December 2022	31 October 2026	8/9	N/A
Mr M Sithole	DPWI CFO		7 September 2023	31 October 2026	1/4	N/A

Activities of the Audit and Risk Committee

Effectiveness of Internal Control

The Committee reviewed the reports of Management, internal and external auditors on the design, implementation, and effectiveness of the systems of internal controls. Based on the reasonable assurance provided by Management, Internal Audit and the external auditors, no material breakdown was reported in the system of internal control. Continued efforts to further improve controls over information and communication technology (ICT) and institutional performance management processes are encouraged.

In-Year Management and Monthly/Quarterly Reports

As a public entity, the CBE reports monthly and quarterly to the Executive Authority and National Treasury, as is required by the PFMA. The Audit and Risk Committee is satisfied with the content and quality of the quarterly reports prepared and submitted by the CBE during the year under review, to the Executive Authority. The Committee further reviewed and was satisfied that the expertise and resources within the finance function were appropriate and effective.

Evaluation of Financial Statements and Annual Performance Report

The Audit Committee reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report with the external auditors; reviewed the Management and Audit Reports and Management's responses thereto.

Risk Management and Governance

Whilst Management is ultimately responsible for maintaining an effective risk management process, the Committee assessed the adequacy of the risk management process. The CBE's risk management process is guided by the enterprise risk management framework. The Committee is concerned about the lack of capacity to ensure implementation of a robust risk management programme for the entity and recommended further improvement of its risk management practices. In particular, Management was advised to improve its risk governance processes, including the functioning of the Risk Management Committee.

Internal Audit

The CBE's internal audit function is outsourced to Rakoma & Associates Inc. The Committee has considered the independence and effectiveness of the internal audit function. We reviewed and approved the internal audit charter and the internal audit plan for 2024 and were satisfied, through the declarations made by the internal auditors, that the assurances provided to the Committee are aligned to the Code of Ethics of the Institute of Internal Auditors. Internal Audit reports are presented to the Committee at each meeting which provide a reflection of the internal control environment. The Committee is satisfied with the effectiveness of Internal Audit.

The following internal audit engagements were completed during the year under review:

- Annual Internal Audit Plan
- Quarterly Audit of Pre-Determined Objectives
- Human Resources Management
- Follow-up on previous internal and external audit findings
- Corporate Governance
- Supply Chain Management
- Review of 2024/2025 Annual Performance Plan
- Information Communication Technology Governance
- Financial Management
- Verification of levy income
- Review of Annual Financial Statements
- Review of Annual Performance Report

The following were areas of concern:

- Information Communication Technology
- Levy Income
- Cyber Security

In addition, Management developed an audit action plan to address the findings raised by both the external and Internal Audit. The Audit Committee monitored the implementation of the audit action plan during the year under review; Management's implementation of the Audit Committee's recommendations still requires improvement.

External Audit

The CBE appointed external auditors (Nexia SAB&T) for its audit of the year ended 31 March 2024. The Committee is required, in terms of its Charter, to evaluate the independence, objectivity and effectiveness of the audit process by the external auditors. The evaluation includes the extent of other work undertaken and compliance with criteria relating to independence or conflict of interest as prescribed by the Independent Regulatory Board for Auditors (IRBA). The external auditors were represented in all meetings of the Committee and presented the audit strategy, engagement letter and the audit results for consideration by the Committee.

The Audit and Risk Committee concurs and accepts the opinion of the external auditors on the annual financial statements and conclusion on the annual performance report, and is of the opinion that these be accepted and read together with the report of the external auditors.

Conclusion

The Committee would like to congratulate the CBE on its clean audit; in particular, we would like to express our appreciation to the Executive Authority, Accounting Officer and Management team. It is through this support that the Committee will continue to work with Management to further enhance good governance practices. Lastly, we would like to express our appreciation to the external and internal audit teams for their professionalism and support in our oversight role.



Ms Thobeka Njozela

Chairperson: Audit and Risk Committee

Date: 31 July 2024

16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in compliance with the Broad-Based Black Economic Empowerment (BBBEE) requirements of the BBBEE Act of 2013, and as determined by the Department of Trade, Industry and Competition.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regard to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issue of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Not applicable as the CBE does not issue licenses, concessions or other authorisations.
Developing and implementing a preferential procurement policy?	Yes	The CBE has adopted a preferential procurement policy which promotes black- , women -, youth – and persons with disabilities owned enterprises.
Determining qualification criteria for the sale of state-owned enterprises?	No	The CBE does not sell state-owned enterprises.
Developing criteria for entering into partnerships with the private sector?	No	The CBE did not enter into any public private partnerships.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	Yes	The CBE provides support to black- , women -, youth – and persons with disabilities owned enterprises through programmes aimed at transforming the Built Environment sector. The CBE also enters into supplier development agreements i.e. shortened payment terms with Level 1 BBBEE service providers.



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YEARS OF CBE

"Past, present, and future mirror"

PART D

HUMAN RESOURCE MANAGEMENT

20 YEARS OF CBE
"Past, present, and future mirror"

1. INTRODUCTION

The CBE's Human Capital (HC) unit supports the entity with the following core functions:

- i. Competent capacity so that the organisation functions optimally towards attaining its performance goals realising its strategy
- ii. Advice, consultation and support for equitable compensation, fair labour practice, recruitment, transparent performance management systems, and training and development
- iii. Legislation updates, and monitoring and incorporating policy gaps

The unit has a staff complement of three employees out of the 73 posts approved for the organisation, viz. Senior Human Capital Business Partner, Human Capital Generalist and Human Capital Officer.

The CBE is yet to stabilise post its organisational review, which infused agility in areas of governance and the need for a skills audit of its workforce. In addition, the CBE continues to suffer budget cuts over the MTEF period as directed by the National Treasury. As a result, the CBE continues to re-align itself to ensure it remains relevant, with its mandate to transform the Built Environment through projects such as:

- i. 20-Year Review: An exercise to document and consolidate the CBE's achievements and contribution to the industry, and introduce impactful programmes that will align, track and massify the skills pipeline
- ii. Align its strategic direction for greater impact within the space the CBE operates in, which will potentially result in more internal changes to ensure the direction is fully supported

Employee performance management

The CBE's performance management framework is aligned with and guided by that of the Department of Public Service Administration (DPSA). In line with this:

- i. All employees signed and submitted performance agreements by 30 April 2023
- ii. The performance moderation committee, which comprises Executive Management and Employee Representatives (assisted by the Human Capital unit), provided constructive feedback where applicable. No disputes or appeals were recorded
- iii. Performance excellence is recognised through a performance recognition and reward system. Performance bonuses and pay progressions were paid to deserving employees and performance improvement was developed

Employee wellness

The HC unit promotes work-life balance in its strategies. Some of the interventions in place to foster employee well-being were the following:

- i. Regular circulation of awareness articles and posters on areas of health, and general well-being
- ii. Employment Assistance Programme rendered by a service provider for those in need of intensive attention
- iii. Wellness activities. Two wellness events were conducted with the focus on:
 - a. Psychological well-being: The session concentrated on the “Emotional Impact” for an organisation undergoing change in its strategic direction on employees
 - b. Physical Health: Employees were encouraged to gain insight into their health and wellness and screening assessments on vital areas were offered

Employees are continuously encouraged to utilise the service offered by the CBE in promoting a work-life balance.

Policy development

The HC function is a regulated function, thus it is imperative to ensure the organisation develops and aligns its policies with the applicable legislation. In ensuring compliance and an efficient Human Capital service function, all (23) Human Capital policies were reviewed and approved. The CBE policy framework provides for a four year review, unless it is warranted sooner by any identified gaps or a need to align with legislative changes.

Highlights

The HC unit’s purpose is to ensure that the organisation is functioning optimally. During the reporting period, all strategically prioritised positions and the required set of skills were successfully attained from the market with a 96% saving cost on advertisement.

Observing governance issues from a HC perspective, together with legislative adherence creates a stable working environment in any organisation. The CBE HC unit has efficaciously kept this function alive in safeguarding the interests of the organisation through regular policy reviews and awareness sessions. All CBE HC policies are aligned, reviewed, and approved in line with standards of the South African legislative environment.

For HC operational efficiency, the unit digitalised its key processes to ensure accuracy, transparency and impactful delivery of its functions such as performance management, claims, online suggestion box.

In ensuring strategic alignment to the overall objective and the fundamental mandate of the CBE, the HC unit facilitated all internal divisions to develop their individual goals. All units are now positioned well and able to channel their contribution towards the CBE’s ultimate goal in the Built Environment.

The HC unit managed and facilitated a sound labour environment through representing the CBE at platforms such as the Commission for Conciliation, Mediation and Arbitration (CCMA) and other labour-related engagements to negotiate and deliver the CBE position to mitigate any labour issue that posed reputational risk to the organisation.

Employee engagement and consultation meetings continued to ensure information dissemination to all stakeholders. An Emotional Impact exercise was conducted by an external facilitator to advocate for a healthy and emotionally engaged workforce.

Challenges

The negative impact of the CBE's historic high executive management turnover on the stability of the organization is still apparent. However, the organisation continues to stabilize its environment through skills-matching exercises to ensure the workforce is utilised optimally. These interventions are visible in the achievement of the 2023/24 financial year's performance goals. A workforce planning session is envisaged for the first quarter of the 2024/25 financial year in support of the new strategic planning cycle (2025/26 to 2029/30).

Budget constraints continue to hinder the implementation of identified projects towards achieving organisational goals. The training and development function specifically has been impacted by budget constraints; the organisation does not afford to develop employees, especially those who retained their original positions from pre-structuring.

Future Human Capital plans/goals

- i. Implement the online self-service performance management and development system.
- ii. Workforce planning engagements with the Executives to align with the current mandate.
- iii. Continuously scan the effectiveness of the labour and employee engagements.
- iv. Educate the staff on approved policies to ensure policy adherence and governance issues are complied with.

2. HUMAN CAPITAL OVERSIGHT STATISTICS

Table 29: Personnel Cost by Programme

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Programme 1: Administration	59 655	27 268	65%	33	826
Programme 2: Empowerment and Economic Development	917	2 996	7%	9	329
Programme 3: Professional Skills and Capacity Development	1 314	4 970	11%	4	1 242
Programme 4: Research and Knowledge Management	188	3 138	7%	4	785
Programme 5: Public Protection, Policy and Legislation	6 498	3 579	8%	4	895
TOTAL	68 572	41 921	100%	54	776

Table 30: 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	7 472	18%	4	1 868
Senior Management	2 988	7%	2	1 494
Professionally Qualified	17 772	42%	16	1 110
Skilled	8 790	21%	13	676
Semi-skilled	4 440	11%	17	261
Unskilled	459	1%	2	229
TOTAL	41 921	100%	54	776

Table 31: Performance Rewards

Level	Performance Rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	99	7 472	1%
Senior Management	53	2 988	1%
Professionally Qualified	278	17 772	1%
Skilled	150	8 790	1%
Semi-skilled	3	4 440	-
Unskilled	4	459	-
TOTAL	588	41 921	1%

Table 32: Training Costs

Programme	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	No. of employees trained	Average training cost per employee
Programme 1: Administration	27 268	102	0%	6	17
Programme 2: Empowerment and Economic Development	2 996	10	0%	2	5
Programme 3: Professional Skills and Capacity Development	4 970	10	0%	1	10
Programme 4: Research and Knowledge Management	3 138	39	0%	1	39
Programme 5: Public Protection, Policy and Legislation	3 579	-	-	-	-
TOTAL	68 572	161	0%	10	16

The training expenditure reflected above represents educational assistance in tuition fees, study material, and professional membership subscriptions.

Workforce Profile

The CBE's workforce profile is relatively balanced, even with a significant shortage of coloured people. The CBE's approved organisational structure comprises 73 positions; however, due to budget constraints recruitment for vacant positions is implemented in a phased approach. Hence, positions are prioritised in each financial year. In the 2023/24 financial year, nine positions were prioritised.

Employment and Vacancies per Level

The table below indicates the number of approved positions, current employees and vacancies.

Table 33: Employment and Vacancies

Level	2023/2024 No. of Employees	2023/2024 Approved Posts	Vacancies (Funded)	Vacancies (Unfunded)
Top Management	4	5	-	1
Senior Management	14	22	4	3
Professionally Qualified	7	12	-	5
Skilled	11	17	1	5
Semi-skilled	4	15	2	9
Unskilled	2	2	-	-
TOTAL	42	73	7	23

Vacancies

The following vacant positions were prioritised for the 2023/24 financial year:

Position	Division	Status / Way Forward
Project Coordinators x 3	Transformation	Appointed
Human Capital Generalist	Shared Services	Appointed
Information Technology Specialist	Shared Services	Re-advertised
Human Capital Officer	Shared Services	Appointed
Admin Assistant to the CEO	Office of the CEO	Appointed
Researcher	Shared Services	Appointed

Employment Changes

The CBE encountered changes in its employment profile during the financial year as follows:

Table 34: Employment Changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	4	-	-	4
Senior Management	15	4	3	16
Professionally Qualified	5	2	1	8
Skilled	6	7	2	11
Semi-skilled	5	2	2	5
Unskilled	2	-	-	2
Total	37	15	8	46

Reasons for Staff Leaving

These terminations listed below occurred in the 2023/24 financial year:

- i. Legal Manager and Company Secretary: retired
- ii. Interns: three contracts expired and one resignation
- iii. Researcher, HC Generalist, Finance Specialist and Project Coordinator: resignations
- iv. Legal Specialist: contract expired
- v. Senior IT Support Technician: dismissed

Table 35: Reasons for Staff Leaving

Reason	Number	% of total no. of staff leaving
Death	-	0%
Resignation	5	11.5%
Dismissal	1*	2%
Retirement	1	2%
Ill health	-	0%
Expiry of contract	4	9.5%
Other	-	0%
Total	11	26%

**Despite this termination, staff turn-over remained 0% at the end of the reporting period.*

Labour Relations: Misconduct and Disciplinary Action

The CBE administered two disciplinary cases in the 2023/24 financial year.

Table 36: Labour Relations

Nature of Disciplinary Action	Number
Verbal Warning	-
Written Warning	-
Final Written warning	-
Dismissal	1
Other: Demotion	1
Total	2

Equity Targets and Employment Equity Status

Representations were exceeded with African, white, and Indian/Asian employees. The CBE will continuously endeavour to correct this with the appointment of coloured males or females.

Table 37: Employment Equity

Level	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Senior Management	6	2	0	1	0	0	1	0
Professionally Qualified	0	1	0	0	0	0	0	0
Skilled	2	2	0	0	0	0	0	0
Semi-skilled	1	2	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	10	8	0	1	0	0	1	0

Level	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	0	0	0	0	0	1	0
Senior Management	5	2	0	2	2	0	1	0
Professionally Qualified	6	1	0	3	0	0	1	0
Skilled	8	2	0	3	0	0	0	0
Semi-skilled	2	1	1	4	0	0	0	0
Unskilled	2	0	0	0	0	0	0	0
TOTAL	25	6	1	0	2	0	3	0

Persons with Disabilities

Persons with disabilities need more representation; the CBE continues to encourage applicants in its vacancy advertisements.

Table 38: Persons with Disabilities

Level	Persons with Disabilities			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	1	0
Professional qualified	0	1	0	0
Skilled	0	0	0	1
Semi-skilled	0	1	0	0
Unskilled	0	0	1	0
TOTAL	0	2	2	1



20

YEARS OF CBE

"Past, present, and future mirror"

PART E

PFMA COMPLIANCE

20 YEARS OF CBE
"Past, present, and future minor"

1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2022/2023	2023/2024
	R'000	R'000
Opening balance	3 430	3 460
Adjustment to opening balance	10	-
Opening balance as restated	-	-
Add: Irregular expenditure confirmed	20	-
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	(3 431)
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recoverable and written off	-	0
Closing balance	3 460	29

Reconciling notes

Description	2022/2023	2023/2024
	R'000	R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	20	-
Total	20	-

b) Details of irregular expenditure (under assessment, determination, and investigation)

Description	2022/2023	2023/2024
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	-	-

c) Details of irregular expenditure condoned

Description	2022/2023	2023/2024
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

d) Details of irregular expenditure removed - (not condoned)

Description	2022/2023	2023/2024
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	(3 431)
Total	-	(3 431)

e) Details of irregular expenditure recoverable

Description	2023/2023	2023/2024
	R'000	R'000
Irregular expenditure recoverable	-	-
Total	-	-

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/2023	2023/2024
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description
N/A
Total

h) Details of irregular expenditure where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

Description	2024/2023	2023/2024
	R'000	R'000
N/A	-	-
Total	-	-

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
Disciplinary process not conducted; employee's contract ended on 31 October 2022.

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023	2023/2024
	R'000	R'000
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
Closing balance	-	-

Reconciling notes

Description	2022/2023	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	-	-

b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2022/2023	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	-	-

c) Details of fruitless and wasteful expenditure recoverable

Description	2022/2023	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure recoverable	-	-
Total	-	-

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2022/2023	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
Not applicable

1.3. Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) & (iii)

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2023/2023	2022/2024
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
Total	-	-

b) Details of other material losses

Nature of other material losses	2022/2023	2023/2024
	R'000	R'000
<i>None identified</i>	-	-
Total	-	-

c) Other material losses recoverable

Nature of losses	2022/2023	2023/2024
	R'000	R'000
<i>None identified</i>	-	-
Total	-	-

d) Other material losses not recoverable and written off

Nature of losses	2022/2023	2023/2024
	R'000	R'000
<i>None identified</i>	-	-
Total	-	-

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	639	19020
Invoices paid within 30 days or agreed period	631	18 989
Invoices paid after 30 days or agreed period	8	31
Invoices older than 30 days or agreed period (<i>unpaid and without dispute</i>)	-	-
Invoices older than 30 days or agreed period (<i>unpaid and in dispute</i>)	-	-

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Deviation from the normal procurement process and use limited bidding i.e. single source procurement to renew CBE's annual subscription fee for the period March 2023 to February 2024.	Sage South Africa (Pty) Ltd	Single Source	N/A	R 132
Deviation from the normal procurement process and use limited bidding i.e. single source procurement to secure an inhouse catering service for the Youth Day Round Table.	University of Johannesburg (students)	Single Source	N/A	R 41
Deviation from the normal procurement process and use procurement by other means i.e. urgent procurement to secure a catering service for the TVET College Youth Engagement on 4 August 2023.	Creative Loft Enterprise	Urgent Procurement	N/A	R 30
Deviation from the normal procurement process and use limited bidding i.e. Multiple source procurement to secure the Olive Convention Centre in Durban to host the Climate Change Indaba on 31 August – 1 September 2023.	Olive Convention Centre	Multiple Source Procurement	N/A	R 1 787
Deviation from the normal procurement process and use limited bidding i.e. single source procurement to appoint internal audit services to the CBE for a period of six months.	Rakoma and Associates	Single Source Procurement	N/A	R 718

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Deviation from the normal procurement process and use other means i.e. single source selection and urgent bidding to supply, deliver and install four Uninterruptible Power Supplies (UPS) for the CBE.	V-Technology Construction and Projects (Pty) Ltd	Single Source Procurement	N/A	R 34
Deviation from the normal procurement process and use other means i.e. single source selection to utilise the services of AIEQ Systems (Pty) Ltd for various interrelated CBE IT contracts.	AIEQ Systems (Pty) Ltd	Single Source Procurement	N/A	R 7 948
Total				R 10 690

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value R'000	Value of previous contract expansion/s or variation/s (if applicable) R'000	Value of current contract expansion or variation R'000
Knowledge Management Hub: contract extended by ten months.	Dark Matter Consultants (Pty) Ltd	Expansion (Period only)	N/A	R 427	N/A	-
Internal Audit: contract extended by one month.	Rakoma and Associates	Expansion (Period only)	N/A	R 3 172	N/A	-
Kerzner Conference Banqueting: payment.	University of Johannesburg	Variation	N/A	R 40	N/A	R 11

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Built Environment Climate Change Indaba: contract extended to include development and maintenance of dedicated web page during the runup to the event on 24-25 August 2023.	AIEQ Systems (Pty) Ltd	Variation	N/A	R 945	N/A	R 58
DMG Exhibitions Management Services (Pty) Ltd: contract extended for a month until September 2023.	DMG Exhibitions Management Services (Pty) Ltd	Expansion (Period only)	N/A	R 400	N/A	-
CBE 20-Year Review: contract extended to include the development and facilitation of strategic planning 2025/2030.	City in Sight	Variation	N/A	R 843	N/A	R 396
SCM Policy assessment and evaluation: contract extended by three months.	Nyapotse Attorneys Inc	Expansion (Period only)	N/A	R 218	N/A	-
Fraud and Corruption Hotline service: contract extended by two months.	Advance Call	Expansion (Period only)	N/A	R 267	N/A	-
MS Office 365 license: contract extended to supply 15 additional licenses.	Dynafrica Information Technology Solutions cc	Variation	N/A	R 617	N/A	R 165
Fibre Connectivity: contract extended to configure network access points to resolve the unstable internet connection.	AIEQ Systems (Pty) Ltd	Variation	N/A	R 601	N/A	R 52

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Panel of Research Experts: contract extension with one expert.	Gauge Architecture	Variation	N/A	R 124	N/A	R 83
Panel of Legal Experts: contract extended for five months till 31 March 2024.	MMMG Attorneys Nkosi Sabelo Nyapotse Incorporated Cheadle Thompson & Haysom Cowan Harper Madizikela MF Jassat Dhlamini MacRobert Attorneys Malatji & Co HM Chaane Cliffe Dekker & Hofmeyr	Expansion (Period only)	N/A	R 2 000	N/A	-
Promotional Items: contract extended to include items for the BE Recognition Awards on 7 December 2023.	Jayche Solutions (Pty) Ltd	Variation	N/A	R 305	N/A	R 44
B-BBEE Verification of CBE: contract extension.	Moore BEE Pretoria (Pty) Ltd	Expansion (Period only)	N/A	R 18	N/A	-
Knowledge Management and Unemployment System (KMUP): contract extended for support and maintenance.	Dark Matter Consultants (Pty) Ltd	Expansion & Variation	N/A	R 427	N/A	R 173

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Contract extended to finalise the legal matter regarding Molefi Business Experts (Pty) Ltd.	Cliffe Dekker Hofmeyr (CDH)	Expansion (Period only)	N/A	R 850	N/A	-
Total						R 982

PART F

FINANCIAL INFORMATION

20 YEARS OF CBE
"Past, present, and future mirror"



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Independent auditor's report to Parliament on the Council for the Built Environment

Report on the audit of the financial statements

Opinion

1. We have audited the financial statements of the Council for the Built Environment set out on pages 170 - 220, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In our opinion, the financial statements present fairly, in all material respects, the financial position of the Council for the Built Environment as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, Act No. 1 of 1999 (PFMA).

Basis for opinion

3. We conducted our audit in accordance with the 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.
4. We are independent of the public entity in accordance with the Code of professional conduct for auditors of the Independent Regulatory Board for Auditors (IRBA) 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).
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit. Tax. Advisory.

Chairperson: Mrs A Ramasike
Chief Executive Officer: Mr MF Sulaman
SAB&T Chartered Accountants Incorporated t/a Nexia SAB&T
Company Registration Number: 1997/018869/21 | IRBA Registration Number: 921297
Offices in: Bloemfontein, Cape Town, Centurion, Durban, Johannesburg, Kimberley, Nelspruit, Polokwane, Port Elizabeth, Rustenburg
B-BBEE rating: Level 1 Contributor in terms of Generic Scorecard - B-BBEE Codes of Good Practice
SAB&T Chartered Accountants Incorporated is a member of Nexia, a leading, global network of independent accounting and consulting firms.
SAB&T Chartered Accountants Incorporated is an authorised financial services provider.
* A full list of directors is available for inspection at the company's registered office or on request.

Responsibilities of accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the accounting authority either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor for the audit of the financial statements

8. 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 the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of our responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at 165 - 167, forms part of our auditor's report.

Report on the audit of the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programme presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
11. We selected the following programme presented in the annual performance report for the year ended 31 March 2024 for auditing. We selected a programme that measures the public entity's performance on its primary mandated functions and that is of significant national, community or public interest.

Programme	Page numbers	Purpose
Professional Skills and Capacity Development	54 - 62	Coordination of an enabling Built Environment Skills Pipeline from school to professional level

12. We evaluated the reported performance information for the selected programme against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

13. We performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that we can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over or underachievement of targets

14. We performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

15. We did not identify any material findings on the reported performance information for the selected programme.

Report on compliance with legislation

16. In accordance with the PAA and the general notice issued in terms thereof, we must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
17. We performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA findings engagement methodology. This engagement is not an assurance engagement. Accordingly, we do not express an assurance opinion or conclusion.
18. Through an established AGSA process, we selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
19. We did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

20. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
21. Our opinion on the financial statements and our findings on the reported performance information and the report on compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion on it.
22. In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
23. If based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

Internal control deficiencies

24. We considered internal control relevant to our audit of the financial statements, annual performance report and compliance with applicable legislation; however, our objective was not to express any form of assurance on it.

25. We did not identify any significant deficiencies in internal control.

Other reports

26. We draw attention to the following matters below. These did not form part of our opinion on the financial statements or our findings on the reported performance information or compliance with legislation.

27. The investigation involving the assessment of the settlement agreement with a former employee was concluded in the prior year. This decision to settle was withdrawn on 16 March 2023. The former employee instituted legal action against the CBE and the matter was still in progress as at 31 March 2024.

28. Over the course of the year, the CBE decided to terminate the services of a service provider. In response, the service provider initiated legal action against the CBE. As at 31 March 2024, this legal matter was still ongoing.

29. A case of irregular expenditure was identified during the prior financial year and the investigation to determine whether any non-compliance had occurred was concluded on 5 July 2023. A report was compiled for consideration by those charged with governance. Consequence management processes could not be followed as the employees responsible had left the employ of the CBE.

Auditor tenure

30. In terms of the IRBA rule published in Government Gazette No. 39475 dated 4 December 2015, we report that Nexia SAB&T has been the auditor of the Council for the Built Environment for 5 years.



Nexia SAB&T
Per: Muhammed Fazel Sulaman
Director
Registered Auditor
31 July 2024



Annexure to the auditor's report

The annexure includes the following:

- the auditor's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor's responsibility for the audit

Professional judgement and professional scepticism

1. As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout our audit of the financial statements and the procedures performed on reported performance information for selected programme and on the public entity's compliance with selected requirements in key legislation.

Financial statements

2. In addition to our responsibility for the audit of the financial statements as described in this auditor's report, 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 public entity's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
 - conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity 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 about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the financial statements. Our conclusions are based on the information available to us at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. We communicate with the accounting authority 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.
4. We also provide the accounting authority with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to have a bearing on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

1. The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA).	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Section 55(1)(c)(i); 56(1); 57(b); 66(3)(c)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a) Regulation 16A6.1; 16A6.2(a); 16A6.2(b) Regulation 16A6.3(a); 16A6.3(a) Regulation 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5 Regulation 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6 Regulation 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii) Regulation 16A 9.1(d); 16A9.1(e); 16A9.1(f) Regulation 16A9.2(a)(ii); 30.1.1; 30.1.3(a) Regulation 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1 Regulation 31.2.5; 31.2.7(a); 32.1.1(a); 32.1.1(b) Regulation 32.1.1(c); 33.1.1; 33.1.3
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; Paragraph 7.6
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 5 of 2009/10	Paragraph 3.3
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.4; 5.4

Legislation	Sections or regulations
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.8; 7.8 Regulation 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

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Abbreviations used:

Abbreviations

B-BBEE	Broad-Based Black Economic Empowerment
CBEP	Councils for the Built Environment Professions
CETA	Construction Education and Training Authority
DPWI	Department of Public Works and Infrastructure
GRAP	Generally Recognised Accounting Practice
IEBES	Integrated Electronic Built Environment System
IPSAS	International Public Sector Accounting Standards
MTEF	Medium Term Expenditure Framework
PFMA	Public Finance Management Act (Act 1 of 1999)

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

Accounting Authority's Responsibilities and Approval

The CBE Council is required by the Public Finance Management Act (Act 1 of 1999) to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the CBE Council to ensure that the annual financial statements fairly present the state of affairs of the CBE as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was granted unrestricted access to all financial records and related data.

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

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

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

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

The CBE Council has reviewed the CBE's cash flow forecast for the year to 31 March 2025 and, in light of this review and the current financial position, it is satisfied that the CBE has or has access to adequate resources to continue in operational existence for the foreseeable future.

The CBE is dependent on the Department of Public Works and Infrastructure (DPWI) for continued funding of its operations. The annual financial statements are prepared on the basis that the CBE is a going concern and that the DPWI has neither the intention nor the need to liquidate or curtail materially the scale of the CBE's operations.

The external auditors are responsible for independently reviewing and reporting on the CBE's annual financial statements. The annual financial statements have been examined by the CBE's external auditors and their report is presented on page 160 -167. The annual financial statements set out on pages 170 to 220, which have been prepared on the going concern basis, were approved by the Accounting Authority on 31 July 2024 and were signed on its behalf by:



Ms Amelia Mtshali
Chairperson: Council for the Built Environment

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

Statement of Financial Position as at 31 March 2024

Figures in Rand thousand	Note	2024	2023 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	7 803	10 625
Receivables from exchange transactions	4	530	-
Receivables from non-exchange transactions	5	516	1 778
		8 849	12 403
Non-Current Assets			
Other financial assets	6	55	53
Property, plant and equipment	7	5 494	5 941
Intangible assets	8	2 035	2 977
		7 584	8 971
Assets		16 433	21 374
Liabilities			
Current Liabilities			
Operating lease liability	9	548	397
Payables from exchange transactions	10	5 097	3 613
Unspent conditional grants and receipts	11	1 357	-
Provisions	12	398	657
Employee benefit obligations	13	1 853	4 221
		9 253	8 888
Non-Current Liabilities			
Operating lease liability	9	974	1 328
Provisions	12	705	627
		1 679	1 955
Total Liabilities		10 932	10 843
Accumulated surplus		5 501	10 531
Total Net Assets		5 501	10 531

* See Note 34

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

Statement of Financial Performance

Figures in Rand thousand	Note	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Partnership funding revenue		5 314	-
Appeal fees		3	5
Insurance proceeds		13	358
Other income		707	51
Interest received - investment		607	492
Total revenue from exchange transactions		6 644	906
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies		54 704	54 495
Levies		1 960	2 102
Total revenue from non-exchange transactions		56 664	56 597
Total revenue	14	63 308	57 503
Expenditure			
Employee related costs	15	(40 116)	(36 828)
Governance Committees remuneration	16	(1 070)	(2 059)
Depreciation and amortisation	17	(3 300)	(2 259)
Finance costs	18	(78)	(22)
Lease rentals on operating lease	19	(1 739)	(4 288)
Bad debts written off		-	(5)
Internal audit fees		(813)	(824)
Auditor's remuneration		(1 419)	(1 363)
Loss on disposal of assets and liabilities		(574)	(190)
Surplus refund to National Treasury		(1 709)	-
General expenses	20	(3 031)	(3 962)
Computer expenses		(968)	(893)
Consulting and professional fees		(3 545)	(1 877)
CBE events		(6 066)	(980)
Travel - local		(3 910)	(1 681)
Total expenditure		(68 338)	(57 231)
(Deficit) surplus for the year		(5 030)	272

* See Note 34

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

Statement of Changes in Net Assets

Figures in Rand thousand	Accumulated surplus	Total net assets
Balance at 01 April 2022	10 259	10 259
Changes in net assets		
Restated surplus for the year*	272	272
Total changes	272	272
Restated Balance at 01 April 2023	10 531	10 531
Changes in net assets		
Deficit for the year	(5 030)	(5 030)
Total changes	(5 030)	(5 030)
Balance at 31 March 2024	5 501	5 501

* See Note 34

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

Cash Flow Statement

Figures in Rand thousand	Note(s)	2024	2023
	)		Restated*
Cash flows from operating activities			
Receipts			
Cash receipts from customers		3 154	1 304
Grants		54 704	54 495
Interest income		664	486
Other cash item	22	6 797	556
		65 319	56 841
Payments			
Payments to employees and suppliers		(65 675)	(51 756)
Finance costs		-	(6)
		(65 675)	(51 762)
Net cash flows from operating activities	21	(356)	5 079
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(1 441)	(2 251)
Proceeds from sale of property, plant and equipment	7	66	-
Purchase of other intangible assets	8	(1 095)	(2 330)
Receipts from financial assets		4	6
Net cash flows from investing activities		(2 466)	(4 575)
Cash flows from financing activities			
Finance lease payments		-	(76)
Net increase/(decrease) in cash and cash equivalents		(2 822)	428
Cash and cash equivalents at the beginning of the year		10 625	10 197
Cash and cash equivalents at the end of the year	3	7 803	10 625

* See Note 34

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand thousand

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Partnership agreements	-	7 048	7 048	6 621	(427)	31.1
Other income	569	-	569	176	(393)	31.1
Interest received	946	-	946	664	(282)	31.2
Total revenue from exchange transactions	1 515	7 048	8 563	7 461	(1 102)	

Revenue from non-exchange transactions

Transfer revenue

Grants and subsidies	54 704	-	54 704	54 704	-	
Levies	2 512	-	2 512	3 154	642	31.3
Total revenue from non-exchange transactions	57 216	-	57 216	57 858	642	
Total revenue	58 731	7 048	65 779	65 319	(460)	

Expenditure

Personnel	(42 147)	1 000	(41 147)	(42 581)	(1 434)	31.4
General expenses	(16 584)	(8 048)	(24 632)	(23 094)	1 538	31.5
Total expenditure	(58 731)	(7 048)	(65 779)	(65 675)	104	
Operating surplus/(Deficit)	-	-	-	(356)	(356)	

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

Significant Accounting Policies

1. Significant accounting policies

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

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

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

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

These accounting policies are consistent with the previous period.

1.2 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

The amounts in the annual financial statements are rounded off to the nearest one thousand rand.

1.3 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.4 Materiality

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

The entity does not retrospectively adjust the accounting of past items (or group of items) that were previously assessed as immaterial, unless an error occurred.

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

1.5 Significant judgements and sources of estimation uncertainty

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

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

Significant Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in Note 12 - Provisions.

Effective interest rate

The entity used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

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

Impairment of trade receivables

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, management makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Intangible assets

If computer hardware can operate without the software, then the software is recognised as an intangible asset and not property, plant and equipment.

Property, plant and equipment

Plant and equipment are considered for impairment if there is any reason to believe, after applying the internal and external impairment indicators, that impairments may be necessary. Residual values and estimated useful lives are assessed on an annual basis. The estimate is based on the industry norm. Depreciation is estimated on the pattern in which an asset's future economic benefits or service potential is expected to be consumed by the entity. The residual value of all other assets are estimated as the price which the entity will receive in an open market with willing buyers and based on historical disposal data.

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

Significant Accounting Policies

1.6 Property, plant and equipment

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

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

Property, plant and equipment is initially measured at cost.

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

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	12 - 20 years
Office equipment	Straight-line	2 - 20 years
IT equipment	Straight-line	6 - 15 years
Leasehold improvements	Straight-line	5 years
Signage	Straight-line	5 years

The entity assesses at each reporting date whether there is any indication that the entity's expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

Significant Accounting Policies

1.7 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity and
- the cost or fair value of the asset can be measured reliably

The entity assesses the probability of expected future economic benefits or service potential 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.

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

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

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

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

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

Amortisation is provided to write down the intangible assets to their residual values as follows:

Item	Amortisation method	Average useful life
Computer software	Straight-line	1 - 5 years

Intangible assets are derecognised:

- on disposal or
- when no future economic benefits or service potential is expected from its use or disposal

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised.

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

Significant Accounting Policies

1.8 Financial instruments

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

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

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

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

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

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

A financial asset is:

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

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

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

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

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

Significant Accounting Policies

1.8 Financial instruments (continued)

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

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

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Initial recognition

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

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

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

- Financial instruments at fair value
 - Financial instruments at amortised cost
 - Financial instruments at cost
- All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties: and if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

Significant Accounting Policies

1.8 Financial instruments (continued)

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

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

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

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

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

Financial liabilities

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

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1.8 Financial instruments (continued)

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

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit. In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

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Significant Accounting Policies

1.8 Financial instruments (continued)

Classification

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

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Other financial assets	Financial asset measured at amortised cost
Trade and other receivables from exchange transactions	Financial asset measured at amortised cost
Trade and other receivables from non-exchange transactions	Financial asset measured at amortised cost

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

Class	Category
Payables from exchange transaction	Financial liability measured at amortised cost
Finance lease obligation	Financial liability measured at amortised cost

1.9 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The entity recognises statutory receivables as follows:

- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers)

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

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Significant Accounting Policies

1.9 Statutory receivables (continued)

Subsequent measurement

The entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- i. interest or other charges that may have accrued on the receivable (where applicable)
- ii. impairment losses
- iii. amounts derecognised

Accrued interest

Where the entity levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Impairment losses

The entity assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the entity considers, as a minimum, the following indicators:

- i. Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent
- ii. It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation
- iii. A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied)
- iv. Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating future cash flows, an entity considers both the amount and timing of cash flows it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

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Significant Accounting Policies

1.9 Statutory receivables (continued)

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The entity derecognises a statutory receivable, or a part thereof, when:

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

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.10 Leases

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

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

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of return on the remaining balance of the liability.

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

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Significant Accounting Policies

1.10 Leases (continued)

Operating leases - lessee

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

Accounting treatment for tenant improvement allowance emanating from operating leases, the CBE initially records the allowance as an incentive (which is a deferred credit), and amortizes it over the lesser of either the term of the lease or the useful life of the improvements, with no residual value.

1.11 Impairment of cash-generating assets

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity or
- the number of production or similar units expected to be obtained from the asset by the entity

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the entity recognises a liability only to the extent that it is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

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Significant Accounting Policies

1.11 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss, recognised in prior periods for a cash-generating asset, is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.12 Employee benefits

Identification

Employee benefits

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

Vested employee benefits are employee benefits that are not conditional on future employment.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

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Significant Accounting Policies

1.12 Employee benefits (continued)

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

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

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The average of the last three months basic salary is used to calculate the expected cost.

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

Multi-employer plans

The entity classifies a multi-employer plan as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms). Where a plan is a defined contribution plan, the entity accounts for it in the same way as for any other defined contribution plan.

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Significant Accounting Policies

1.13 Provisions and contingencies

Provisions are recognised when:

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

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

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in Note 24.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The entity recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- i. financial difficulty of the debtor
- ii. defaults or delinquencies in interest and capital repayments by the debtor
- iii. breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms
- iv. a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations

Where a fee is received by the entity for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the entity considers that an outflow of economic resources is probable, the entity recognises the obligation at the higher of:

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Significant Accounting Policies

1.13 Provisions and contingencies (continued)

- the amount determined using the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions

1.14 Revenue from exchange transactions

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

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

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

Measurement

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

Interest

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

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

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

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Significant Accounting Policies

1.15 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

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

The leviable event is the event that the government, legislature or other authority has determined will be subject to levies.

Levies are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Levies do not include fines or other penalties imposed for breaches of the law.

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

Measurement

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

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

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

1.16 Borrowing costs

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

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

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1.17 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.18 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act
- (c) any provincial legislation providing for procurement procedures in that provincial government

National Treasury Practice Note No. 2 of 2019/2020, which was issued in terms of sections 76(2)(e) and 76(4)(a) of the PFMA, requires the following (effective from 17 May 2019):

When an Assessment of an alleged transaction, related to irregular expenditure, was identified and in the process of confirmation, no disclosure of the amount will be made in the irregular expenditure note.

Upon the Determination of irregular expenditure, when the alleged transaction was confirmed to be irregular expenditure, the amount of confirmed irregular expenditure is disclosed in the irregular expenditure Note. Further determination to identify facts and losses related to the transaction must be disclosed in the sub Note, Irregular expenditure under Determination, including supplementary disclosure on disciplinary steps taken.

Confirmed irregular expenditure is investigated in order to establish facts, whether the transgression is related to fraudulent, corrupt and other criminal conduct. The amount of irregular expenditure is then disclosed in the irregular expenditure Note and the progress of the investigation in the sub note, Irregular Expenditure under investigation.

If losses were incurred and the State did not achieve value for money, the amount of losses to be recovered in the current year (if practical) must be determined. The amount of losses recovered must be disclosed in the irregular expenditure Note under Amount not Condoned and Recoverable. If it can be demonstrated that it is impractical to determine total losses incurred, the details and reasons as to why the amount cannot be quantified must be disclosed.

If losses incurred are irrecoverable, the amount must be determined, and written off in terms of the CBE's Debt Write Off Policy. The amount is disclosed as losses irrecoverable under the amounts not Condoned and not Recoverable.

If losses were not incurred and value for money was achieved, and the transgression was free of fraudulent, corrupt or other criminal conduct, condonation of the irregular expenditure must be requested. If the amount of irregular expenditure is condoned by the relevant authority, the amount will be disclosed as current year amounts condoned. If the transgression took place in the previous year, the expenditure will be disclosed as prior year amounts condoned.

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Significant Accounting Policies

1.18 Irregular expenditure (continued)

If irregular expenditure was not condoned by the relevant authority, the irregular expenditure will be referred to the Accounting Officer or Accounting Authority for removal and the amount will be disclosed as losses irrecoverable, in the irregular expenditure Note under Amounts not Condoned and not recoverable.

If fraudulent, corrupt or other criminal conduct is alleged or confirmed, supplementary disclosure on criminal proceedings instructed will be disclosed.

1.19 Budget information

Entities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

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

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2023/04/01 to 2024/03/31.

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

1.20 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

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1.20 Related parties (continued)

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.21 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date)
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date)

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.22 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, after consideration of the following:

- Contracted commitments should be disclosed, i.e. the entity and the supplier must have entered into a contract, at the reporting date and
- the disclosure is not limited to contracts that are non-cancellable or only cancellable at a significant cost to the entity

The commitments disclosed is the portion of the commitment that has not been received and not yet recorded in the financial statements as an accrual or payable.

Contracts which were finalised after the reporting date, but where the process started before the reporting date, will not be disclosed as commitments at reporting date. If there were material contracts entered into after reporting date, but before approval of the financial statements, these contracts will be considered in accordance with events after the reporting date and disclosed accordingly.

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Notes to the Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
- GRAP 2023 Improvements to the Standards of GRAP 2023 - GRAP 1 (amended): Presentation of Financial Statements (Going Concern) - GRAP 104 (as revised): Financial Instruments	Effective date to be determined Effective date to be determined April 1, 2025	Unlikely there will be a material impact Unlikely there will be a material impact Expected impact is a change in the measurement of the impairment loss on other financial assets, which is not expected to be material

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	9	5
Bank balances	4 153	1 888
Short-term deposits	1 121	6 359
Other cash and cash equivalents	2 520	2 373
	7 803	10 625

A bank guarantee has been issued to the value of R344 888 in favour of the landlord for the deposit on leasehold premises inline with the lease agreement. The guarantee will expire on 31 March 2028.

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating

F1+ (ZAF) Fitch Rating	7 803	10 625
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4. Receivables from exchange transactions

Trade debtors	515	-
Accrued interest	15	-
	530	-

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Notes to the Annual Financial Statements

Figures in Rand thousand	2024	2023
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4. Receivables from exchange transactions (continued)

None of the trade and other receivables from exchange transactions have been pledged as security for any liability or contingent liability.

Reconciliation of provision for impairment of trade and other receivables

Opening balance	-	(120)
Amounts written off as uncollectible	-	120
	-	-

5. Receivables from non-exchange transactions

Levies	452	1 647
Other receivables from non-exchange revenue	64	131
	516	1 778

Statutory receivables included in receivables from non-exchange transactions above are as follows:

Fees charged in terms of legislation	452	1 647
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Financial asset receivables included in receivables from non-exchange transactions above

	64	131
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Total receivables from non-exchange transactions	516	1 778
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Statutory receivables general information

Transaction(s) arising from statute

Regulation 915 was issued in terms of the Council for the Built Environment Act (No 43 of 2000). It describes the Regulations for charging of membership fees and the submission of an annual declaration to the CBE for all registered Built Environment officials.

Determination of transaction amount

The annual levy payable to the CBE has been determined as R42 for a registered Built Environment Professional and R21 for a registered candidate. The levies are paid by the CBEP to the CBE.

Interest or other charges levied/charged

The CBEP are liable for interest on all outstanding levy payments due to the CBE at a rate of 2% above the prime overdraft rate.

Receivables from non-exchange transactions pledged as security

None of the trade and other receivables from non-exchange transactions have been pledged as security for any liability or contingent liability.

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand thousand	2024	2023
5. Receivables from non-exchange transactions (continued)		
Receivables from non-exchange transactions past due but not impaired		
At 31 March 2024, R Nil (2023: R 83 834) were past due but not impaired.		
The ageing of amounts past due but not impaired is as follows:		
Three months past due	-	83
Receivables from non-exchange transactions impaired		
As of 31 March 2024, other receivables from non-exchange transactions of R 5 211 (2023: R -) were impaired and provided for.		
The amount of the provision was R Nil as of 31 March 2024 (2023: R 5 211).		
The ageing of these receivables is as follows:		
Over six months	-	5
Reconciliation of provision for impairment of receivables from non-exchange transactions		
Opening balance	(5)	-
Provision for impairment	-	(5)
Amounts written off as uncollectible	5	-
	-	(5)

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand thousand 2024 2023

6. Other financial assets

At amortised cost

DK Pitse 103 101

Due to financial difficulties the terms of the arrangement was renegotiated. The receivable is payable in monthly instalments of R500. Interest is payable at the prime lending rate of 10.5% at inception of the agreement.

Terms and conditions

103 101

Impairments

(48) (48)

55 53

Non-current assets

At amortised cost

55 53

Reconciliation of provision for impairment of financial assets at amortised cost

Other financial assets

Opening balance

(48) (48)

Council for the Built Environment
Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand thousand

7. Property, plant and equipment

	2024		2023			
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	1 880	(780)	1 100	2 460	(1 605)	855
Office equipment	1 132	(433)	699	1 807	(1 042)	765
IT equipment	1 959	(654)	1 305	4 116	(2 765)	1 351
Leasehold improvements	3 145	(759)	2 386	3 145	(181)	2 964
Signage	39	(35)	4	39	(33)	6
Total	8 155	(2 661)	5 494	11 567	(5 626)	5 941

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	855	784	(376)	(163)	1 100
Office equipment	765	161	(118)	(109)	699
IT equipment	1 351	496	(132)	(410)	1 305
Leasehold improvements	2 964	-	-	(578)	2 386
Signage	6	-	-	(2)	4
	5 941	1 441	(626)	(1 262)	5 494

Notes to the Annual Financial Statements

Figures in Rand thousand

7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1 006	66	(26)	(191)	855
Office equipment	341	689	(130)	(135)	765
IT equipment	1 085	733	(34)	(433)	1 351
Leasehold improvements	8	3 145	-	(189)	2 964
Signage	9	-	-	(3)	6
	2 449	4 633	(190)	(951)	5 941

The current year additions consist of cash purchases amounting to R 1 441 000 (2023: R2 251 000) and non-cash items for Property Plant and Equipment (PPE) under operating lease tenant installation allowance RNil (2023: R1 771 000).

Pledged as security

None of the CBE's property, plant and equipment has been pledged as security for any liability or contingent liability.

The residual values of property, plant and equipment have been assessed to be negligible, as a result they have not been considered in the calculation of the depreciable amount.

Expenditure incurred to repair and maintain property, plant and equipment

Furniture	-	3
Office equipment	-	1
	-	4

Notes to the Annual Financial Statements

Figures in Rand thousand

8. Intangible assets

	2024			2023		
	Cost	Accumulate d amortisati on and accumulated impairment	Carrying value	Cost	Accumulate d amortisati on and accumulated impairment	Carrying value
Computer software, internally generated	1 041	(49)	992	822	-	822
Computer software, other	4 541	(3 498)	1 043	4 297	(2 142)	2 155
Total	5 582	(3 547)	2 035	5 119	(2 142)	2 977

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Work in progress	Amortisation	Total
Computer software, internally generated	822	314	(95)	(49)	992
Computer software, other	2 155	876	-	(1 988)	1 043
	2 977	1 190	(95)	(2 037)	2 035

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Work in progress	Amortisation	Total
Computer software, internally generated	727	-	95	-	822
Computer software, other	1 228	2 235	-	(1 308)	2 155
	1 955	2 235	95	(1 308)	2 977

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

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Figures in Rand thousand	2024	2023
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8. Intangible assets (continued)

Pledged as security

None of the CBE's intangible assets have been pledged as security for any liability or contingent liability.

The residual values of intangible assets have been assessed to be negligible, as a result they have not been considered in the calculation of the depreciable amount.

Intangible assets in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of Intangible assets

Computer software, internally generated	728	822
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Intangible asset currently being developed consists of the development and maintenance of the Integrated Electronic Built Environment System (IEBES). Integration with the CBEP membership database delayed the commissioning and migration.

The development and maintenance of the Knowledge Management Hub was commissioned during the 2023/24 year

9. Operating lease (asset) liability

Non-current liabilities	974	1 328
Current liabilities	548	397
	1 522	1 725

Operating lease payments represent rentals payable by the CBE for its new office accommodation.

CBE obtained new leased premises which was occupied from 01 January 2023. The lease is for a five year term, with a 5% escalation per annum. No contingent rent is payable. The landlord provided the CBE with a tenant installation allowance amortised over five years.

The operating lease expenses are smoothed on a straight line basis over the lease term. Any over- or under payment as a result of the smoothing is recognised in the statement of financial position as a liability or asset, until the time that payments in the future reverses the smoothing to zero by the end of the lease period.

10. Payables from exchange transactions

Trade payables	3 660	855
Accrued expense	1 437	2 758
	5 097	3 613

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand thousand 2024 2023

11. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

CETA 1 357 -

The CBE entered into an agreement with Construction Education and Training Authority (CETA) for the Built Environment Recognition Awards . Revenue has been recognised to the extent of expenditure incurred in the current financial year.

12. Provisions

Reconciliation of provisions - 2024

	Opening Balance	Utilised during the year	(Over) / under provision	Change in discount factor	Total
Provision for dismantling	1 025	-	-	78	1 103
Provision for general expenses	259	(324)	65	-	-
	1 284	(324)	65	78	1 103

Reconciliation of provisions - 2023

	Opening Balance	Additions	Change in discount factor	Total
Provision for dismantling	242	767	16	1 025
Provision for general expenses	259	-	-	259
	501	767	16	1 284

Non-current liabilities	705	627
Current liabilities	398	657
	1 103	1 284

The CBE has an obligation to restore its leased premises to its original condition. The restoration is yet to commence at the previous leased premises. In the current financial year the CBE recognised a liability to restore its current leased premises to its original condition from inception of the contract. Refer to prior period error Note 34.

The CBE settled a service dispute in the current financial year .

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

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Figures in Rand thousand	2024	2023
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13. Employee benefit obligations

Termination benefits provision	-	1 291
Severance package	-	1 066
Bonus provision	503	409
Leave accrual	1 071	1 181
13th Cheque accrual	279	274
	1 853	4 221

During the current year, the CBE raised a provision for bonus payment in relation to performance bonus for the performance period 1 April 2023 to 31 March 2024. The provision for bonus payment is prepared on the basis of prior year's actual performance. The entity's performance has been assessed to be in line with historic trends, and as such, 2% is management's best estimation. Management is of the view that the amount will be adequate to cover the performance bonus of the organisation for the 2023/24 financial year.

14. Revenue

Partnership funding	5 314	-
Appeal fees	3	5
Insurance proceeds	13	358
Other income	707	51
Interest received - investment	607	492
Government grants & subsidies	54 704	54 495
Levies	1 960	2 102
	63 308	57 503

The amount included in revenue arising from exchanges of goods or services are as follows:

Partnership funding	5 314	-
Appeal fees	3	5
Insurance proceeds	13	358
Other income	707	51
Interest received - investment	607	492
	6 644	906

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue

Transfer revenue

Government grants & subsidies	54 704	54 495
Levies	1 960	2 102
	56 664	56 597

Council for the Built Environment

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Notes to the Annual Financial Statements

Figures in Rand thousand

2024

2023

15. Employee related costs

Basic	33 675	29 366
Medical aid - company contributions	2 513	1 799
UIF	183	161
Defined contribution plans	3 761	3 340
Leave pay accrual-change	(111)	(227)
Bonus-Movement	95	32
Termination benefits	-	2 357
	40 116	36 828

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

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Figures in Rand thousand 2024 2023

16. Members' and prescribed officers' remuneration and other benefits paid, payable or receivable

Executive

2024

	Annual remuneration (R'000)	Bonus (R'000)	Contributions to UIF, Medical and Pension Fund (R'000)	Subsistence and Travel (R'000)	Telephone and Housing allowance (R'000)	Total (R'000)
Dr. M Myeza- Chief Executive Officer	2 359	67	4	107	29	2 566
Ms. T Moya- Chief Transformation Officer	1 504	-	109	16	9	1 638
Ms. T Mtati- Chief Shared Services Officer	1 541	-	90	10	9	1 650
Ms. S Treeby- Chief Financial Officer	975	-	265	367	9	1 616
	6 379	67	468	500	56	7 470

Council for the Built Environment

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Notes to the Annual Financial Statements

Figures in Rand thousand 2024 2023

16. Members' and prescribed officers' remuneration and other benefits paid, payable or receivable (continued)

2023

	Annual remuneration (R'000)	Acting allowance (R'000)	Contributions to UIF, Medical and Pension Fund (R'000)	Subsistence and travel (R'000)	Telephone and Housing allowance R'000)	Total (R'000)
Dr. M Myeza- Chief Executive Officer	2 224	-	4	60	28	2 316
Ms. T Moya- Chief Transformation Officer**	229	-	17	-	2	248
Ms. T Mtati- Chief Shared Services Officer**	237	-	9	-	2	248
Ms. L Jansen van Vuuren- Former Chief Financial Officer*	824	-	2	12	14	852
Ms. ZD Mhlongo- Former Chief Financial Officer*	834	-	2	40	14	890
Ms. S Treeby- Acting Chief Financial Officer***	-	94	-	-	-	94
Mr. P Manamela- Acting Chief Transformation Officer****	-	69	-	-	-	69
Mr. Sisa Jikeka-Acting Chief Shared Services Officer*****	-	46	-	-	-	46
	4 348	209	34	112	60	4 763

* Resigned on 30 September 2022

**Appointed on 01 February 2023

***Served as Acting Chief Financial Officer from 30 May 2022 to 31 July 2022 and 01 October 2022 to 31 March 2023

****Served as Acting Chief Shared Services from 01 August 2022 to 30 and from 01 October 2022 to 31 January 2023 as Acting Chief Transformation Officer.

*****Served as Acting Chief Shared Services Officer from 01 October 2022 to 31 January 2023.

Council for the Built Environment

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Notes to the Annual Financial Statements

Figures in Rand thousand 2024 2023

16. Members' and prescribed officers' remuneration and other benefits paid, payable or receivable (continued)

Non-executive

2024

	Claim for attendance (R'000)	Other allowances (R'000)	Total (R'000)
Mtshali, Holovisa Amelia (Chairperson)	-	5	5
Maraka, Ditaba Lucy (Deputy Chairperson)	64	6	70
Dr Musetsho, Khangwelo, Desmond	42	9	51
Gavor, Christopher Kobla	47	1	48
Mahopo, Seemole Angela	43	1	44
Mabilane, Salome Velma	62	11	73
Madikane, Thembinkosi Cedric	48	4	52
Steynberg, Christiaan Jahannes	46	4	50
Makhudu, Snowy Mercy	66	6	72
Monakedi, Tshepo Albia	-	23	23
Pepeta, Mandisa Princes	53	8	61
Molebatsi, Modiehi Elisa	61	9	70
Mthembu, Sinenhlahla Thuleleni	39	15	54
Raphela, Nchoke John (Independent Information Technology Steering Committee Chairperson)	26	-	26
Mkondweni, Ncedo (Independent PPL TCC Chairperson)	26	-	26
Kgole, Majute Paul (Independent OSD TCC Chairperson)	21	3	24
Ngobeni, James (Independent PSCD TCC Chairperson)	20	-	20
Njozela, Thobeka (Independent ARC Chairperson)	109	2	111
Mukheli, Peter (Independent ARC Member)	64	1	65
Magan, Virendra Gangaram (Independent ARC Member)	34	1	35
Nzo, Zukiswa Zinhle Yoliswa	11	-	11
Hutamo, Ngwako Edward	-	17	17
Afleck, Douglas Munro	17	2	19
Adv January, Nomonde Nokhuthala	18	1	19
Nduku ,Ntshindiso Charles	24	-	24
	941	129	1 070

Council for the Built Environment

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Figures in Rand thousand

2024

2023

16. Members' and prescribed officers' remuneration and other benefits paid, payable or receivable (continued)

2023

	Claim for attendance (R'000)	Other allowances (R'000)	Total (R'000)
Mtshali, Holovisa Amelia (Chairperson)	6	5	11
Maraka, Ditaba Lucy (Deputy Chairperson)	92	11	103
Gavor, Christopher Kobla	19	-	19
Sithole, Mandla			
Mahopo, Seemole Angela	22	1	23
Quphe, Arthur	111	4	115
Mabilane, Salome Velma	9	8	17
Madikane, Thembinkosi Cedric	-	4	4
Dr Musetsho, Khangwelo Desmond	29	16	45
Steynberg, Christiaan Johannes	22	3	25
Makhudu, Snowy Mercy	18	4	22
Nyaka, Elizabeth Faith	-	2	2
Monakedi, Tshepo Albia	-	15	15
Pepeta, Mandisa Princes	63	2	65
Silva, Victor Craig	-	2	2
Molebatsi, Modiehi Elisa	29	1	30
Mahlawe, Anele Emanuel	-	3	3
Mthembu, Sinenhlahla Thuleleni	97	14	111
Dlamini, Sitsabo Samuel (Former Chairperson)	272	6	278
Mogodi, Maphefo (Former Deputy Chairperson)	254	10	264
Ndlovu, Hendrick	1	1	2
Simelane, Bafikile Bonke	49	2	51
Jacobs, Keith Ivor	236	6	242
Mbuthia, George	49	1	50
Shongwe, Letsabisa	26	1	27
Phukubje, Phuti Nehemia	44	2	46
Stock, Patricia (Independent Audit Committee member)	184	-	184
Mangquku, Luyanda Mansfield (Independent Audit Committee member)	88	-	88
Konar, Len (Independent Audit Committee member)	73	-	73
Raphela, Nchoke John (Independent Information Technology Steering Committee Chairperson)	41	-	41
Mkondweni, Ncedo (Independent PPL TCC Chairperson)	16	2	18
Kgole, Majute Paul (Independent OSD TCC Chairperson)	23	3	26
Ngobeni, James (Independent PSCD TCC Chairperson)	56	1	57
	1 929	130	2 059

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Notes to the Annual Financial Statements

Figures in Rand thousand	2024	2023
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17. Depreciation and amortisation

Property, plant and equipment	1 262	951
Intangible assets	2 038	1 308
	3 300	2 259

18. Finance costs

Finance leases	-	6
Other interest paid	78	16
	78	22

19. Lease rentals on operating lease

Premises

Contractual amounts	1 739	4 288
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The CBE entered into a new operating lease agreement for its office premises, commencing 01 January 2023 for a period of five years.

20. General expenses

Advertising	331	65
Appeal committees fees	112	436
Assessment rates & municipal charges	179	270
Awareness and publications	107	116
Bank charges	79	83
Catering	678	137
Cleaning	96	81
CBEP support	-	100
Insurance	251	281
Project support expense	-	228
Dismantling expense	-	156
Postage and courier	30	7
Printing and stationery	43	-
Publishing	-	87
Relocation costs	-	401
Repairs and maintenance	51	173
Staff welfare	70	54
Subscriptions and membership fees	99	91
Telephone and fax	154	151
Training	167	151
Electricity	584	894
	-	-
	3 031	3 962

Council for the Built Environment

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Figures in Rand thousand

2024

2023

21. Cash (used in) generated from operations

(Deficit) surplus	(5 030)	272
Adjustments for:		
Depreciation and amortisation	3 300	2 259
Gain on sale of assets and liabilities	560	190
Finance costs - Finance leases	-	6
Interest income	(6)	(7)
Bad debts written off	-	5
Movements in operating lease assets and accruals	(203)	1 821
Movements in provisions	(181)	172
Changes in working capital:		
Receivables from exchange transactions	(530)	152
Other receivables from non-exchange transactions	1 261	(835)
Payables from exchange transactions	1 484	1 044
Unspent conditional grants and receipts	1 357	-
Employee benefit obligation	(2 368)	-
	(356)	5 079

22. Other cash items

Insurance claims	13	358
Other receipts	163	198
Partnership agreements	6 621	-
	6 797	556

23. Commitments

Authorised capital expenditure

Approved not yet contracted

- Intangible assets

57 1 102

Total capital commitments

Approved not yet contracted

57 1 102

Total commitments

Total commitments

Authorised capital expenditure

57 1 102

Council for the Built Environment

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Figures in Rand thousand	2024	2023
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23. Commitments (continued)

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	2 039	1 942
- in second to fifth year inclusive	6 138	8 180
	8 177	10 122

Operating lease payments represent rentals payable by the entity for certain of its office premises. The CBE entered into a lease contract for a term of five years commencing on 1 January 2023, at an annual escalation of 5%. No contingent rent is payable.

24. Contingencies

The CBE entered into a lease agreement. As part of the terms and conditions of the lease, a bank guarantee, to the value of R344 888, was issued in favour of the landlord. The funds are held in an investment account.

In terms of section 53(3) of the PFMA, public entities listed in Schedule 3A and 3C may not retain cash surpluses that were realised in the previous financial year without prior written approval of National Treasury. During September 2020, National Treasury Instruction Note 12 of 2020/21, provided a revised definition of a surplus. According to this instruction, a surplus is based on cash and cash equivalents, plus receivables less current liabilities at the end of the financial year.

National Treasury approved the utilisation of the surplus funds for the 2022/23 financial year at an amount of R1 673 787. A liability was raised for the remaining balance of R1 709 213. No application for retention of surplus funds will be submitted to National Treasury as CBE has spent all allocated funds.

The CBE will be defending two legal matters for which it has received summons. The estimated legal cost for the two matters is R1 500 000.

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand thousand	2024	2023
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25. Related parties

The CBE is a national public entity controlled by National Government under the Executive Authority, the Minister of the DPWI. Any other entity of the National Government is a related party. All transactions with such entities are at arm's length and on normal commercial terms, except where employees of national departments or national public entities participate in the CBE's processes and do not receive any remuneration.

During the period under reporting the Executive Authority was Hon. Sihle Zikalala.

The transactions with the Administrative Executive are in respect of the Grant.

The following employees from the DPWI served on the board for no consideration Mr M Sithole, MsTLP Shipalana and Ms EF Nyaka

The above related parties did not have any transactions which were not at arm's length with the CBE during the financial year.

The Audit and Risk Committee (ARC) exercises oversight over the ICT (Information Communication Technology) Committee of the CBE. This arrangement provides the ARC with significant influence over the ICT functions and policy making of the CBE hence considered a related party.

Receipts from the CBEP are in respect of levies in terms of section 17(1)(a) of the CBE Act 43 of 2000.

Payments made by the CBE were for administrative support provided to CBEP.

Balances due, or payable, are in relation to levy transactions and administrative support provided.

During the financial year, there were no related party transactions with key management or any of their immediate families or any organisation in which they have significant influence.

Related party balances

Amounts included in Trade receivable regarding related parties

SACAP	63	199
SACLAP	11	26
ECSA	283	1 062
SACPVP	83	148
SACPCMP	-	201
SACQSP	12	11

Related party transactions

Grant received

DPWI	54 704	54 495
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Levy income

SACAP	422	422
SACLAP	10	10

Council for the Built Environment

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Figures in Rand thousand

25. Related parties (continued)

ECSA	920	1 062
SACPVP	83	80
SACPCMP	369	385
SACQSP	155	144

Partnership and sponsorship revenue

DPWI	2 947	-
ECSA	50	-

Council Support expenses

SACLAP	-	100
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CBE shares its office accommodation with SACLAP. SACLAP does not pay for this service. The estimated saving on SACLAP's administrative budget amounted to R66 303 (2023: R116 188).]

Key management information

Class	Description	Number
Non-executive board members (Refer to Note 16)	Council members	21
Audit and Risk Committee (Refer to Note 16)	External audit committee members	3
Executive management (Refer to Note 16)	Senior management	4

26. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk.

Liquidity risk

The entity manages liquidity risk through proper management of working capital, capital expenditure and cash flow; and by variance reports between actual and budgeted amounts. The entity's financial liabilities mainly consist of trade and other payables from exchange transactions which are due within thirty (30) days.

At 31 March 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
• Trade and other payables from exchange	5 097	-	-	-
At 31 March 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
• Trade and other payables from exchange	3 613	-	-	-

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

26. Risk management (continued)

Credit risk

The financial assets that potentially subject the entity to the risk of non-performance by counterparties, and thereby subject the entity to concentrations of credit risk consist mainly of cash and cash equivalents, other financial assets and trade receivables. The credit risk is controlled through the application of approved regulations, limits and monitoring procedures.

The entity limits its counter-party-exposure by dealing with well-established financial institutions with high credit ratings assigned by international credit-rating agencies. Credit risk with respect to receivables is limited, due to the nature of the entity's revenue transactions. The entity does not have any significant exposure to any individual customer or counter-party. Accordingly, the entity does not consider having any significant concentration of credit risk, which had not been adequately provided for.

Financial assets and statutory receivables are exposed to credit risk. The maximum exposure to credit risk at year end were as follows:

	2024	2023
Receivables	1 046	1 778
Cash and cash equivalents	7 803	10 625
Other financial assets	55	53

27. 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.

The Executive Authority continues to provide the grant funding, as indicated in the Medium-Term Expenditure Framework (MTEF) over the MTEF period, to fund the ongoing operations of the CBE.

28. Events after the reporting date

No other significant event took place after the reporting date that would have a significant effect on the financial statements.

29. Irregular, Fruitless and Wasteful Expenditure

Irregular expenditure	-	29
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Criminal / Disciplinary steps taken

No consequence management process can be followed as all employees responsible for the incurring of prior year irregular expenditure have left the employment of the CBE.

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand thousand	2024	2023
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30. Segment information

General information

Identification of segments

The CBE manages its operations as a single segment with the Council and Chief Executive Officer (CEO) making key financial decisions based on combined operations for its programmes, focusing on skills for infrastructure delivery, built environment research, regulation and oversight for the built environment professions (CBEP) and transformation (refer to the performance report on page 26 to 83). Resource allocation, assets and liabilities are also managed on a combined basis. Geographical information is not provided as there are no distinct economic benefits derived from different geographical segments. The CBE delivers services throughout the country but does not measure and manage resources on that basis.

Information reported about this segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

31. Budget information

Material differences between budget and actual amounts

31.1 Partnership agreements and other income.

The CBE received funding as a result of partnership agreements with the DPWI for the Built Environment Climate Change Indaba and with CETA for the Built Environment Recognition Awards and TVET growth research. Funds have not yet been received from CETA for the research conducted.

31.2 Interest received

Less cash surpluses available for investment which resulted in less interest earned.

31.3 Levies

Levies receivable from the prior year collected in the current year. Anticipated collection of levies of the current year commenced earlier.

31.4 Employee cost

Cash paid on voluntary severance packages in the current financial year provided for in the prior year cash budget.

31.5 General Expenses.

The variance is due to the purchase of office furniture which was budgeted for as part of operational expenditure.

Differences between budget and actual amounts basis of preparation and presentation

Council for the Built Environment
Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

31. Budget information (continued)

The budget and the accounting bases differ. The annual financial statements for the CBE are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The annual financial statements are for the fiscal period from 2023/04/01 to 2024/03/31. The annual financial statements differ from the budget, which is approved on the cash basis.

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

31. Budget information (continued)

Changes from the approved budget to the final budget

The changes between the approved and final budget are a consequence of reallocations within the approved budget parameters.

CBE made adjustments to its budget to account for the partnership funding received.

32. Reconciliation between budget and statement of financial performance

Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:

Net (deficit) surplus per the statement of financial performance	(5 030)	272
Adjusted for:		
Disposals - PPE	626	189
Movement: Accruals and provisions	1 274	791
Depreciation and amortisation	3 299	2 259
Capital assets purchased	(2 536)	(4 581)
Other working capital movements	2 011	6 139
Net (deficit) surplus per approved budget	(356)	5 069

33. B-BBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

34. Prior period errors

1. Office equipment was not capitalised as at 31 March 2023. A loss on disposal of assets was recognised for items of PPE that were identified to have been missing on verification.

2. Provision for dismantling not accounted at inception.

3. Accrual incorrectly raised

The correction of the error(s) results in adjustments as follows:

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

34. Prior period errors (continued)

Statement of Financial Position

	Amount as previously disclosed	Prior period error	Restated amount
Property, plant and equipment	5 226	715	5 941
Provisions	(657)	(627)	(1 284)
Accrued expense	(2 890)	132	(2 758)
	1 679	220	1 899

Statement of financial performance

	Amount as previously disclosed	Prior period error	Restated amount
Depreciation and amortisation	2 220	39	2 259
Loss on disposal of assets and liabilities	60	130	190
Computer expenses	1 166	(273)	893
Finance costs	6	16	22
Consulting and professional fees	2 009	(132)	1 877
	5 461	(220)	5 241

35. Reclassifications

During the current year the CBE reclassified events expenditure to the face of the statement of financial performance as the line item is material in the current year.

2023

	As previously reported	Reclassification	Restated
General expenses	4 942	(980)	3 962
CBE events	-	980	980

PART G



COUNCILS FOR THE
BUILT ENVIRONMENT PROFESSIONS

1. INTRODUCTION

Section 4(v) of the CBE Act requires the CBE to *receive and assimilate the annual reports of the councils for the professions and submit a summary to the Minister*. Section 19 of the CBE Act requires the Minister to table the CBE annual report together with the summary of the activities of professional councils to Parliament.

This section of the annual report is intended to comply directly with these two legislative provisions. It provides a summary of activities of the professional councils over the 2023/24 financial year as they seek to implement the mandate delegated to them by the State and as they work towards contributing to government's development objectives in the National Development Plan and other government strategic policy documents such as the MTSF and Department of Planning, Monitoring and Evaluation (DPME). The CBEP and CBE share 13 concurrent functions which are clustered into the following four thematic areas:

Table 39: Thematic Areas

Thematic Area	Governance of professional councils	Public Protection	Sustainable and integrated development	Human Resource Development
CBE MANDATE	<i>promote sound governance of the built environment professions;</i> <i>serve as a forum where built environment professions discuss relevant issues;</i> <i>ensure uniform application of norms and standards set by the professional councils;</i>	<i>promote and protect the interests of the public in the built environment;</i> <i>promote appropriate standards of health and safety and environmental protection in the built environment;</i>	<i>promote and maintain a sustainable built environment;</i> <i>facilitate participation of the built environment professions in integrated development;</i>	<i>promote ongoing human resource development in the built environment;</i> <i>promote liaison in the field of training in the Republic and elsewhere;</i>

Thematic Area	Governance of professional councils	Public Protection	Sustainable and integrated development	Human Resource Development
ENABLING POLICY	- Codes of Conduct and Practice for the professions - Recognition of voluntary associations	- Appeal body and procedures - IDOw – in line with the Competition Act of 1998	- Determination of professional fees in line with the Competition Act, 1998 (Act 89 of 1998) - Recognition of new professions	- International recognition of professions - Accreditation of education institution's programmes - Registration of different categories of registered persons - Competency standards for registration - Establish standard generating bodies in line with SAQA to align qualifications to the NQF - Recognition of prior learning - Continuous Professional Development

Source: CBE Act No 43, 2000

Built Environment Professionals (BEPs) play a critical role in planning, developing, building, and maintaining public infrastructure. Whether it is water treatment facilities, bridges, roads, public transit, utilities and the electricity grid, BEPs play an integral part in all aspects of public infrastructure. Ultimately, the six CBEP use their expertise, experience, and knowledge to help create a safer, more sustainable, and prosperous future for South Africa (SA).

While the work of engineers, architects, project and construction managers, quantity surveyors, landscape architects and property valuers take place largely in the background, its impact and importance are visible all around us.

BEPs have the knowledge to plan, design, assess, supervise, build, and maintain South Africa's infrastructure. They are involved from the design concept, through to implementation and construction, on-going operation, property valuation, landscaping, and maintenance, to decommissioning. Together, their work serves to plan and develop the best infrastructure for the SA public. Overall, BEPs' know-how can help government, municipalities and infrastructure owners prioritise and assess projects and programmes to maintain a high standard of infrastructure in South Africa, and ultimately protect the safety, health, and economic prosperity of all its citizens.

2. LEGISLATIVE AND REGULATORY FRAMEWORK OF THE BUILT ENVIRONMENT PROFESSIONS

The respective professions' Acts empower the CBEP to perform the following functions as part of their regulatory function:

- a) *Establishment of a Standards Generating Body (SGB) and development of competency standards;*
- b) *Register persons in professional categories who have demonstrated competency against the standards determined by the council for the profession for the relevant categories and have passed any additional examination that may be determined by the council for the profession;*
- c) *Register persons who meet educational requirements in candidate categories;*
- d) *Prescribe specified categories of registration and register persons in these categories;*
- e) *Require registered persons to renew registration at intervals and under conditions that the CBEP prescribe;*
- f) *Recommend to the CBE the type of work which may be performed by persons registered in any of the categories of registration of that profession;*
- g) *Conduct accreditation visits to any educational institution which has a department, school or faculty of the relevant built environment profession and conditionally or unconditionally grant, refuse or withdraw accreditation to educational institutions and educational programmes;*
- h) *Evaluate educational qualifications that are not accredited or recognised;*
- i) *Enter into agreements with any person or body of persons, within or outside the Republic, with regard to any examination or qualification for the purposes of the relevant built environment professions Act;*
- j) *Develop and administer a code of conduct;*
- k) *Investigate complaints and probable instances of improper conduct against registered persons, charge registered persons with improper conduct and sanction registered persons found guilty accordingly;*
- l) *Annually determine guideline professional fees and publish those fees in the Government Gazette;*
- m) *Recognise Voluntary Associations (VAs);*
- n) *Advise the Minister, any other Minister or the CBE on any matter relating to its profession;*
- o) *Take the necessary steps to protect public interest, health and safety, improve standards of professional services, and create awareness of the need to protect the environment; and*
- p) *Encourage and undertake research into matters related to its profession.*

The objective of these regulatory arrangements is to protect the public by ensuring a high standard of service and professional behaviour by providing:

- i. entry to the professions by trained persons
- ii. a mechanism for establishing and enforcing standards of training and practice
- iii. an avenue for consumers to address complaints against practitioners

3. HUMAN RESOURCE DEVELOPMENT

3.1 Registration

Each Built Environment profession requires registration to ensure practitioners possess the necessary knowledge, skills, and ethical standards to protect the health, safety, and welfare of the public. Registration boards or regulatory bodies set the criteria for eligibility, which often include completion of accredited educational programmes, relevant work experience, and successfully completing a standardised examination.

This function aims to monitor the extent to which the CBEP are transforming to reflect the South African population demographics through:

- i. analysing the demographics of individuals currently registered with the CBEP
- ii. assessing the demographics of candidates and professionals of the CBEP who will hopefully take up the profession
- iii. identifying potential bottle necks and recommending ways to improve accessibility of these professions to all who reside in the country

REGISTERED PROFESSIONALS

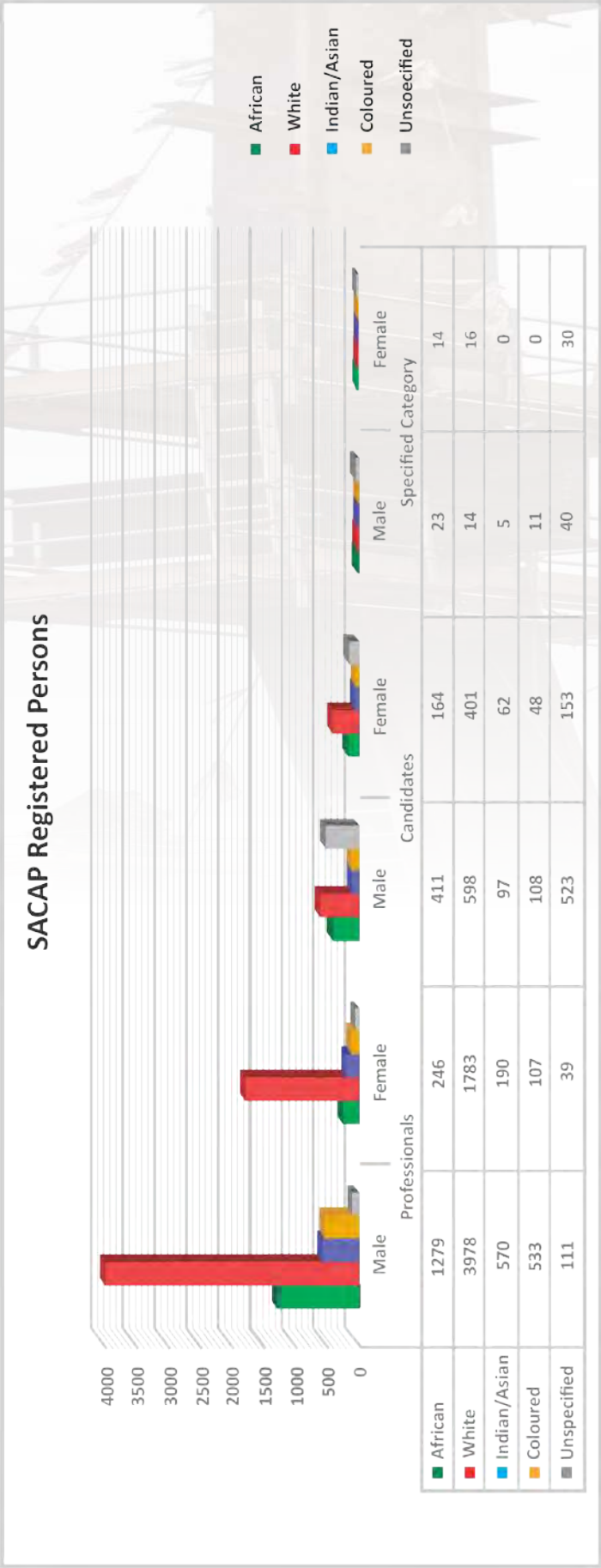


Figure 5: SACAP Registration Statistics

(Source: SACAP Fourth Quarter Report 2023/24)

SACAP’s statistics indicate a total of 8 836 registered professionals at the end of the 2023/24 financial year, a slight decline from 8 829 in the previous 2022/23 financial year. This decline of seven registered persons translate to 0.7% from the previous financial year. SACAP submitted the failure to comply with Continuous Professional Development (CPD) requirements among the reasons for the decline. Many professionals raised issues regarding the affordability and access to CPD activities as most are concentrated in the larger metros, which impacts them negatively.

The data further confirms that SACAP remains white dominated. Unpacking it further, white males dominate the statistics in all identified SACAP categories. While the other demographic groups are present, their representation is minimal and does not reflect the South African population proportionately. The analysis, therefore, not only highlights the need to improve access to SACAP's membership for women, but also suggests the need to improve the racial profile of SACAP registered professionals. Additionally, the inclusion and empowerment of women, youth, and people with disabilities (PWD) is paramount to achieving transformation within the Built Environment sector. SACAP's data provides a total of 73% male professionals and 27% female professionals, an under-representation of 1% of the registered professionals are PWD, while women accounted for 27% of registered professionals. SACAP's registration trends, therefore, remains fairly the same, with gaps in the representation of women, youth and PWD.





Figure 6: SACLAP Registration Statistics

(Source: SACLAP Fourth Quarter Report 2023/24)

SACLAP's professional registration data indicates a total of 417 registered persons, recording a significant increase of 33.23% from the previous financial year. The increase was due to new registrations and candidate transfers. The data indicates the following age distribution across the 417 registered persons:

30%	20-29 years
29%	30-39 years
22%	40-49 years
19%	50+ years (senior aged persons)

The data represents an over-whelming 73% white dominance across all SACLAP's recognised categories, thus alluding to access challenges to SACLAP's professional membership for other racial groups. Although males dominate SACLAP's professional membership at 52%, there is progress indicated in the number of registered females at 48% of SACLAP's total registration. The analysis infers a need for SACLAP to identify, assess and address barriers to registration. In so doing SACLAP will be in a better position to ensure that their register grows.

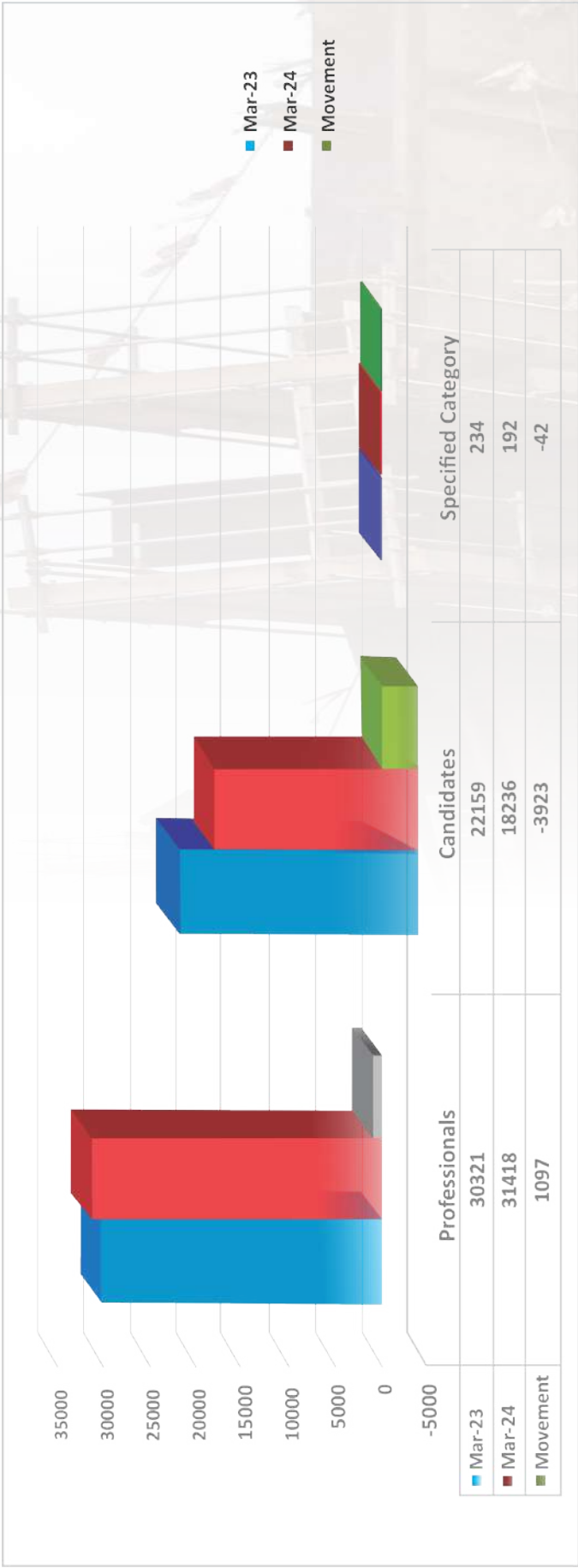


Figure 7: ECSA Registration Statistics

(Source: ECSA Fourth Quarter Report 2023/24)

ECSA's 2023/24 registration statistics show an increased percentage of 3.14% from its 2022/23 registration statistics. The total registered professionals increased from 30 455 in 2022/23 to 31 418 in 2023/24. Transformation continues to be a major challenge- ECSA's professional membership is still dominated by white males, while Africans, Indians and coloureds remain the minority. The illustration further highlights a significant gap in the gender profile, with males accounting for 90% of registered professionals and women a mere 10%.

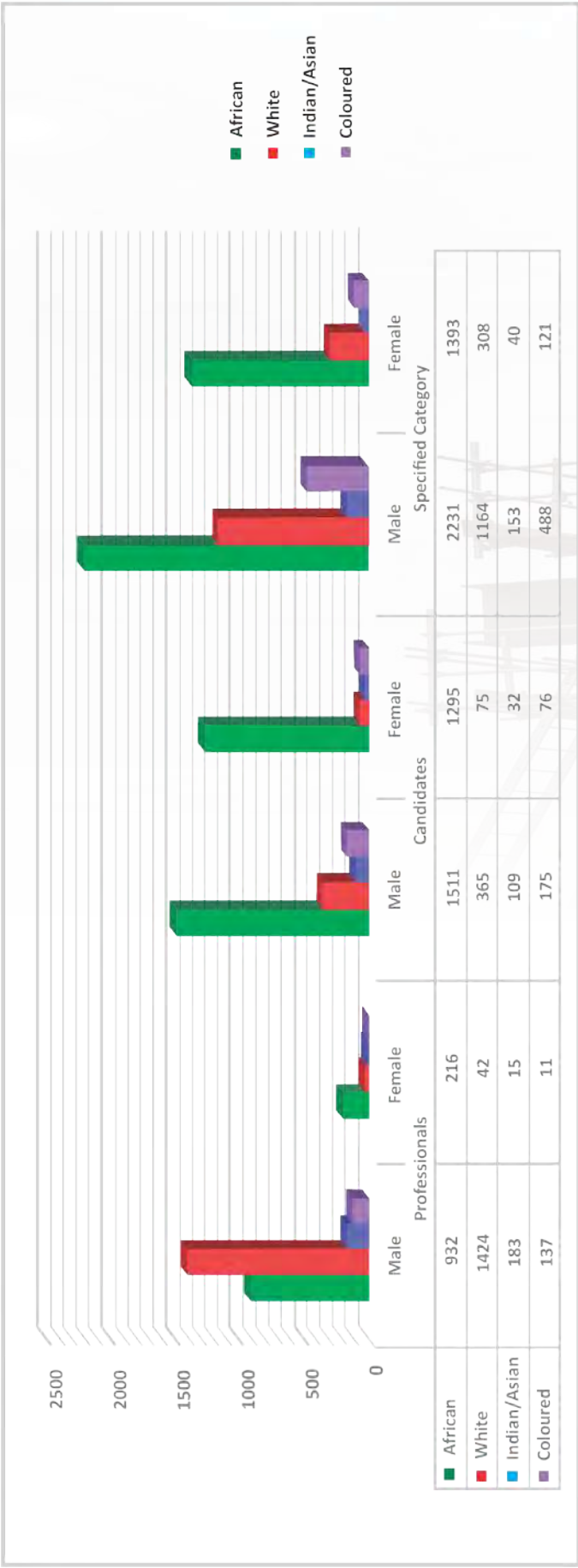


Figure 8: SACPCMP Registration Statistics

(Source: SACPCMP Fourth Quarter Report 2023/24)

SACPCMP’s registration data for the financial year 2022/23 indicated a total of 8 858, inclusive of its specified categories of professionals. The 2023/24 data indicates 2 960 professionals, 5 898 professionals registered under specified categories and 3 638 registered candidates, which make up the overall total of 12 496 registered persons. The noticeable increase of 1 072 translates to 9.38% of registered professionals. The registration data further indicates a well improved racial profile with Africans at 61%, whites at 27% and the Indian and coloured groups account for the remaining 12%. Female representation remains a challenge, standing at 10% of the total registered professionals, excluding registered persons within specified categories. Male domination of 90% depicts a gross imbalanced representation of registered professionals.

The data reveals that SACPCMP’s professional membership is dominated by young professionals (20-39 years), accounting for 49% of the registered persons, followed by mid-aged professionals at 44%, and senior persons (60+ years) at 7% of registered professionals. This data represents a balance and displays good measure towards transforming the sector within the project and construction professions. SACPCMP is 71% male dominated, hence its racial profile remains unbalanced with a need for urgent intervention.

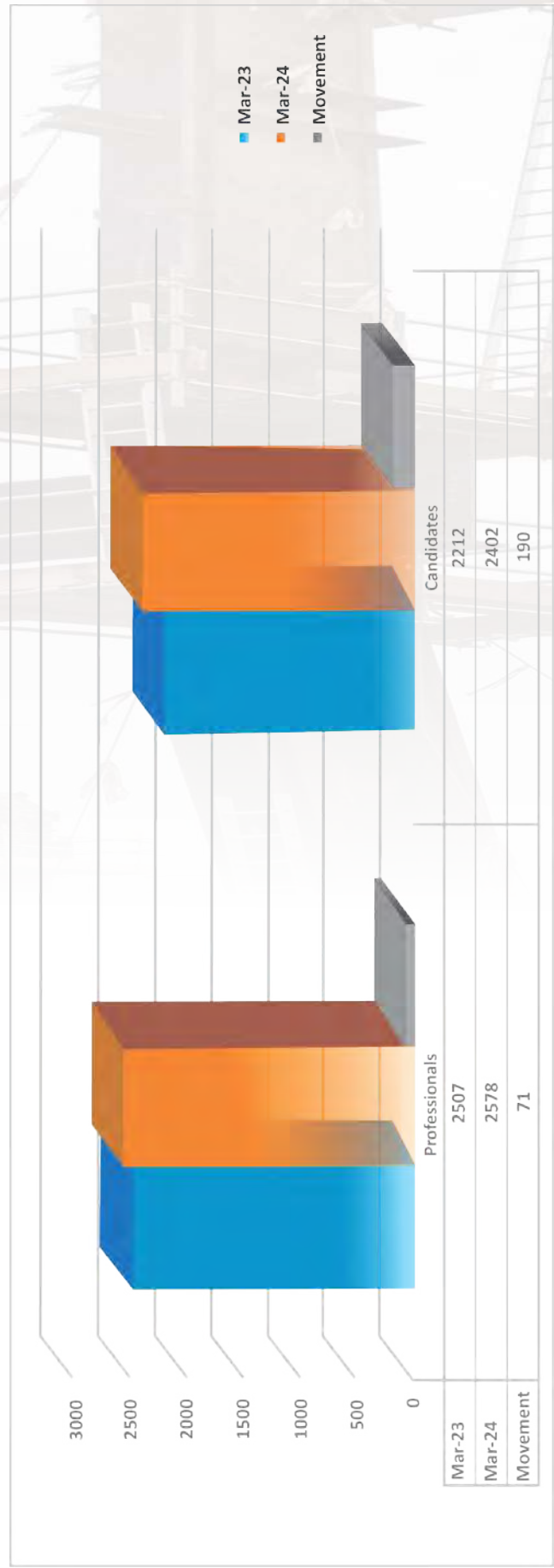


Figure 9: SACQSP Registration Statistics

(Source: SACQSP Fourth Quarter Report 2023/24)

SACQSP’s registration data for 2023/24 above indicates 2 578 registered professionals and 2 402 registered candidates. There registration improvement on the total number of registered professionals and candidates. An additional 71 professionals were reported and 190 candidates were reported for 2023/24. Although the improvement looks insignificant, especially with the professionals, it is still an improvement instead of a reduction.

Professional Registration Per Council

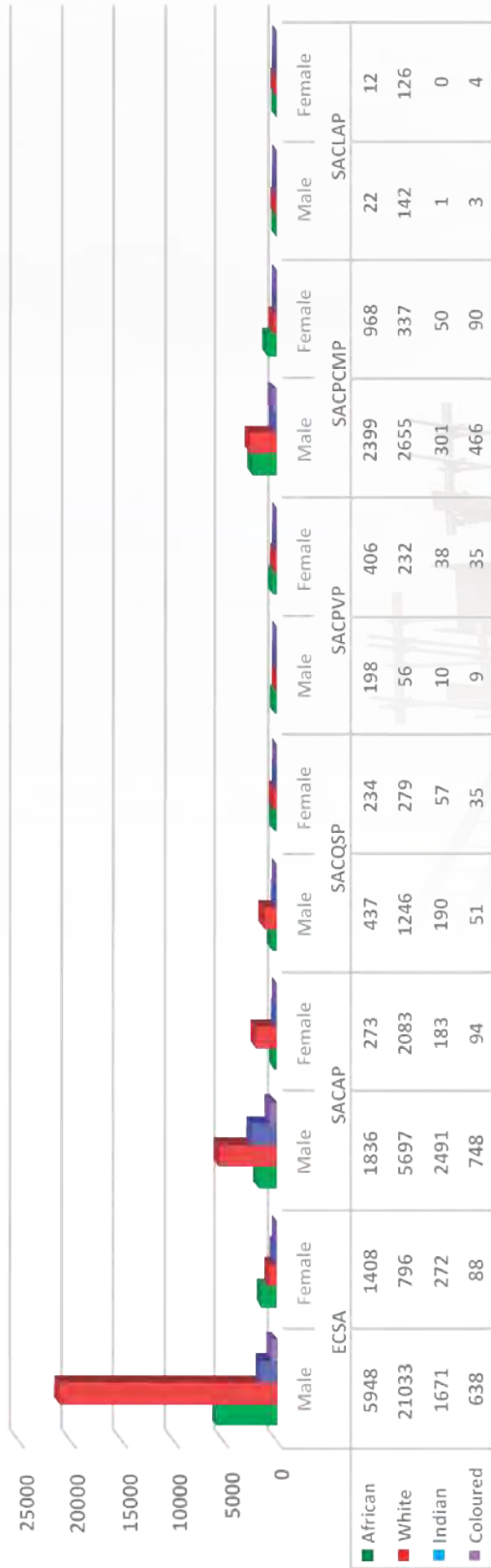


Figure 10: CBEP Professional Registration Statistics

(Source: CBEP Fourth Quarter Report 2023/24)

The 2023/24 CBEP racial profile indicates that the professional councils are still dominated by the white population demographic. Although registration numbers have increased slightly, the industry is still failing to achieve racial balance related to economic transformation in almost all the CBEP. The CBEP's racial profile indicates 62% white professionals, while African, Indian and coloured collectively account for the remaining 38%. Relative to the size of the African population, this group inversely has the lowest representation of registered professionals. The CBEP can better understand and, therefore, protect public interest if they are representative of the race demographics of the Republic of SA.

The gender profile demonstrates that the CBEP membership is dominated by 86% male representation and only 14% female. According to Stats SA, women constitute more than half of South Africa's population, hence this statistic highlights that women are significantly underrepresented in the BEPs. Transforming the Built Environment sector to redress this gender inequity will require the continuous implementation of mechanisms that offer females the correct assistance and support to ensure that their representation improves to achieve a more balanced CBEP profile.

The graph further exemplifies that the contribution of SACLAP's, EAPASA's and SACVP's number of registered professionals in the Built Environment remains relatively low compared to those of ECSA, SACAP and SACPCMP. The analysis, accordingly, infers the need to improve both the racial and gender profile of CBEP, in a manner that promotes equality.

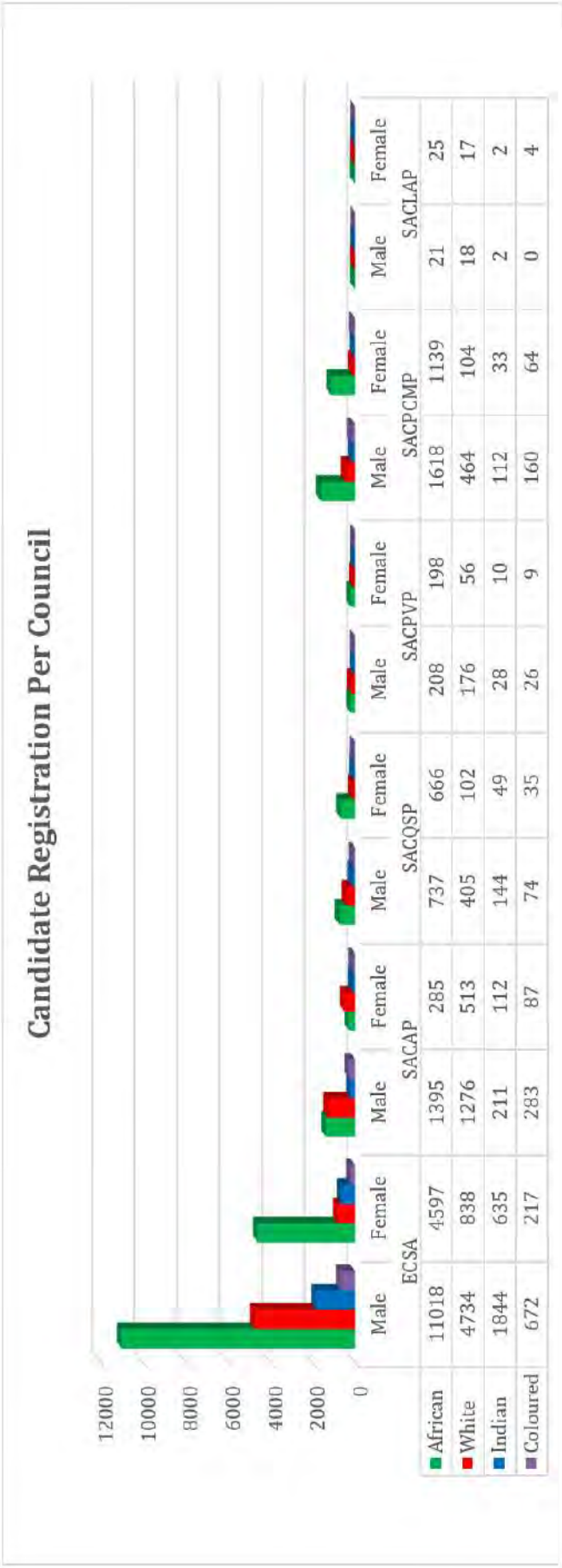


Figure 11: CBEP Candidate Registration Statistics

(Source: CBEP Fourth Quarter Report 2023/24)

The total number of candidates fell from 22 159 in 2022/23 to 18 428 in 2023/24, a decline of 3 731, translating to 17%. The racial profile of candidates is not fairly balanced, which is far different from the professional racial profile in terms of transformation and representation. The data analysis stipulates a high percentage of African candidates still in the candidacy status - 62% African, 24% white, only 9% Indian and just 5% coloured. These figures translate to a total of 76% Previously Disadvantaged Individuals (PDI). This unjust split necessitates an urgent need for both the CBEP and the CBE to implement initiatives that will assist PDI candidates to upgrade to professional status.

The 2023/24 professional gender and racial profile analysis does not include SACPVP and SACQSP registration data due to non-submission from these councils.

Professional registration trends from most of the professional councils did not improve, the only noticeable improvement in terms of the total registered professionals is by SACPCMP with 976 new professional registrations, followed closely by ECSA with 963 new professional registrations. The racial and gender profiles of the CBEP remain unbalanced, with women significantly underrepresented. By the end of the 2023/24 financial year, the CBEP (SACAP, SACLAP, ECSA, and SACPCMP) registered 56 326 professionals, with ECSA dominating registration numbers. The data thus establishes the need to improve the registration numbers of professionals in most CBEP in a manner that will promote equality, while representing the demographics of South Africa.

The professional registration data continues to mirror previous years' indicators in terms of racial profile, alluding to white dominance in almost all the CBEP. The African population is the second most dominant demographic group in the CBEP space, while the Indian and coloured population groups are the overall minority in the professional councils.

The data further indicates that majority of registered persons (RPs) are white males, accounting for 86% of the RPs across the CBEP. The analysis emphasises that the representation of women, and the Indian and coloured population groups is relatively low within the CBEP. The data points out the compelling need to improve access to the CBEP by Indians, coloureds, women, and PWD.

To fully appreciate the progress towards transforming the Built Environment sector, it is crucial for the CBEP to provide data in all relevant areas, such as race, gender, age, nationality, and province with respect to registration data. Regarding the age criterion, the data suggests that the CBEP membership is likely dominated by mid- and senior-aged professionals. This reveals that young people between the ages of 20-39 continue to face challenges to migrate to professional status. The CBEP provide that this could be attributed to the lack of training or opportunities in the industry (learnerships and mentorship).

It is, therefore, imperative for the Built Environment sector to address the issue of aging professionals by implementing strategies that will assist young, registered candidates, particularly those from previously disadvantaged groups to migrate to the professional level. Providing the relevant platforms will not only guarantee that these candidates upgrade to the professional level but will also address the problem of aging professionals and contribute towards the goal of transforming the industry.

The CBEP are undertaking the following initiatives to improve the candidate registration trends:

To improve the registration of students, **SACAP** has made student registration compulsory. From the year ahead, all students who enrol at Architectural Learning sites will need to register with SACAP. SACAP will also motivate and set out the registration requirements for Academics to register within their own category of Registration.

SACPCMP has procured services for proctored online examinations, in addition to online interviews. The online examination is currently fully operational with a visible increase in the number of examiners. During the period under review, all interviews were transferred to the online system, assisting applicants with ease of access to attend interviews at a reduced cost. SACPCMP conducts physical and online programmes by way of application workshops and roadshows for potential applicants to attend. These workshops and roadshows focus on the requirements for registration and how to compile the reports required.

4. ACCREDITATION

Accreditation of programmes in the Built Environment Professions is an essential aspect of ensuring quality and consistency of education provided to future professionals. These standards often include curriculum content, faculty qualifications, facilities, and resources. Accreditation provides reassurance to both students and employers that graduates have received a rigorous and comprehensive education.

Section 13 of the professions' Acts of 2000, subject to sections 5 and 7 of the Higher Education Act, 1997 (Act 101 of 1997), empowers the CBEP to conduct accreditation visits to any educational institution which has a department, school or faculty of that profession. These visits must be conducted once during the CBEP Council's term of office. If the CBEP does not conduct an accreditation visit within its Council's current term of office, it must notify the Minister accordingly and provide reasons for its failure to do so. The CBEP may conditionally or unconditionally grant, refuse, and withdraw accreditation regarding all educational institutions and their educational programmes. Section 4(p) of the CBE Act impels the CBE to *promote coordination between the Council on Higher Education and the CBEP in relation to the accreditation of educational institutions*.

Accreditation of education programmes is an important element for quality assurance and maintaining professional standards against national and international standards. Completion of an accredited course of study is generally a key criterion for registration with the CBEP.

Objectives of Accreditation

The objectives of accreditation, as per the professions' Acts, are to:

- i. establish whether a programme meets the educational requirements toward registration in a particular category
- ii. establish whether the graduates of a programme are ready to enter employment, and are equipped to continue learning throughout their careers
- iii. establish the international comparability of programmes
- iv. assure the public of the quality of the programme
- v. evaluate and, subsequently, maintain the quality and standard of CBEP programmes offered at public South African higher education providers
- vi. encourage improvement and innovation in education, in response to national and global needs

In line with its legislative mandate of setting minimum standards in education and training, and through their strategic objectives of upholding and maintaining standards of education and training, the CBEP evaluate Built Environment teaching programmes offered at universities and universities of technology (UoTs).

The CBEP documented the following accreditation engagements in the 2023/24 financial year:

SACAP: Five accreditation visits were conducted during the period under review, all institutions visited were approved and received full accreditation.

SACLAP: No data submitted at the time of reporting.

ECSA: Two accreditation visits were conducted during the period under review, both institutions visited were approved and received full accreditation.

SACPVP: No data submitted at the time of reporting.

SACPCMP: Thirteen accreditation visits to institutions of higher learning were undertaken during the period under review. Twelve institutions will maintain their full five-year accreditation, whilst one institution was provisionally approved.

SACQSP: Conducted three accreditation visits during the period under review - two institutions received full accreditation and one was awarded conditional accreditation.

Accreditation Status of Built Environment Higher Education Programmes

Table 40 details Built Environment programmes offered by higher learning institutions and their accreditation status. The programmes are colour-coded to denote their accreditation status as follows:

Red - Full Accreditation

Blue - Provisional Accreditation

Black - Accreditation status not determined (information not provided)

Orange - Not Accredited

Table 40: Accreditation Status of Built Environment Programmes

INSTITUTION	SACAP	ECSA	SACLAP	SACPVP	SACPCMP	SACQSP
University of Johannesburg	Diploma: Architectural Technology (Dip Arch)	N/A	N/A	N/A	Bachelor of Science in Construction	BSc Construction Studies
	BTech: Architectural Technology				Bachelor of Science Honours in Construction Management	BSc Honours QS
	BArch (Bachelor of Architecture)				Bachelor of Science Honours in Construction Project Management	
	MTech: Architectural Technology (professional)				Bachelor of Science in Construction Health and Safety: - BSc (Hons) Construction Health & Safety	
Walter Sisulu University	N/A	N/A	N/A	N/A	Diploma in Building Technology –	Diploma (Building)
					Mainstream Extended Curriculum Programme – Extended Curriculum Programme	

INSTITUTION	SACAP	ECSA	SACLAP	SACPVP	SACPCMP	SACQSP
Nelson Mandela University	Bachelor of Architectural Studies (BAS) Master of Architecture (MArch)	N/A	N/A	N/A	BHSD National Diploma: Building Bachelor of Technology: Construction Management CM: BSc Honours in Construction Health and Safety Management Baccalaureus Scientiae in Construction Studies – BSc (Construction Studies) Baccalaureus Scientiae in Construction Management – BSc (Hons) (Construction Management) Magister Scientiae in Built Environment, Construction Management Specialisation Magister Scientiae in Built Environment, Construction Health and Safety Management specialisation Magister Scientiae in Built Environment, Project Management specialisation	Diploma Building Advanced Diploma Quantity Surveying BSc Construction Economics BSc Quantity Surveying Honours

INSTITUTION	SACAP	ECSA	SACLAP	SACPVP	SACPCMP	SACQSP
Tshwane University of Technology	N/A	N/A	N/A	N/A	National Diploma: Building Bachelor of Technology: Construction Management	Diploma in Building Advanced Diploma in Quantity Surveying
Durban University of Technology	Diploma: Architectural Technology Bachelor of Architecture Architectural Technology (BArch)	N/A	N/A	N/A	Bachelors of the Built Environment in Construction Studies Bachelors of the Built Environment Honours in Construction Studies	Bachelor of the Built Environment (BBE) – Construction Studies BBE Honours in QS
Cape Peninsula University of Technology	Diploma: Architectural Technology Bachelor of Technology: Architectural Technology	Advanced Diploma Mechanical Engineering in Renewable Energy BEng Tech in Chemical Engineering Advanced Diploma Chemical Engineering	N/A	N/A	Diploma in Construction (NQF Level 6) Advanced Diploma in Construction Management (NQF Level 7) Advanced Diploma in Construction Health and Safety (NQF Level 7)	Diploma Building Diploma in Construction
Mangosuthu University of Technology	N/A	N/A	N/A	N/A	N/A	N/A

INSTITUTION	SACAP	ECSA	SACLAP	SACPVP	SACPCMP	SACQSP
Central University of Technology	N/A	N/A	N/A	N/A	Higher Certificate in Construction (NQF Level 5) Bachelor of Construction Management (NQF Level 7) Bachelor of Construction in Health and Safety Management (NQF Level 7) Postgraduate Diploma in Construction in Construction Management (NQF Level 8) Postgraduate Diploma in Construction in Health and Safety Management (NQF Level 8) Postgraduate Diploma in Construction in Urban Development (NQF Level 8)	Diploma Building Post Graduate Diploma in Construction in QS

INSTITUTION	SACAP	ECSA	SACLAP	SACVPV	SACPCMP	SACQSP
Vaal University of Technology	N/A	1. Advanced Diploma in Industrial Engineering 2. Advanced Diploma in Electrical in Electronic Engineering 3. Advanced Diploma in Electrical in Power Engineering 4. Advanced Diploma in Electrical Engineering Computer Systems 5. Advanced Diploma in Mechanical Engineering 6. Advanced Diploma in Process Instrumentation Engineering 7. Diploma in Process Instrumentation Engineering 8. Diploma in Electrical Power Engineering 9. Diploma in Electrical in Electronic Engineering 10. Diploma in Electrical in Computer Systems Engineering	N/A	N/A	N/A	N/A

INSTITUTION	SACAP	ECSA	SACLAP	SACPVP	SACPCMP	SACQSP
N/A	N/A	11. Diploma in Electrical in Process Instrumentation Engineering 12. Diploma in Mechanical Engineering 13. Diploma in Industrial Engineering 14. Diploma in Chemical Engineering	N/A	N/A	N/A	N/A
University of Western Cape	N/A	N/A	N/A	N/A	N/A	N/A
University of Cape Town	N/A	N/A	N/A	N/A	Bachelor of Science: Construction Studies Bachelor of Science: (Hons) Construction Management	BSc Construction Studies BSc Honours QS
University of Free State	N/A	N/A	N/A	N/A	Bachelor of Science: Construction Management Bachelor of Science: (Hons) Construction Management Masters of Land and Property Management (MLPM)	BSc Quantity Surveying BSc Quantity Surveying Honours

INSTITUTION	SACAP	ECSA	SACLAP	SACPVP	SACPCMP	SACQSP
University of KwaZulu- Natal	Bachelor of Architectural Studies (BAS) Master of Architecture (MArch)	N/A	N/A	N/A	N/A	N/A
University of Pretoria	N/A	N/A	N/A	N/A	CE Department: Bachelor of Science: Construction Management Bachelor of Science: (Hons) Construction Management GTSM Department/School: Master of Science in Project Management	BSc Quantity Surveying BSc Quantity Surveying Honours
University of Witwatersrand	N/A	N/A	N/A	N/A	Bachelor of Science: Construction Studies Bachelor of Science: (Hons) Construction Management Master of Science: Project Management in Construction	BSc Quantity Surveying BSc Quantity Surveying Honours
University of South Africa	N/A	N/A	N/A	N/A	N/A	N/A

INSTITUTION	SACAP	ECSA	SACLAP	SACPVP	SACPCMP	SACQSP
University of Limpopo	N/A	N/A	N/A	N/A	N/A	N/A
North West University	N/A	N/A	N/A	N/A	N/A	N/A
Stellenbosch University	N/A	N/A	N/A	N/A	N/A	N/A
Rhodes University	N/A	N/A	N/A	N/A	N/A	N/A
University of Fort Hare	N/A	N/A	N/A	N/A	N/A	N/A
School of Explorative Architecture (SEA)	Bachelor of Architectural Studies (BAS)	N/A	N/A	N/A	N/A	N/A
	Bachelor of Architectural Studies (HONS)					
	March (Prof)					
Arcia School of Architecture	Advanced Certificate in Architectural Technology	N/A	N/A	N/A	N/A	N/A
My Academy (also known as The Academic Institution of Excellence: AIE)	Higher Certificate in Architectural Technology	N/A	N/A	N/A	N/A	N/A
	Diploma in Integrated Architectural Technology					
	Advanced Diploma in Integrated Architectural Technology					
	Diploma in Interior Architecture Design					

INSTITUTION	SACAP	ECSA	SACLAP	SACPVP	SACPCMP	SACQSP
STADIO Holdings	Higher Certificate in Architectural Practice	N/A	N/A	N/A	N/A	N/A
	Bachelor of Architecture					
	Postgraduate Diploma in Architecture					
The Learning Box Studio	Masters in Architecture					
	Higher Certificate in Architectural Technology	N/A	N/A	N/A	N/A	N/A
CAD4ALL Advanced	Diploma in Integrated Architectural Technology NQF 7: 120 credits	N/A	N/A	N/A	N/A	N/A

*SACLAP and SACPVP did not submit the accreditation status of their institutions and academic programmes for the 2023/24 financial year.

Table 41: Non-accredited independent institutions offering architectural programmes

Institution	Architectural Programme
African Academy	Architectural Draughting Certificate (NQF 5) - The institution is in the process of aligning its qualification to SACAP competencies.
CTU	National Certificate: Architectural Technology (NQF 4)

**NQF National Qualifications Framework*

Strategic issues and challenges

These colleges are offering architectural education without being accredited by SACAP. This causes problems when graduates from these colleges must register with SACAP. SACAP has undertaken to assist these colleges through an apprentice category of registration.

5. RECOGNITION OF PRIOR LEARNING

Recognition of Prior Learning (RPL) is a process that acknowledges and assesses an individual's existing skills, knowledge, and experience gained through formal or informal learning.

In the BEPs, RPL can be a valuable mechanism to recognise and validate the competences of individuals who may not have followed the traditional educational pathway. RPL provides an opportunity for professionals with practical experience or non-traditional qualifications to gain recognition and potentially obtain registration.

RPL practices vary across BEPs. Professional councils typically outline the criteria and procedures for RPL assessment which may include a portfolio of evidence, interviews, or practical assessments. Successful completion of the RPL process can lead to granting professional recognition or exemptions from certain educational requirements.

RPL recognition is based on demonstrating competence against learning outcomes required for an NQF-aligned qualification. Applications received by the CBEP for RPL are summarised below:

**SACAP, SACLAP, ECSA and SACPVP did not provide any information relating to RPL at the time of reporting.*

Table 42: RPL Annual Statistics

RPL Category	SACPCMP
Number of professionals registered through RPL	23
Percentage of Registered Professionals through RPL	5%
Number of people who paid to pursue registration through RPL	2
Number of RPL applications in process	160
Number of RPL applicants who passed the professional interview	1
Number of RPL applications rejected	1

6. CONTINUOUS PROFESSIONAL DEVELOPMENT

Continuous Professional Development (CPD) is a vital aspect of maintaining competence and staying up to date with advancements in the Built Environment Professions. Professionals are expected to engage in ongoing learning through attending conferences, workshops, seminars, and online courses. CPD requirements vary among professions. The Built Environment Professions mandate a certain number of CPD hours or credits to be completed within a specific timeframe to ensure professionals stay current with industry developments. The purpose of CPD is to ensure that BEPs' knowledge and competencies are continuously developed, and to keep abreast of new developments in their respective fields.

Another purpose is to assist BEPs maintain and acquire new and updated levels of knowledge, skills and ethical attitudes that will be of measurable benefit in professional practice, and to enhance and promote professional integrity. The client is ultimately the beneficiary.

The professions' Acts impose a duty on a RP to apply for the renewal of his/her registration with the council for the profession *"at least three months prior to the prescribed expiry date of his/her registration"* [section 22(1)]. The professions' Acts empower the CBEP to determine conditions for the renewal of registration, and continuing education and training. The discretion provided for in the professions' Acts to make use of CPD as a mechanism to determine the renewal of registration gives the CBEP the opportunity to comply with both the renewal of registration and CPD requirements.

It is the responsibility of all professionals to keep up to date with changes and new developments in the professional body of knowledge through participation in formal and informal CPD. All registered professionals are required to complete a series of accredited continuing education activities each year. CPD ensures that:

- i. skills of professionals meet the highest standards
- ii. expertise of members develops and expands as markets and conditions change
- iii. the role and reputation of the professions are relevant and enhanced- both in South Africa and in the international Built Environment community
- iv. expertise of members is harnessed to inform public debate

Table 43: CPD Compliance

CBEP	Percentage Compliance
SACAP	78%
SACLAP	No submission
ECSA	59,6%
SACPVP	No submission
SACPCMP	19%
SACQSP	60%

(Source: CBEP Fourth Quarter Report 2023/24)

CPD Challenges

The following challenges were encountered by the CBEP during the 2023/24 financial year:

SACAP developed standards for CPD activities to ensure that they are of good quality, relevant and affordable. SACAP also offers free CPD courses for professionals and will introduce CPD courses where skills are lacking in certain registration competencies.

ECSA highlighted CPD milestones during the period under review:

- i. Notifications to Licensed Bodies scheduled for the planned audit at least 3 months before the regular audit.
- ii. Scheduling, preparation and conducting of regular audits.
- iii. Notification to Voluntary Associations due for re-recognition of their status and process applications received.
- iv. Notifying Licensed Bodies due for re-recognition of their status and process applications received.
- v. Input to the development of the online CPD online systems.

ECSA's Central Registration Management (CRM) system remains a challenge, both for the internal CRM user and an external RP accessing the portal. ECSA is currently implementing system enhancements to significantly improve system functionality, user experience and monitor the CPD process. Effective implementation of CPD Rules and the associated Standard will ensure that ECSA, as the sole authority and regulator for CPD in the engineering sector, closely watches, supervises, and governs CPD functions such as provider verification and activity validation.

SACPCMP's level of CPD compliance at the end of the 2022/23 financial year was 20% overall. It is currently implementing a remedial programme for CPD non-compliance, which has seen a two percent improvement in compliance levels. SACPCMP further developed a free online service on its registration platform to make CPD activities easily accessible to RPs. SACPCMP's CPD Policy was approved and gazetted for implementation.

7. AGREEMENTS AND PARTNERSHIPS

In an increasingly globalised world, international agreements play a crucial role in promoting collaboration and recognition of qualifications across borders. Various agreements facilitate the mobility of Built Environment professionals, enabling them to work and practice in different countries.

In terms of section 13(e) of the professions' Acts of 2000, the CBEP may establish mechanisms for registered persons to gain recognition for their qualifications and professional status in other countries. Section 13(h) states that *councils for the professions may enter into an agreement with any person or body of persons, within or outside the Republic, with regard to the recognition of any examination or qualification for the purpose of this Act.*

Agreements and partnerships should be consistent with the following principles:

- i. International movement of professionals is in the interests of increasing trade, investment, and knowledge flows between the council for the profession and its trading partners
- ii. The needs of the South African community are served according to the highest professional standards
- iii. Standards for assessment processes are applied consistently for both international and local applicants

The CBEP Fourth Quarter Report 2023/24 outlined the following regarding agreements:

SACAP: Signed the Canberra Accord (international).

ECSA: Has an agreement on recognition of qualifications for the profession with the following accords:

1. Washington Accord
2. Sydney Accord
3. Dublin Accord
4. International Professional Engineers Agreement
5. International Professional Engineering Technologists Agreement
6. Agreement for the International Professional Engineering Technicians

SACLAP: No submission.

SACPVP: No submission.

SACPCMP: Drafted its Policy on International Agreements, yet to be deliberated by its Council. In the case of the Royal Institute of Chartered Surveyors (RICS), the agreements will make provision for qualifications of Registered Persons to be recognised in RICS-affiliated countries if Registered Persons are members of RICS, subject to country-specific competency assessments.

8. PROTECTING PUBLIC INTEREST

A code of conduct serves as a reference for professionals and provides a mechanism for addressing complaints and grievances. A measurable outcome of whether BEPs possess the requisite technical competence and undertake their professional duties in a professional and ethical manner is the number of disciplinary cases lodged against a professional with the professional council. Individuals who believe a Built Environment Professional has violated the code of conduct can file complaints with the relevant professional council. Professional councils have disciplinary committees responsible for investigating complaints and taking appropriate actions, which may include warnings, fines, or even revoking a professional's registration.

Sections 3(a) and (e) of the CBE Act impel it to:

- a) promote and protect the interests of the public in the built environment*
- e) promote appropriate standards of health, safety and environmental protection within the built environment*

8.1 Improper Practice and Disciplinary Cases

In terms of section 28(1) of the professions' Acts of 2000 (section 29 in the instance of SACPVP), the relevant council for the profession must refer any matter brought against a registered person to an investigating committee contemplated in section 17 if—

- a) the council has reasonable grounds to suspect that a registered person has committed an act which may render him or her guilty of improper conduct; or*
- b) a complaint, charge or allegation of improper conduct has been brought against a registered person by any person.*

Similarly, section 30(1) of the professions' Acts of 2000 impels the CBEP to appoint a disciplinary tribunal to hear a charge of improper conduct.

To ensure the protection of consumers of professional services, the CBEP have established complaints and disciplinary systems to maintain the quality of services to consumers and address unprofessional conduct by professionals.

Reasons for Disciplinary Measures

The CBEP may take disciplinary action against any RP who is alleged to be in violation of any of the professions' Acts or who is thought to pose a danger to the public. Most complaints fall into the categories of “professional misconduct” or “unprofessional conduct”, and unsafe practice or illegal or unethical behaviour.

The nature of complaints/disciplinary cases related to:

- (a) Improper conduct
- (b) Failure of RPs to perform professional services within a reasonable time frame
- (c) Competency/designs errors
- (d) Non-compliance with the Code of Conduct
- (e) Candidate working for their own account
- (f) Rendering service as a professional, even when not registered
- (g) RPs practicing during their suspension
- (h) Misrepresentation

Duration of Disciplinary Matters

Most cases took longer than 90 days to a year to complete. The challenges with this turnaround time were the following:

- (a) High cost of investigations and conducting disciplinary cases
- (b) Lack of legal resources within the CBEP, who are then forced to source this expertise externally
- (c) People passing themselves off as RPs, and law enforcement agencies not effective in dealing with these matters
- (d) Non-disclosure/Insufficient information on the Complaint Affidavit
- (e) Lack of cooperation from third parties
- (f) Lack of clear steps for an RP to amend another RP's plans (client consent is not sufficient)
- (g) No committee member available for general advice

General Penalties

Decisions by the CBEP to take disciplinary action impact on a professional's ability to practice or hold oneself out as a RP. Specific actions that constitute penalties vary among the CBEP. The matter may be closed without sanction, or disciplinary action may be taken. If the matter is not closed without sanctions, punitive measures can take several forms and may be imposed in combination. Examples include:

1. *Reprimand or censure*—reprimand and censure are similar in that they are official records indicating that a licensee has been disciplined. They may, in themselves, not compromise one's ability to practice but may be imposed along with other penalties
2. *Citation*—the CBEP of the RP imposes a fine or order of abatement in lieu of making a formal accusation
3. *Cease and desist order*—an order to stop a particular activity or else face further penalty
4. *Warning*—this can be accompanied by stipulations or specific requirements
5. Mandated continuing education
6. Fine or civil penalty
7. *Remediation*—an attempt to correct practice and promote safety; it may define terms for the license to be reinstated in good standing
8. Referral to an alternative-to-discipline programme
9. *Probation*—a period of time during which the RP may/may not be permitted to practice. If permitted to practice during the period of probation, it is with terms and conditions or restrictions
10. *Suspension*—a period of time during which a RP may not practice or hold him/herself out
11. Interventions

Complaints Received by the CBEP

Complaints of improper conduct lodged against RPs, or incidents regarding CBEP-related activities that may indicate improper conduct by RPs are investigated.

Table 44: Complaints

CBEP	2022/23 FY	2023/24 FY
SACAP	153	48
ECSA	115	116
SACPCMP	4	3
SACQSP	33	N/A

The CBEP documented the following complaints in their Fourth Quarter Report 2023/24:

SACAP

Criminal cases:

- i. Twenty cases were referred to SAPS for criminal investigations during the period under review; one conviction was secured.

Disciplinary and Appeals Action (Tribunals):

- i. Ten matters were heard before the Disciplinary Tribunal with the following outcomes:
 - 6 finalized
 - 2 postponed for ruling
 - 2 postponed at the instance of the Respondents
- ii. Of the six matters that were finalized:
 - 5 guilty verdicts
 - 1 withdrawn after the tribunal recommended that the parties mediate
- iii. No appeals were heard.

Complaints:

Forty-eight complaints were received during the period of reporting, related to:

- i. Entering a professional relationship or association with a person who is not a registered person or a registered professional of a closely allied profession without the permission of Council.
- ii. Performing architectural work for the public during the period that the registration is suspended/cancelled.
- iii. Failure to adequately communicate with the client regarding architectural work undertaken.
- iv. Failure to ensure that the letterhead of the practice displays the names of principals, registration numbers and category of registration of principals.
- v. Performing professional work without entering into a written agreement with the client, setting all the requirements in Rule 4.1.
- vi. Failure to perform architectural work for a client within a reasonable time.
- vii. Recommending to the client to commence with the erection of a building without the approval of the local authority.
- viii. Failure to attend to the amendments on the drawings as required by the local authority.
- ix. Failure to submit drawings to the local authority for approval.
- x. Failure to attend to the referrals from the local authority within a reasonable time.
- xi. Failure to perform as per the appointment by the client.
- xii. RP deliberately misrepresented information to the client regarding the submission of the building plan application to the local authority.
- xiii. Failure to notify the Council within 30 days about establishing an architectural practice.
- xiv. Failure to perform architectural work with due skill and diligence.
- xv. Failure to promote service in a truthful manner.
- xvi. Performing architectural services without the control and supervision of a mentor.

SACAP is adequately enforcing its rules of professional conduct and protects the public against registered persons and unregistered persons who contravene SACAP's prescripts. It achieved a 100% guilty verdict on all matters referred to its Disciplinary Tribunal.

SACLAP

No submission.

ECSA

Criminal cases: None reported.

Disciplinary and Appeals Action (Tribunals):

Four section 24 Appeals were finalised within the period of reporting.

Complaints:

Twenty-two complaints were received during the period under review, all of which are in progress:

Ethical	= 1
Technical	= 21
Lifting Machinery Inspector	= None

SACPVP

No submission.

SACPCMP

Criminal cases: None reported.

Disciplinary and Appeals Action (Tribunals):

Two cases were investigated during the period under review and referred to the Disciplinary Tribunal.

Three appeals were finalised within the stipulated time period.

Complaints:

Three complaints were received during the period under review related to:

- i. Allegations of improper conduct by a registered Construction Health and Safety Manager (CHSM).
- ii. A complaint by a registered Construction Health and Safety Officer (CHSO) and Candidate CHSM against his former employer.
- iii. A complaint lodged by an individual against a Director of a company not registered with SACPCMP.

The cases were presented to the Investigation Committee, which subsequently made recommendations to SACPCMP's Council.

Challenges

The CBEP continuously face the challenge of finalising disciplinary cases within the stipulated time due to the lack of resources by way of finance, in-house legal expertise, lack of cooperation from third parties and meeting non-attendance to enable committee members to adopt resolutions.

9. BUILT ENVIRONMENT HEALTH AND SAFETY

Health and safety considerations are of paramount importance in the Built Environment Professions. Professionals in these fields have a responsibility to ensure the safety and well-being of workers, occupants, and the public throughout the various stages of a project's lifecycle.

Health and safety regulations and standards vary by jurisdiction but generally encompass areas such as construction site safety, occupational health, fire safety, and building regulations. Built Environment Professionals must be aware of and comply with relevant legislation, codes, and standards to mitigate risks and create safe environments.

Professionals involved in design, construction, and management must demonstrate a comprehensive understanding of health and safety principles. They should integrate safety considerations into their designs, develop risk assessments, implement safety protocols, and monitor compliance during construction and operation phases. Ongoing training and professional development in health and safety practices are crucial to ensure professionals stay updated on emerging risks and best practices.

Additionally, professionals may be required to engage with other stakeholders, such as health and safety officers, regulatory authorities, and clients, to ensure that health and safety standards are met and maintained throughout the project lifecycle.

Section 3(e) of the CBE Act impels it to *promote appropriate standards of health, safety and environmental protection within the built environment*. The CBE Act does not, however specify policy instruments to achieve appropriate standards of health and safety and environmental protection, as these lie with other government line functions such as the Department of Labour and Employment's Construction Regulations, the Department of Environmental Affairs and of Trade and Industry (SABS – South African Bureau of Standards and NRCS - National Regulatory for Compulsory Specifications). This limits the role of the CBE to a facilitative one. However, a direct role for the CBE is in influencing the knowledge base of BEPs through the curricula of the BE and CPD programmes to incorporate substantive health and safety and environmental sustainability knowledge to increase their competence in these areas.

SACPCMP has started the process to identify sources of data, working through the CBE HSPPUA TCF to access sectoral data on health and safety, specifically incidents at construction sites.

10. SUSTAINABLE AND INTEGRATED DEVELOPMENT

10.1 Identification of Work

The CBE is compelled by section 20(2) of the CBE Act to identify the scope of work for each category of RPs – referred to as Identification of Work (IDoW). The scoping of work is determined after consultation with the Competition Commission (CC) and in consultation with the six CBEP.

The objective of the IDoW is to enhance the protection and safety of the public and the environment by ensuring that only persons registered in the relevant category of registration (and thus demonstrated the required competence and academic qualifications) perform work in the Built Environment or take responsibility for work so performed. The approach on identification of work is to comply with the CBE's statutory duty to identify the scope of work for all categories of registration.

The CC rejected applications on behalf of the CBEP to have identification of work exempted from the provisions of the Competition Act (Act 89 of 1998). This decision by the CC obliged the CBE and CBEP to reconsider the manner in which work was initially identified in the submitted exemption applications. A workshop, conducted between the CBE, CBEP and DPWI produced an IDoW Action Plan, focussing on the CBE's statutory role and the CC's concerns. The CC's concerns were identified in its substantial reasons for rejecting one application, with an assurance that the reasons will be the same for all applications.

In the 2020/21 financial year, there were engagements (meetings) between the CBE, CBEP, DPWI and the CC on what was exactly required for the development of the IDoW policy by the respective CBEP and the role of the CC in this regard. The CBE gazetted the IDoW, which is critical to guide the six CBEP to develop their rules to enable them to regulate their registered Built Environment Professionals. The CBEP indicated that research and development on the IDoW policy was to commence during the 2021/22 financial year. The status for each CBEP is as follows:

SACAP reviewed its IDoW during the period under review to ensure that it is not exclusionary and that only competent persons can perform work. SACAP also developed a certificate of competence to ensure that registered professionals submit work they are competent to perform. This professional council is working with local authorities to ensure that registered professionals submit architectural work they are competent to perform. Its challenge is that RPs continue to submit work they are not competent to perform at various local authorities. Some registered professionals argue that the IDoW is exclusionary and reserves architectural work for Professional Architects.

SACPCMP has revisited its commitment to the IDoW process as outlined by the CBE. Steps have already been taken to implement the CBE Policy on IDoW by engaging the best practice strategy of the SACPCMP, however its Council is yet to deliberate on an effective implementation plan. SACPCMP is in engagements with the CBE and CCSA towards establishing process and mechanisms that will lead to publishing a Revised IDoW for CPM Professions by 2025/26.

10.2 Professional Fees

Professional fees charged by built environment professions to clients is regulated at two levels in the South African Built Environment; at the macro level by the CBE and at a micro-professional practice level by the CBEP. At the macro level, the CBE seeks to ensure that professional fees charged are affordable to clients. This is done through a policy framework on guideline professional fees which encourages transparency and openness in the determination of professional fees. This is the public interest perspective of regulating professional fees. Secondly, the CBE needs to ensure that the professional fees do not distort the market for professional services resulting in anti-competitive outcomes that are counter to the Competition Act prescripts under the ambit of the Competition Commission. The CBE is required by its Act to ensure the professional fees charged by the Built Environment Professions are in line with the Competition laws of the country.

With regard to the competitive pricing of professional services to ensure access to BEPs services by clients the CBE, in 2008, developed the Policy Framework for the Determination and Review of Guideline Professional Fees for Built Environment Professions. The policy framework sets out three broad principles upon which guideline professional fees should be based and the following two types of guideline professional fee methods:

- Value based fee structure
- Time based fees

Fees charged by professionals in the Built Environment vary depending on factors such as experience, scope of work, and location. Professions have standardised fee structures established by the relevant professional council. These fee structures help ensure fairness and transparency within the industry.

Section 4(k)(v) of the CBE Act empowers it to *ensure the consistent application of policy by the councils for the professions with regards to the principles upon which the councils for the professions must base the determination of fees which registered persons are entitled to charge in terms of any of the professions' Acts, and in accordance with any legislation relating to the promotion of competition.*

In terms of section 34(1) of the professions' Acts of 2000, *"The council must, in consultation with the voluntary associations, representatives of service providers and clients in the public and private sector, formulate recommendations with regard to the principles referred to in section 4(k) (v) of the Council for the Built Environment Act, 2000."*

Section 34(2) of the professions' Acts of 2000 provides that *"The council must annually after consultation with the voluntary associations, representatives of service providers and clients in the public and private sector, determine guideline professional fees and publish those fees in the Gazette."*

In 2013, the CBEP resolved not to publish professional fees, acting on the CC's advice that this was deemed anti-competitive behaviour. On this basis, an exemption application was submitted to the CC, which was rejected. This is expected to be the basis of an appeal headed by the CBE on behalf of the CBEP.

The CBEP are required by law to determine guideline professional fees for purposes of promoting market efficiency and redressing consumers' information deficit relative to the professional's knowledge and expertise. The guideline professional fees are not prescribed or set as maximum/minimum mandatory fees for professional services rendered.

Highlights/Achievements/Important Milestones in Policy Implementation:

SACPCMP is currently reviewing its best practice from the perspective of the CCSA to include:

- a. Making use of a third-party not affiliated with SACPCMP to determine annual guideline tariff fees (GTF).
- b. Developing a pro-competitive methodology for GTF which made use of actual fees charged by registered professionals plus the costs of providing construction project managers services to determine the fee.
- c. Monitoring the market by undertaking period surveys/ assessments of the impact of the guideline, including on tender processes.
- d. Adjusting IDoW processes to heed CCSA recommendations.
- e. A Memorandum of Understanding with CCSA to co-regulate competitive outcomes.

10.3 Voluntary Associations

In South Africa, a Voluntary Association (VA) is any association that is recognised as such by a CBEP. An association is broadly defined to include an institute, institution, association, society, or federation established by Built Environment practitioners to promote their collective professional and/or business interests. Their initial and continuing recognition is dependent on their adherence to policy prescripts of the associated council for the profession on VAs.

VAs are an important constituent of the Built Environment professional milieu as a repository of profession-specific technical knowledge. They are highly involved in CPD activities and in developing qualifications. Their recognition is important and should be encouraged since they play the following critical roles:

- i. Provide a pool of practitioners to serve on professional councils' committees
- ii. Play the role of competency assessment (assessors) in the registration process
- iii. Provide a pool of mentors for candidate professionals
- iv. Serve as members of evaluation committees for programme accreditation at higher education institutions which offer Built Environment qualifications

SACAP's recognition of a VA is valid for five years. SACAP published its amended requirements for recognition and maintenance of recognition of VAs in terms of section 25 on 8 October 2021. SACAP received comments and finalised the requirements. All Voluntary Associations applied for recognition renewal, and an extension was granted to those which could not meet the requirements for recognition to submit their outstanding reports.

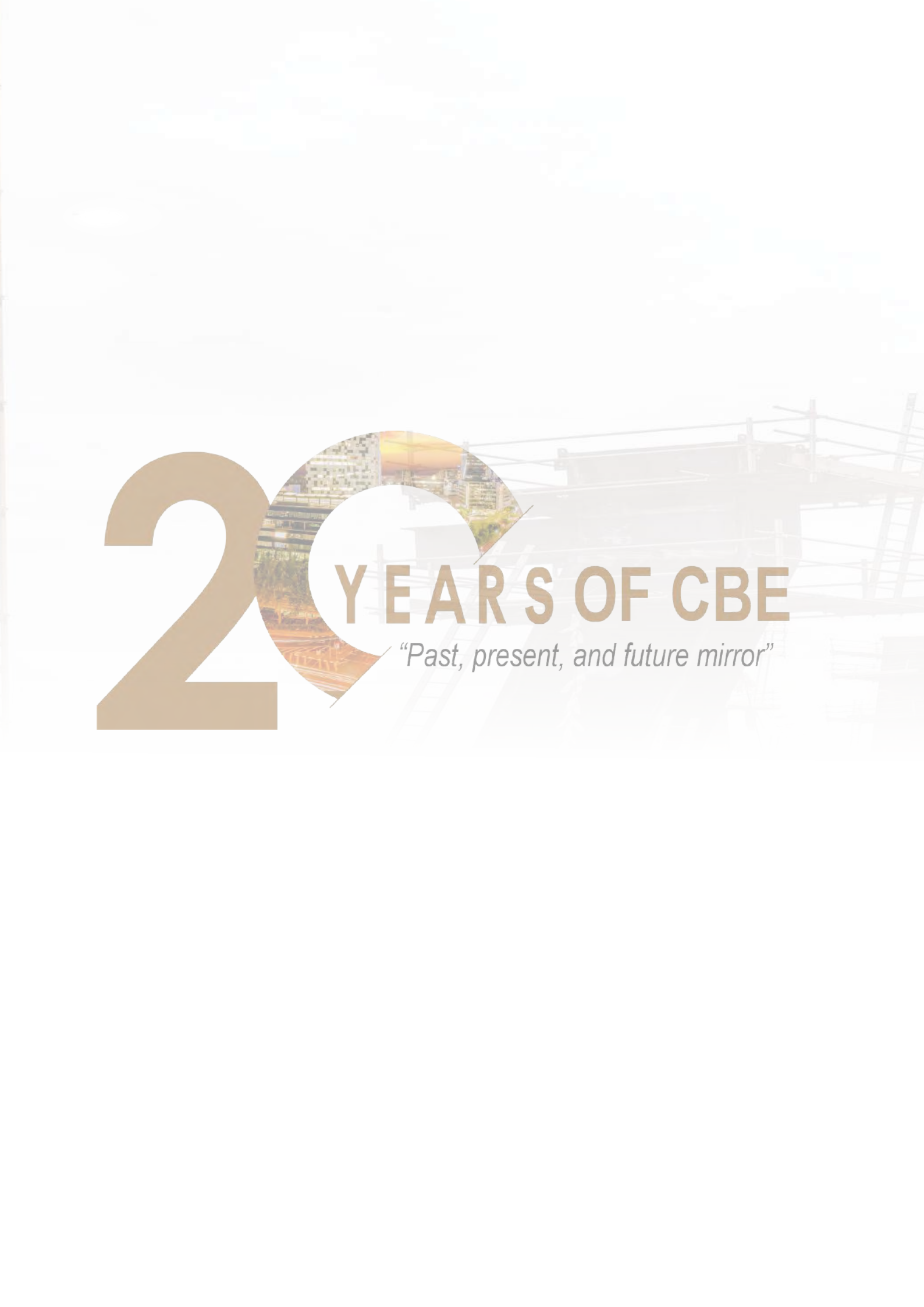
SACPCMP did not receive any new applications for VA recognition during the period under review. SACPCMP hosted the 53rd VA Forum during the reporting period.

Table 45: Voluntary Associations

CBEP	Recognised VAs
SACAP	16
SACPCMP	5

(Source: CBEP Fourth Quarter Report 2023/24)

* The 2023/24 SACLAP, ECSA, SACPVP and SACQSP's information on their number of recognised VAs was not available either due to non-submission from the council or not provided on their report.

The background of the entire page is a faded, high-angle photograph of a large bridge under construction. Scaffolding, steel beams, and construction equipment are visible across the bridge's span. In the foreground, a large, bold, brown '20' is superimposed. The '0' is a solid brown circle, while the '2' is a solid brown shape. The '0' contains a circular inset image showing a city skyline at sunset or sunrise, with warm orange and yellow light reflecting on the water. The text 'YEARS OF CBE' is written in a bold, brown, sans-serif font, positioned to the right of the '0'. Below this, the tagline 'Past, present, and future mirror' is written in a smaller, italicized, brown font.

20 YEARS OF CBE

"Past, present, and future mirror"

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