ANNUAL REPORT

2024/25

Construction Industry Development Board

CONTENTS

ACRONYMS

APP	Annual Performance Plan
ARGC	Audit, Risk and Governance Committee
ASA	Agrément South Africa
B-BBEE	Broad-Based Black Economic Empowerment
BIM	Building Information Modelling
BRICS	Brazil, Russia, India, China, South Africa
B.U.I.L.D	Best Practice Project Assessment Scheme
CAE	Chief Audit Executive
CBE	Council for the Built Environment
CCSO	Chief Corporate Services Officer
CE	Civil Engineering
CEO	Chief Executive Officer
CESA	Consulting Engineers South Africa
CFO	Chief Financial Officer
CID	Construction Industry Development (Regulations)
cidb	Construction Industry Development Board
CIPL	Construction Industry Policy and Legislation
CIO	Chief Information Officer
CMPI	Contractor and Material Procurement Improvement
CoE	Centre of Excellence
COO	Chief Operations Officer
COVID	Coronavirus Disease 2019
CSD	Central Supplier Database
CVA	Construction Value Added
DEI	Diversity, Equity and Inclusion
DPWI	Department of Public Works and Infrastructure
DUT	Durban University of Technology
EPWP	Expanded Public Works Programme
ERWIC	Empowerment and Recognition of Women in Construction
EXCO	Executive Committee
GB	General Building
GDP	Gross Domestic Product
GFCFC	Gross Fixed Capital Formation in Construction
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
ICT	Information and Communications Technology
IDMS	Infrastructure Delivery Management System
IDT	Independent Development Trust
IGR	Intergovernmental Relations
IIA	Institute of Internal Auditors
ISA	Infrastructure South Africa
MINMEC	Ministers and Members of Executive Councils (meeting)
MP	Member of Parliament
MTDP	Medium-Term Development Plan
NDP	National Development Plan
NIP	National Infrastructure Plan
NPA	National Prosecuting Authority
NSF	National Stakeholder Forum
OHS	Occupational Health and Safety
PAA	Public Audit Act
PFMA	Public Finance Management Act
PMI	Project Management Institute
PPP	Public-Private Partnership
PSIRA	Private Security Industry Regulatory Authority
RFI	Retail Financial Intermediary
RoC	Register of Contractors
RoP	Register of Projects
SAPS	South African Police Services
SARS	South African Revenue Service
SEDFA	Small Enterprise Development Finance Agency
SETAs	Sector Education and Training Authorities
SIU	Special Investigating Unit
SMMEs	Small, Medium and Micro Enterprises
SOEs	State-Owned Enterprises
StatsSA	Statistics South Africa
TVET	Technical and Vocational Education and Training
UJ	University of Johannesburg
WABER	West Africa Built Environment Research (Conference)
Wits	University of the Witwatersrand

Dean MacPherson (MP)
Minister of Public Works and Infrastructure

MINISTER'S FOREWORD

The 2024/25 financial year has been one of laying a firm foundation within the Department of Public Works & Infrastructure and its entities to turn South Africa into a construction site. Together with the Construction Industry Development Board (cidb), we have worked to restore governance, strengthen oversight, and put in place the systems needed to professionalise our sector and rebuild public trust. These efforts are critical, but they are only the beginning. The real test now is to expedite delivery so that our communities experience the change in tangible ways - jobs created, projects completed, and opportunities unlocked.

One of my first engagements after assuming office in 2024 was the handover of the Five-Year Review Report. It highlighted both the strides made by the cidb and the urgent areas requiring intervention - project failure rates, delayed payments, and site security. I fully endorsed its recommendations, and we are acting decisively to embed reforms that will professionalise the industry and rebuild confidence in our infrastructure systems.

This year, we made important progress. Governance and financial oversight at the cidb have been strengthened, the B.U.I.L.D Programme has supported skills development and emerging contractors, and turnaround times in project delivery have improved. The blacklisting of over 40 non-performing and corrupt contractors is a clear break from the past, where only one contractor was blacklisted in more than two decades. This sends a clear message that mediocrity, fraud, and criminal disruption will not be tolerated in South Africa's construction environment.

Yet challenges remain. Contractor underperformance, project delays, and infrastructure vandalism continue to frustrate delivery. The rise of criminal networks - the so-called "Construction Mafia" - remains a direct threat to safety, investment, and jobs. Working with the Private Security Industry Regulatory Authority, law enforcement, and the National Treasury, we have begun dismantling these syndicates, but more must be done to safeguard construction sites and restore credibility across the built environment.

The cidb's role as both regulator and developmental enabler is key to this next phase. Expanding its registers to include professional service providers, suppliers, and material manufacturers will bring the entire construction value chain into focus. Leading the adoption of green codes, renewable energy integration, and carbon-reduction frameworks will ensure our infrastructure is not only delivered but also sustainable.

> *This year, we made important progress. Governance and financial oversight at the cidb have been strengthened, the B.U.I.L.D Programme has supported skills development and emerging contractors, and turnaround times in project delivery have improved.*

In the year ahead, we must accelerate the work we are doing.
Communities across the country are waiting to see the results of our efforts
- cranes in the sky, jobs on the ground, and projects delivered on time.

I want to acknowledge the leadership of Chairperson Mr Khulile Nzo, Chief Executive Officer Mr Bongani Dladla, and the Board of the cidb. Their commitment to strengthening governance, restoring public confidence, and steering the entity through a period of renewal has been invaluable. Their collective efforts have positioned the cidb to support the infrastructure-led growth that South Africa urgently requires.

In the year ahead, we must accelerate the work we are doing. Communities across the country are waiting to see the results of our efforts - cranes in the sky, jobs on the ground, and projects delivered on time. With the cidb, and all our partners, we will intensify delivery, strengthen transformation, and drive the infrastructure-led growth that South Africa needs.

This is the foundation we have built. The year ahead must be defined by urgency, accountability, and impact. Together, let us build South Africa: one project, one opportunity, one job at a time.

Dean Macpherson (MP)
Minister of Public Works and Infrastructure

FOREWORD BY THE CHAIRPERSON

A notable development during the review period was the introduction of the cidb Amendment Bill in May 2024. The Bill represents a critical step in modernising South Africa's construction regulatory framework to align with the country's development priorities.

The 2024/25 financial year marked a pivotal chapter for the cidb and South Africa's broader construction industry, as the country ushered in the 7th Administration, a new era of policy alignment and implementation began, guided by the Medium-Term Development Plan (MTDP 2024–2029). This plan prioritises inclusive economic growth, infrastructure delivery, job creation, and transformation, areas where the construction sector plays a catalytic role. The cidb has embraced this mandate with renewed focus, strengthening its governance framework, expanding its developmental role, and tackling long-standing structural challenges head-on.

SUSTAINING GOOD GOVERNANCE AND STRATEGIC OVERSIGHT

It is with great pride that I present the 2024/25 Annual Report for the cidb that reflects on the entity's achievements during the 2024/25 financial period, which also marks the final year of the strategic period from 2020 to 2025. The period under review has seen the cidb achieve an unqualified with findings audit opinion from the Auditor-General South Africa.

As the Board, we have continued to uphold the highest standards of corporate governance. In fulfilling our oversight role, we ensured that risks were proactively managed, audit recommendations addressed, and strategic interventions were aligned with national policy priorities. The unqualified with findings audit opinion reflects our sound governance culture, but we remain vigilant against emerging threats such as cyber-risks, fiscal pressures, and industry non-compliance

This report also closes the chapter on our 2020 – 2025 Strategic Plan. The Five-Year Review Report received in late 2024 affirmed the cidb's progress in governance, regulatory effectiveness, and emerging contractor support. It also identified critical improvement areas: contractor performance monitoring, payment delays, and intergovernmental alignment. These insights are guiding our transition into the new strategic cycle, where agility, accountability, and digital integration will be prioritised

NAVIGATING A CHALLENGING INDUSTRY LANDSCAPE

In 2024, South Africa's construction sector faced a challenging year marked by contraction, cost pressures, and continued job losses. Real output declined by an estimated 4% to 5%, driven by weak demand in residential and civil construction, rising material costs, and persistent energy insecurity. The Construction Materials Price Index (CMPI) rose by over 6.5% year-on-year, straining budgets and delaying projects. Employment in the sector dropped by 22 000 jobs in the fourth quarter alone, continuing a ten-quarter downward trend. Despite these setbacks, the latter half of the year saw signs of stabilisation, particularly in public infrastructure and renewable energy investments, laying the groundwork for a projected recovery of 3–3.5% annual growth from 2025 onwards.

A notable development during the review period was the introduction of the cidb Amendment Bill in May 2024. The Bill represents a critical step in modernising South Africa's construction regulatory framework to align with the country's development priorities. It expands the mandate of the cidb to include oversight of private sector projects, introduces mandatory registration for all contractors.

It also distinguishes the roles of a new strategic Council and the operational Board, enhancing governance and accountability. By broadening cidb's regulatory footprint, the Bill aims to professionalise the industry, promote ethical procurement practices, and support inclusive development across the construction value chain.

DRIVING TRANSFORMATION AND FUTURE READINESS

While the B.U.I.L.D Programme remains a cornerstone of our developmental agenda, the 2024/25 period saw underperformance on two targets due to funding bottlenecks and coordination delays. Corrective measures are now being implemented, including stronger integration with Sector Education and Training Authorities (SETAs), more agile implementation modalities, and clearer reporting frameworks to ensure impact is fully realised.

Although gazetted after the close of the reporting period, the Integrated Social Facilitation Framework will be a critical instrument in driving inclusive engagement in mega-projects and ensuring that infrastructure projects serve communities equitably and sustainably.

Looking ahead to 2025/26, the cidb's strategic priorities are clear: we will operationalise the full scope of the Amendment Bill, expand the Integrated Social Facilitation Framework to mega projects, enhance digital systems for contractor registration and project monitoring, and scale localised skills development through partnerships with SETAs, TVET colleges, and community-based hubs. We are also intensifying our collaboration with development finance institutions to unlock capital for SMMEs and community-driven infrastructure delivery.

The cidb is also positioning the industry to respond to cross-cutting national priorities. These include supporting the green economy through EDGE and SANS 10400-XA standards; strengthening local industrialisation by sourcing inputs locally and supporting domestic manufacturing; and improving contractor professionalisation through digital tools like building information modelling (BIM) and modular construction. These strategies align with the MTDP's pillars of sustainability, economic resilience, and inclusive innovation.

Transformation remains non-negotiable. We continue to drive procurement mechanisms that prioritise women, youth, persons with disabilities and black-owned firms; support enterprise development; and promote equitable participation in both public and private sector projects. Through set-asides, joint ventures, and preferential procurement, the cidb aims to build a construction ecosystem that truly reflects the demographic and developmental aspirations of South Africa.

In closing, I wish to extend my sincere appreciation to the Minister and his team at the DPWI for their guidance and partnership. I also thank the cidb Board, executive team, and staff for their dedication and resilience during a period of both challenge and opportunity.

I also acknowledge our partners in government, the private sector, organised labour, and civil society who continue to walk this journey with us. As we align with the priorities of the 7th Administration and the MTDP, the cidb remains committed to building a construction industry that is ethical, inclusive, professional, and future-ready.

Together, we have laid the foundation. As we enter a new strategic era, we must now deliver at pace, deepen transformation, and unlock the full power of infrastructure to drive South Africa's recovery and shared prosperity.

Khulile Nzo
Board Chairperson

As the Board, we have continued to uphold the highest standards of corporate governance. In fulfilling our oversight role, we ensured that risks were proactively managed, audit recommendations addressed, and strategic interventions were aligned with national policy priorities.

BOARD MEMBERS

Khulile Vuyisile Nzo
Board Chairperson

Professor Susan Bouillon
Deputy Chairperson

Khuliso Kennedy Maimela

Danny Masimene
Ad-hoc Committee Chairperson

Tumelo Gopane

Celeste Margo le Roux

Attwell Sibusiso Makhanya
Social, Ethics and Stakeholder Committee Chairperson

Boitumelo Mokgatle

Karabo Siyila
Registration and Regulatory Compliance Chairperson

Moloko Rabosiwana
Finance Committee Chairperson

Yvonne Mbane
Human Resources Committee Chairperson

Thuthuka Songelwa

Bongekile Zulu

FOREWORD BY THE CHIEF EXECUTIVE OFFICER

The South African construction sector continued to navigate a difficult economic climate during 2024/25, marked by weak GDP growth, elevated inflation, high input costs, and energy constraints. Yet despite these headwinds, the industry remains a central pillar of the national economy, contributing nearly 3% to GDP and directly supporting more than 1.2 million jobs. Within this challenging environment, the cidb reaffirmed its dual mandate: to regulate with integrity while enabling transformation, development, and professionalisation across the sector.

PERFORMANCE EXCELLENCE AND GOVERNANCE INTEGRITY

During the 2024/25 financial year, the cidb achieved 14 out of its 16 targets outlined in the Annual Performance Plan (APP), reflecting an overall performance rate of 88%. This strong delivery underscores the organisation's continued commitment to accountability, service excellence, and results-driven implementation. While two targets were not met, mitigation strategies have been developed and corrective actions initiated to address performance gaps.

The cidb is proud to have maintained an unqualified with findings audit opinion from the AGSA for the 2024/25 financial year. This is a clear endorsement of our strong governance, accurate financial reporting, and robust internal controls. This achievement reflects our rigorous approach to compliance and accountability and demonstrates our capacity to manage public resources with integrity. The unqualified with findings outcome underscores the organisation's commitment to "doing the right things right" and sets a firm foundation for growing trust with Parliament, stakeholders, and the public.

DRIVING TRANSFORMATION, PROFESSIONALISATION AND INDUSTRY MODERNISATION

While the B.U.I.L.D Programme continues to serve as a key lever for industry development and transformation, performance against two of its annual targets fell short due to slower-than-anticipated disbursement processes and limited provincial uptake. In response, the cidb has revised its implementation model to strengthen provincial collaboration, accelerate fund access, and align monitoring systems with our broader developmental indicators.

Transformation remains a strategic imperative. According to cidb's January 2025 Construction Monitor, black and majority-women-owned firms secured 25% of public-sector contracts, up from 16% in 2023. While this marks real progress, further acceleration is needed to ensure equitable participation in high-value projects.

We continue to extend our reach through targeted partnerships. Regular engagements with the DPWI, CBE, ASA, IDT, and professional bodies allow us to remain aligned with national strategies. Our provincial forums and National Stakeholder Forum serve as critical platforms for gathering insights, informing policy, and building consensus for sector-wide reform. We also maintain open channels of communication through our Construction Industry Monitor, practice notes, and client toolkits.

The fifth annual cidb Empowerment and Recognition of Women in Construction (ERWIC) Awards were held on 22 August 2024 in Sandton. These awards celebrate the progress and excellence across 15 distinct categories and have become a pivotal platform for spotlighting women-led companies, individual achievements, and role models that empower transformation in South Africa's traditionally male-dominated construction sector.

During the period under review, cidb played a pivotal role in shaping national policy reforms aimed at modernising South Africa's construction sector. Key milestones include the gazetting of the cidb Amendment Bill in May 2024, which extends oversight into the private sector, mandates registration of contractors and professional service providers, establishes distinct roles for a strategic Council and operational Board, and strengthens compliance enforcement through new penalties and measures designed to elevate professionalism and transparency.

The cidb also facilitated the November 2024 National Construction Summit, which led to the Durban Declaration, a coordinated commitment by DPWI, SAPS, PSIRA, and Treasury to drive crime-free construction sites through improved data systems, whistle-blower mechanisms, and rapid enforcement.

Underpinning these efforts, cidb supported the development of the national Social Facilitation Framework, approved in June 2025, which embeds structured community engagement across project lifecycles to prevent disruptions and ensure social inclusivity. Through these interventions, cidb has positioned itself not just as a regulator, but as a key architect in transforming the construction industry into a resilient, equitable, and professionally led sector aligned with national development priorities.

The cidb convened the National Stakeholder Forum on 26 March 2025, providing a critical space for collaborative problem-solving across the construction value chain, with participation from public entities, private contractors, academia, and civil society.

Recognising the role of youth in South Africa's developmental agenda, cidb continues to create targeted pathways for youth inclusion in the construction industry. Through learnerships, enterprise development, awards recognition, and technology-focused training, we are steadily building a more inclusive and sustainable construction pipeline. The 2024 ERWIC Awards introduced a Youth-Owned Woman Entity of the Year category, spotlighting the achievements of young women entrepreneurs.

RESPONSE TO SECTOR CHALLENGES

In terms of market performance, 2024 was a year of contraction. The sector experienced a real output decline of 4.2% to 5%, driven by a slowdown in residential and civil construction, rising materials inflation (6–7.5%), and weak private sector investment. However, a modest rebound began in late 2024, buoyed by infrastructure and energy investments. Public infrastructure tendering improved, and the renewables sector witnessed significant project launches such as Seriti Wind (155 MW), Impofu Wind (330 MW), and Grootspruit Solar (75 MW).

Despite these positive developments, the sector continues to face persistent structural challenges. The lack of technical capacity in client departments impedes delivery, and pricing volatility often leads to compromised quality. The cidb continues to address these challenges through regulatory reform, client capacity-building, and promoting standardisation in procurement and project management practices. The Construction Industry Recovery Plan (CIRP), developed by DPWI with cidb support, will be a key lever in this effort.

Transformation remains a strategic imperative. According to cidb's January 2025 Construction Monitor, black and majority-women-owned firms secured 25% of public-sector contracts, up from 16% in 2023. While this marks real progress, further acceleration is needed to ensure equitable participation in high-value projects. Through policy tools such as set-asides, preferential procurement, mentorship frameworks, and the Social Facilitation Framework, we are pushing transformation deeper into the sector's fabric.

We also recognise that true transformation includes professionalisation. That's why we are finalising the Register of Professional Service Providers, supporting ethical procurement practices, and aligning our prescripts with Treasury's new Public Procurement Act. These steps will professionalise the industry, eliminate loopholes, and encourage compliance. Our systems integration with the Central Supplier Database (CSD), Home Affairs, CIPC, and SARS is underway to streamline processes and reduce red tape.

INTERNAL DEVELOPMENT AND WAY FORWARD

Internally, the cidb has prioritised leadership renewal, team alignment, and talent development to build a resilient and high-performing institution. Central to these efforts is the cidb Organisational Culture Improvement Programme, which is anchored in regular pulse surveys, leadership coaching, and diversity, equity, and inclusion (DEI)-focused change management initiatives.

A strong, motivated workforce remains the foundation of the cidb's performance and progress. Ongoing investments in employee development, business process improvement, and organisational change continue to support our goal of becoming a high-performance institution aligned with national development priorities.

We continue to extend our reach through targeted partnerships. Regular engagements with the DPWI, CBE, ASA, IDT, and professional bodies allow us to remain aligned with national strategies. Our provincial forums and National Stakeholder Forum serve as critical platforms for gathering insights, informing policy, and building consensus for sector-wide reform. We also maintain open channels of communication through our Construction Industry Monitor, practice notes, and client toolkits.

This Annual Report also brings the curtain down on our 2020–2025 Strategic Plan. Our journey has been marked by substantial gains in compliance oversight, transformation, and regulatory modernisation. But persistent issues, such as delayed project implementation, limited client department capacity, and insufficient private sector inclusion, remain top of mind. These lessons inform the next strategic cycle, which will be defined by agility, collaboration, and performance.

I extend my deepest appreciation to our Board, our dedicated staff, and our partners across the public and private sectors. Together, we are not just responding to the future, we are building it.

Bongani Dlada.

Bongani Dladla
Chief Executive Officer

PART A:
STRATEGIC OVERVIEW

VISION

A transformed construction industry that is inclusive, ethical and contributes to a prosperous South Africa and the world The vision reflects the importance of the cidb as a catalyst for economic growth and job creation in South Africa. The emphasis is to build an industry that is inclusive and reputable, where all participants equally drive the construction industry.

MISSION

We exist in order to regulate and develop the construction industry through strategic interventions and partnerships The mission statement emphasises the importance of a new set of strategic interventions that will support the cidb vision. The cidb needs to work with all industry partners to achieve these strategic interventions linked to its legislative mandate, functions and responsibilities.

VALUES

Core values must support the vision and mission through intrinsic behaviour change within the organisation to support Batho Pele principles. The following values are a credo that needs to be supported with each action, word and deed.

RESPONSIVE
Interrogate processes to be responsive to the needs and our mandate.

EFFICIENT
Focus on the new direction and become efficient in what we do.

EFFECTIVE
Focus on the new direction and become effective in what we do.

INNOVATIVE
Be creative in our doing and thinking – we cannot do business as usual.

ETHICAL
Stand out as a reputable regulator in which all stakeholders have trust.

ACCESSIBLE
Take care of our clients, stakeholders and customers and adjust to their needs.

AGILE
Live in an environment that demonstrates change, therefore, we need to move quickly to achieve our objectives, with agility.

The cidb must evolve, not only as a regulator, but also as a developmental enabler. It has a unique dual role, and we must clarify those responsibilities so it can drive compliance while also supporting transformation. I support the recommendation that the cidb expand its registers to include professional service providers, suppliers, and material manufacturers, thereby covering the entire construction value chain. It must also lead the adoption of green codes, renewable integration, and carbon reduction frameworks.

– Dean MacPherson (MP), Minister of Public Works and Infrastructure

LEGISLATION AND MANDATE

The cidb is a statutory body established under the Executive Authority of the DPWI and enabled by the Construction Industry Development Board Act 38 of 2000 (CIDB Act), from which it derives its mandate. The objects of the Act contextualise the mandate of the cidb and can be summarised as follows:

a. Provide strategic leadership to construction industry stakeholders, developing effective partnerships for growth, reform, and improvement of the construction sector.
b. Promote the sustainable growth of the construction industry and the participation of the emerging sector in the industry.
c. Determine, establish, and promote improved performance and best practice of public and private sector clients, contractors, and other participants in the construction delivery process.
d. Promote the uniform application of policy throughout all spheres of Government and promote uniform and ethical standards, construction procurement reform and improved procurement and delivery management – including a code of conduct.
e. Develop systematic methods for monitoring and regulating the performance of the industry and its stakeholders, including the registration of projects and contractors. The *CIDB Act* forms the basis of the cidb strategy and impact statements under the current planning framework.

OTHER KEY LEGISLATION INCLUDES:

i. *Public Finance Management Act*, Act No 1 of 1999 (PFMA)
ii. *Broad-based Black Economic Empowerment Act*, Act No 53 of 2003
iii. *Municipal Finance Management Act*, Act No 56 of 2003 (MFMA)
iv. *Preferential Procurement Policy Framework Act*, Act No 5 of 2000
v. *Council for the Built Environment Act*, Act No 38 of 2000
vi. *State Land Disposal Act*, Act No 48 of 1961
vii. *Expropriation Act*, Act No 63 of 1975
viii. *Land Affairs Act*, Act No 101 of 1987
ix. *National Environmental Management Act*, Act No 107 of 1998
x. *Occupational Health and Safety Act*, Act No 181 of 1993
xi. *National Regulations and Building Standards Act*, Act No 103 of 1977
xii. *Infrastructure Development Act*, Act No 23 of 2014
xiii. *Water Services Act*, Act No 108 of 1997
xiv. *Skills Development Act*, Act No 1997 of 1998
xv. Property Sector Transformation Charter 2007
xvi. Green Building Framework, 2001
xvii. *Public Audit Act*, Act No 25 of 2004
xviii. *Labour Relations Act*, Act No 66 of 1995
xix. *Employment Equity Act*, Act No 55 of 1998
xx. *Basic Conditions of Employment Act*, Act No 75 of 1997
xxi. *Protection of Personal Information Act*, Act No 4 of 2013

PART B:

CONSTRUCTION INDUSTRY REGULATION

The *CIDB Act 38 of 2000* mandates regulation of the construction industry through the Register of Contractors (RoC), Register of Projects (RoP) and code of conduct for all involved in construction procurement. The Construction Industry Development (CID) Regulations of 2004, as amended, give effect to these prescripts and the cidb is mandated to operationalise and enforce them.

REGISTER OF CONTRACTORS

The register grades and categorises contractors according to financial and works capability. It is mandatory for contractors that wish to do business with public sector clients to register with the cidb. It facilitates public sector procurement and promotes contractor development.

The table below details the number and classification of applications for cidb registration processed during the 2024/25 financial year.

Table 1: Applications Processed During the 2024/25 Review Period

Application type	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Three-year renewal	4 479	4 171	3 236	3 665	**15 551**
Additional classes of works	3 787	3 593	3 074	3 254	**13 708**
Annual updates	3 325	3 427	2 872	3 865	**13 489**
New applications	6 814	6 334	5 252	5 778	**24 178**
Three-year moratorium	1 443	1 413	1 179	1 418	**5 453**
Confirmation of updates	1 024	1 058	904	968	**3 954**
Update of tax clearance certificate	199	213	94	120	**626**
Upgrades	1 990	1 963	1 824	1 629	**7 406**
Total	**23 061**	**22 172**	**18 435**	**20 697**	**84 365**

During the reporting period, 84 365 applications were processed through the RoC, reflecting an increase of 0.81% compared to the 2023/24 financial year. While this represents a slight improvement, the overall number of applications processed may have been influenced by two key factors:

a. The availability of online registration services, which streamlined application processes, and
b. Improved operational stability, as the year was not affected by service disruptions such as the national strike action experienced in the previous year.

The figure below shows a notable concentration of applications during Quarter 1 (April to June 2024), followed by a decline in Quarters 2 and 3, with a slight uptick observed in Quarter 4 (January to March 2025). The first half of the calendar year, a period typically associated with goal setting and implementation, could account for the higher number of 'new applications', particularly among Grade 1 contractors.

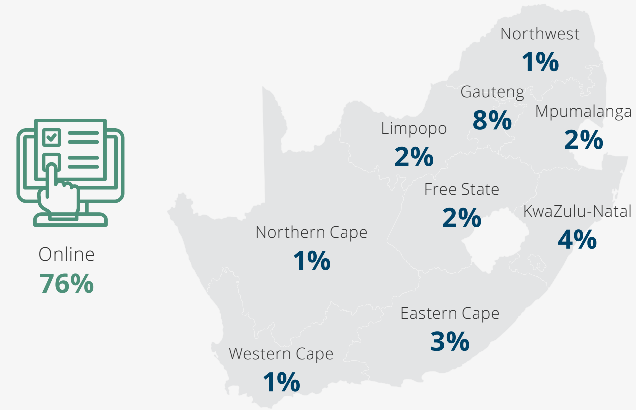
Grade 1 registrations often represent new entrants to the construction sector, many of whom are aspiring entrepreneurs drawn to the industry but who may lack the necessary skills and experience.

The number of Grade 1 registrations is expected to decline once the proposed changes to the registration criteria are implemented. These amendments, as reflected in the *CIDB Amendment Act* approved on 3 May 2024, aim to professionalise the construction industry, reduce risk, and introduce stricter qualifying requirements.

An analysis of the application data reveals two notable outliers. First, new applications stand out significantly, accounting for 24 178 of the total processed, nearly 29% of all applications, highlighting a continuous influx of new entrants, particularly in Grade 1. This trend, while indicative of sector interest, reinforces concerns about long-term sustainability and capacity.

In contrast, the update of tax clearance certificates recorded the lowest volume, with only 626 applications over the year, possibly reflecting improved tax compliance systems or contractors' growing familiarity with integrated online processes. These extremes underline the contrasting levels of engagement across the registration categories, and the importance of targeted support and regulation to address both entry-level growth and ongoing compliance.

Figure 1: Percentage of Applications Processed per Processing Centre



ONLINE REGISTRATION OVERVIEW

The online registration system continues to provide contractors with the option to engage with the cidb remotely, eliminating the need to visit provincial offices for registration-related services.

- Launched 2023/24
- Available to Grades 1 – 9 Contractors
- Negates need to physically visit provincial offices
- 76% of registrations completed online (up from 70% in 2023/24)
- Indicates increased adoption of technology

REGISTER OF PROJECTS

The Register of Projects (RoP) monitors infrastructure projects in both the public and private sectors. However, its primary focus has been on public sector projects, tracking them from tender advertisement through to award, implementation, completion, or termination. This limitation stems from current legislative constraints, which are being addressed through a regulatory amendment process aimed at expanding the RoP's scope.

Table 2: Number of Tenders Advertised on the RoP itender portal in 2023/2024 Financial Year

Client Type	Number of Tenders Advertised
District municipality	190
Local municipality	1 471
Metropolitan municipality	225
Municipal entity	114
National department	300
Other	244
Private sector	0
Provincial department	1 350
State-owned enterprise	3 599
Total	**7 493**

CALL MANAGEMENT

The cidb Call Centre, centralised at the Head Office, plays a critical role in ensuring efficient call management services across the organisation. Its core responsibilities include routing and tracking incoming calls, providing support to stakeholders on the various registers maintained by the cidb, as well as analysing and processing call data to inform service improvement. The Call Centre serves as a key interface between the cidb and its stakeholders, ensuring timely and accurate responses to queries. Table 3 outlines the number of calls received and processed during the year under review.

Table 3: Number of Calls Received During the Year Under Review

Number of applications processed for the period 01 April 2024 – 31 March 2025					
Calls	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Total**
Total calls received	26 966	27 262	25 041	27 107	**106 376**
Total calls answered	19 071	19 949	18 626	23 549	**81 195**
Total calls abandoned	7 895	7 313	6 415	3 558	**25 181**
% of calls answered	70,72	73,17	74,38	86,88	**76,29**
% of calls abandoned below 180 seconds	17,08	15,64	22,54	9,41	**16,17**
% of calls abandoned outside 180 seconds	12,20	11,19	3,08	3,71	**7,54**

The table above shows that a total of 106 376 calls were received during the period under review. Call volumes remained relatively stable across all four quarters, with a slight decline in Quarter 3, which coincides with the industry's typical shutdown period.

The percentage of calls answered improved steadily over the year, reaching a peak of 86.88% in Quarter 4, reflecting enhanced capacity, operational efficiency, and stronger control measures. Additionally, the number of abandoned calls decreased significantly, having dropped by approximately 55% from Quarter 1 to Quarter 4. The cidb remains committed to continuous performance improvement in delivering effective call centre services to the construction industry.

The cidb convened the National Stakeholder Forum on 26 March 2025, providing a critical space for collaborative problem-solving across the construction value chain, with participation from public entities, private contractors, academia, and civil society.
– Bongani Dladla, Chief Executive Officer

NON-COMPLIANCE INVESTIGATIONS

A total of 127 cases of non-compliance to cidb prescripts by clients and contractors were investigated during the period under review, an increase of 71 cases compared to the previous financial year. All these cases involved alleged violations of cidb prescripts. The cases were sourced through various channels, including the anonymous fraud hotline, internal referrals, and referrals from law enforcement agencies such as the Hawks and the Special Investigating Unit (SIU).

A significant contributor to this increase was the deployment of compliance officers, who play a critical role in daily monitoring and identification of non-compliant clients. Their efforts resulted in a 99% increase in case referrals compared to the previous year.

Internal referrals also more than doubled, driven by a renewed emphasis on training registration reviewers and assessors on the applicable cidb prescripts. A detailed breakdown of the sources of these cases is provided in the table below.

Table 4: Breakdown of Investigated Cases

Source of cases	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Register of project non-compliance	24	0	0	0	24
Register of contractor internal referral	2	25	24	31	82
Hotline	6	4	4	1	15
SIU cases	0	0	3	3	6
Total	32	29	31	35	127

Investigations focussed on the following:

- Submission of fraudulent tax clearance certificates;
- Falsified track records;
- Misrepresentation of financial statements;
- Fraudulent bank statements; and
- Client non-compliance with the RoP.

CRIMINAL CASES

In terms of:

Regulation 30 (1) *"Any person or organ of state who supplies the Board with false information to mislead the Board is guilty of an offence…")*

and

Regulation 30 (3) further stipulates that:

"The BOARD must, if any activity contemplated in the Prevention and Combating of Corrupt Activities Act, 2004, comes to their attention, report such activity to a police official as contemplated in that Act."

The cidb has an obligation to report to the police any contractor or client department that submits documents that are false or misleading, as well as any activity that might be regarded as corruption.

Before being referred to the police, a case where a contractor is alleged to have, or is suspected of having submitted false information to the cidb, first goes through a preliminary investigation to establish the merits of the allegations or suspicion.

In terms of section 19(1) of the CIDB Act, a contractor's name may be removed from the register if the Board is satisfied that such contractor has breached the requirements and conditions for registration. In terms of section 19(2), the Board must remove from the register any registration that is proved to have been made in error or because of misrepresentation or in circumstances not authorised by the Act.

The cases that are identified as meeting the requirements for removal in terms of section 19 are taken through assessment by an internal panel which comprises of cidb officials from other relevant units, to establish if there is enough merit to the allegation, and such can be proven to the satisfaction of the Board as required in terms of section 19(1) and (2). A total of eight contractors were approved for removal from the Register of Contractors by the Board. This indicates that these contractors will be prohibited from participating in public sector infrastructure procurement.

The cidb has established partnerships with various law enforcement agencies to fast track the investigation and prosecution of criminal cases. These partnerships include the South African Police Services (SAPS), as well as the National Prosecution Agency (NPA).

In terms of Regulation 29, a formal inquiry can only be conducted after an investigation report has been received from an investigating officer. Client departments that remain non-compliant on past projects and continue to be non-compliant had their cases referred for formal inquiry in terms of Regulations 29.

FORMAL INQUIRY CASES

During the reporting period, one formal inquiry case was completed. Jeamba's Marketing and Distribution Enterprise was found guilty and fined R100 000. At the conclusion of the financial period, investigations on a further three contractors had been completed and were pending formal inquiry.

NON-COMPLIANT CASES

Regulation 18(1A) requires that all construction works contracts be registered with the cidb if they meet certain thresholds. More specifically, any public sector project exceeding R200 000 in value, and any private sector or Schedule 2 public entity project (as defined in the Public Finance Management Act, 1 of 1999) exceeding R10 million. During the year under review, 375 infrastructure clients were identified as non-compliant with this regulation. Additionally, 3 698 non-compliant tenders were recorded.

Although these 375 cases have not yet been referred to the South African Police Service (SAPS) as required under the regulations, the cidb has initiated an Intergovernmental Relations (IGR) process to improve compliance. This collaborative approach aims to engage and support infrastructure clients in adhering to cidb prescripts, thereby reducing future instances of non-compliance.

> *The National Construction Summit on Crime-Free Sites in November 2024 was held in response to growing concerns around site-based extortion, intimidation, and criminal disruptions on construction sites, the summit aimed to promote collaborative, practical solutions for a safer, more secure industry and to reaffirm construction's vital role in South Africa's economic recovery and job creation.*

PART C:
INDUSTRY DEVELOPMENT

The cidb's industry development initiatives are anchored in the principles of inclusivity, innovation, and performance excellence. They focus on enhancing the capacity and competitiveness of contractors, improving public sector infrastructure delivery, and advancing the participation of historically disadvantaged groups. Through strategic programmes such as B.U.I.L.D, contractor development interventions, and regulatory reforms, the cidb continues to shape a more equitable, skilled, and resilient construction industry aligned with national development priorities.

BEST PROJECT ASSESSMENT SCHEME – B.U.I.L.D PROGRAMME

Sections 4(b), (c), and (d) of the *CIDB Act 38 of 2000* empower the cidb to:

- Provide strategic leadership to construction industry stakeholders to stimulate sustainable growth, reform, and improvement of the construction sector;
- Promote the sustainable growth of the construction industry and the participation of the emerging sector; and
- Determine, establish, and promote improved performance and best practices among public and private sector clients, contractors, and other participants in the construction delivery process.

Furthermore, Section 23(1) empowers the cidb to establish a Best Practice Project Assessment Scheme, based on the best practices identified by the Board. The Scheme requires that clients contribute 0.2% of the contract value on certain prescribed projects to the Board for the improvement and development of South Africa's construction industry.

In addition, the cidb has actively supported infrastructure clients in complying with the following B.U.I.L.D standards:

- The cidb Standard for Indirect Targeting for Enterprise Development through Construction Works Contracts (Gazette No. 36190 of 29 January 2013), which focuses on civil engineering and building projects above R20 million with a project duration of six months or longer; and
- The cidb Standard for Developing Skills through Infrastructure Contracts (Gazette No. 48491 of 28 April 2023), which applies to construction projects above R20 million across all cidb classes of work with a project duration of 12 months or longer.

The 2024/25 financial year marked the second year of B.U.I.L.D Programme implementation. Notable achievements included:

ASSESSMENT OF PRIOR LEARNING (APL) FOR CONTRACTORS

Through this initiative, 452 contractors in Grades 1 to 6 were assessed to determine their level of competence, as outlined in the cidb Contractor Competence Accreditation requirements and guidelines. This represents a slight decline from the 512 contractors assessed in the previous year. The cidb Competence Standard for Contractors establishes minimum requirements in the areas of:

i. Business management
ii. Building and construction management

These competencies must reside with either the owner or a nominated key representative of the contractor.

TRAINING INITIATIVES BASED ON 2023/24 APL RESULTS

A total of 41 contractors received training in response to the needs identified through the APL process in the previous financial year. More effort is required to encourage assessed contractors to attend the training opportunities provided by the cidb.

CONSTRUCTION MANAGEMENT SYSTEM TRAINING

A total of 98 contractors in Grades 5 to 8, representing all cidb classes of work, were trained on the Construction Management System (SANS 1393). This initiative aims to prepare contractors for future certification under SANS 1393 and to support the professionalisation of construction management practices.

INFRASTRUCTURE DELIVERY MANAGEMENT SYSTEM (IDMS) CAPACITATION

A total of 169 infrastructure clients were capacitated on IDMS as part of the cidb's broader strategy to advance construction industry development.

RESEARCH AND DEVELOPMENT

CENTRES OF EXCELLENCE AND CAPACITY BUILDING

The cidb successfully supported the establishment of two Centres of Excellence (CoE), located at the University of Johannesburg (UJ) and the University of the Witwatersrand (Wits). These centres serve as strategic platforms for industry-influencing research and academic transformation. To date, their outputs include:

a. Six books published on construction sector themes
b. 11 book chapters contributed to academic volumes
c. 46 accredited journal articles published
d. 38 conference papers presented locally and internationally
e. One international conference hosted in partnership with West African Built Environment Research (WABER) conference
f. Six doctoral and ten master's graduates supported through the centres

THOUGHT LEADERSHIP

a. The cidb Postgraduate Conference, hosted in partnership with Durban University of Technology (DUT) in February 2025, attracted participation from nine South African universities. The conference theme, "Exploring the Potential and Obstacles of Artificial Intelligence, Digitalisation, and Innovation within the Construction Sector in South Africa," set the tone for future-facing research, with 41 papers presented. This robust participation positioned the conference as a key platform for knowledge exchange and emerging scholarship within the industry.

b. The State of the South African Construction Industry Seminar, hosted in conjunction with the University of Johannesburg cidb Centre of Execellence, in September 2024 convened over 100 industry participants, including clients, contractors, and academics, to advance national conversations around Building Information Modelling (BIM) adoption. The seminar featured keynote speaker Professor Chimay Anumba from the University of Florida, a global leader in construction informatics.

ADVANCING BIM IN SOUTH AFRICA

As part of its mandate to drive digital transformation in the construction sector, the cidb has advanced its work on Building Information Modelling (BIM) through research, industry engagement, and skills development. It published a 2024 study on BIM perceptions among clients and consultants, followed by a 2025 study focusing on contractor perspectives.

These insights are guiding the development of a BIM Change Awareness Model to assess and improve the industry's readiness for BIM adoption. In July 2024, the cidb participated in the BIM Harambee Africa 2024 event at the University of Pretoria, which brought together African and international stakeholders to explore BIM innovation, education, and policy integration. During a panel discussion on the BRICS Future Skills Challenge, the cidb showcased its role in supporting South African teams to compete globally in the BIM Skill Category, reflecting its commitment to global benchmarking and local skills growth in digital construction.

INDUSTRY SAFETY AND INCLUSION

In a critical research initiative, the cidb published a study titled ***"The Cost of Violence and Extortion on Construction Sites in South Africa: Causes, Impact and Mitigation."*** This work seeks to inform national and industry responses to site invasions and to help build a safer, more inclusive construction environment.

> *The cidb has been instrumental in rolling out new social facilitation frameworks, standard procurement rules, and stronger accountability measures. These reforms aim to ensure that projects are delivered on time, within budget, and free of corruption.*
> ***– Dean MacPherson (MP), Minister of DPWI***

PART D:

MONITORING INDUSTRY PERFORMANCE

Monitoring industry performance is essential to ensure the health, growth, and sustainability of the construction sector. It provides critical insights into trends, challenges, and opportunities, enabling stakeholders to make informed decisions. By tracking key performance indicators, organisations can identify inefficiencies, manage risks, and implement targeted interventions to improve overall industry outcomes. Ongoing assessment also supports transparency and accountability within the sector.

THE IMPACT OF THE ECONOMY ON THE CONSTRUCTION INDUSTRY

Section 5(5) of the *CIDB Act* (Act 38 of 2000) mandates the cidb to monitor economic activity within the construction industry. In fulfilment of this mandate, the cidb published the ***Analysis of Public Sector Budget and Expenditure: March 2025*** report, which provides a comprehensive overview of public sector infrastructure spending by State-Owned Entities (SOEs), public entities, national and provincial departments, and local municipalities.

This analysis plays a key role in understanding infrastructure investment patterns and informing policy and planning. Aligned with the National Development Plan (NDP), South Africa aims to increase public sector infrastructure expenditure to 10% of GDP by 2030. However, persistent economic underperformance, low growth rates, and a widening budget deficit have constrained the government's ability to scale up infrastructure spending. These fiscal limitations, compounded by post-COVID recovery challenges, have significantly affected the construction sector's ability to regain momentum, particularly in the public infrastructure space.

An analysis of Gross Fixed Capital Formation in Construction (GFCFC) for 2024, in current prices, reveals the scale and distribution of investment by general government, public corporations, and the private sector across three core categories: construction works, non-residential buildings, and residential buildings.

The total GFCFC spend for the year amounted to R387 billion, reflecting substantial capital investment in infrastructure and building projects. The private sector led this investment with R201 billion, more than half the total, highlighting its dominant role in driving construction activity, especially in non-residential and residential developments.

General government contributed R119.6 billion, and public corporations R67 billion, both of which focused largely on civil engineering and large-scale public works. This distribution reinforces the crucial role of all three sectors in supporting infrastructure delivery, while also illustrating the reliance on private investment to sustain construction industry performance in a fiscally constrained environment.

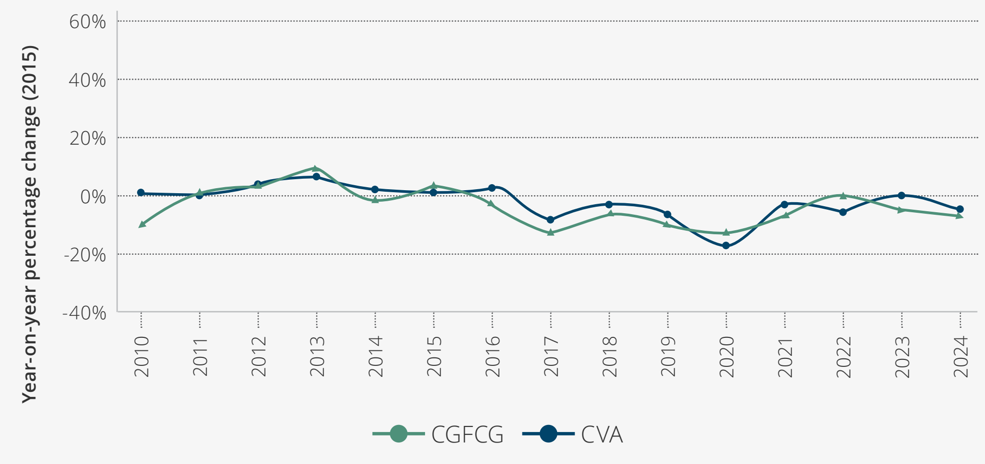
Figure 2: Gross Fixed Capital Information in Construction, 2024

General Government	Public Corporations	Private Sector
R119 564 000	**R67 147 000**	**R200 695 000**

CONSTRUCTION SECTOR'S CONTRIBUTION TO GDP

The construction sector now accounts for around 2.5% of gross domestic product. In 2024, the value added by the construction industry to South Africa's gross domestic product amounted to around R104 billion (real prices), with a year-on-year decline of -5,1%[1]. The sector is still performing below its pre-COVID-19 performance levels. According to StatsSA, the output of the construction sector was impacted by the decreased activity in non-residential and construction works[2]. This can also be seen from the analysis in the figure below.

Figure 3: Construction Value Added (CVA)



1 StatsSA (2024). Gross Domestic Product: Fourth Quarter 2023.www.statssa.gov.za
2 StatsSA (2024). Gross Domestic Product: Fourth Quarter 2023.www.statssa.gov.za

CONSTRUCTION PROJECTS AWARDED

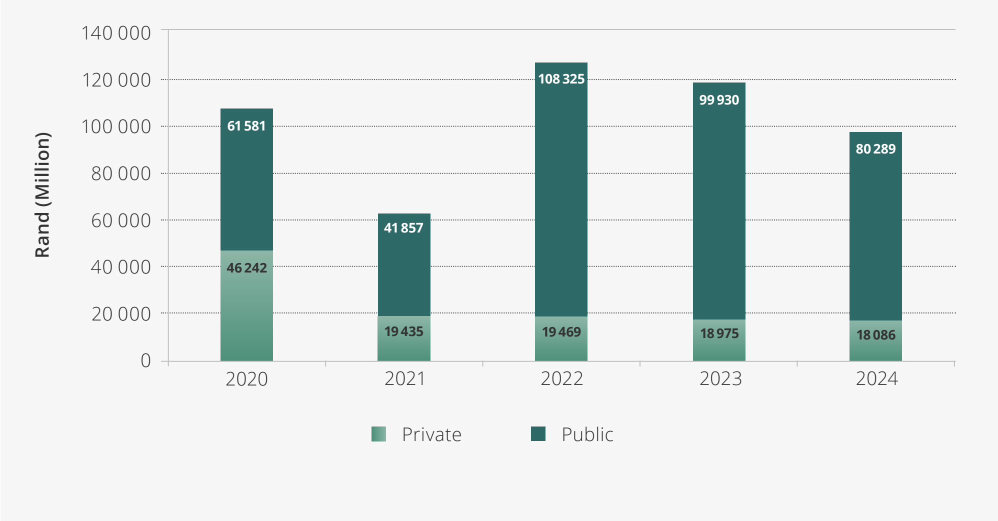
CONSTRUCTION ACTIVITY

In 2024, the total value of construction projects awarded declined by 17% to R98 billion, compared to R119 billion in 2023. The provinces that exhibited the highest concentration of construction projects were Western Cape (23%), KwaZulu-Natal (21%), Gauteng (15%), and Eastern Cape (11%).

PROJECTS BY GOVERNMENT AND THE PRIVATE SECTOR

In 2024, the construction sector saw a notable decline in the value of projects awarded across both the public and private sectors.

Figure 4: Value of Projects by Client



The figure above illustrates that public sector projects accounted for 82% of the total construction project value in 2024, amounting to R80.3 billion. This represents a significant 17% decline, approximately R20 billion, compared to 2023. In contrast, the private sector contributed 18% of the total, with awarded projects valued at R18 billion, reflecting a more modest 5% decrease, or roughly R889 million, from the previous year.

Historically, public sector investment has been the main driver of construction activity, peaking at R108.3 billion in 2022 before falling to R99.9 billion in 2023 and declining further in 2024.

Private sector awards, meanwhile, have remained relatively stagnant since 2021, fluctuating only slightly between R18 billion and R19 billion per year, a stark contrast to the R65.2 billion invested in 2020. This prolonged stagnation suggests persistent challenges facing private investment, potentially stemming from broader economic uncertainty, limited access to finance, or regulatory hurdles. The data underscores the sector's continued dependence on public infrastructure funding. However, the consistent downward trend in public sector investment from 2022 to 2024 may point to tightening fiscal conditions or evolving policy priorities that are reshaping the scale and scope of government-led infrastructure expenditure.

PROJECTS BY LOCATION (PROVINCIAL OVERVIEW)

The provincial overview of awarded construction projects in 2024, as illustrated in figure 5, reveals notable disparities in infrastructure investment across South Africa.

The Western Cape, KwaZulu-Natal, Gauteng, and Eastern Cape emerged as the key drivers of construction activity, collectively accounting for most awarded projects. Specifically, the Western Cape led with 23% of the total project value (R22.6 billion), followed by KwaZulu-Natal at 21% (R20.8 billion), Gauteng at 15% (R14.9 billion), and the Eastern Cape at 11% (R10.5 billion).

An analysis of year-on-year percentage changes in project values highlights distinct regional trends. The Free State recorded the highest growth at 120%, reflecting a R3.7 billion increase in project value, followed by the Western Cape with an 18% rise (R3.6 billion) and the North West with a modest 3% increase.

Conversely, several provinces experienced significant declines in awarded project values, suggesting the impact of budget constraints, shifting policy priorities, or broader economic pressures.

The Eastern Cape saw the largest contraction, with a 54% decrease amounting to a R12 billion loss. Gauteng followed with a 32% decline (R7 billion), and Limpopo with a 38% drop (R4.7 billion). Mpumalanga, KwaZulu-Natal, and the Northern Cape also experienced reductions of 15%, 11%, and 10%, respectively.

A closer analysis of the relationship between the number of projects and their total value reveals a divergence in provincial priorities. Some provinces focused on a higher volume of lower-value projects, indicating an emphasis on smaller-scale infrastructure such as local service delivery and maintenance, while others concentrated their investments on fewer, high-value projects in sectors like transport, utilities, and housing. These patterns underscore significant regional differences in infrastructure development strategies across the country.

Figure 5: Value and Number of Projects per Province

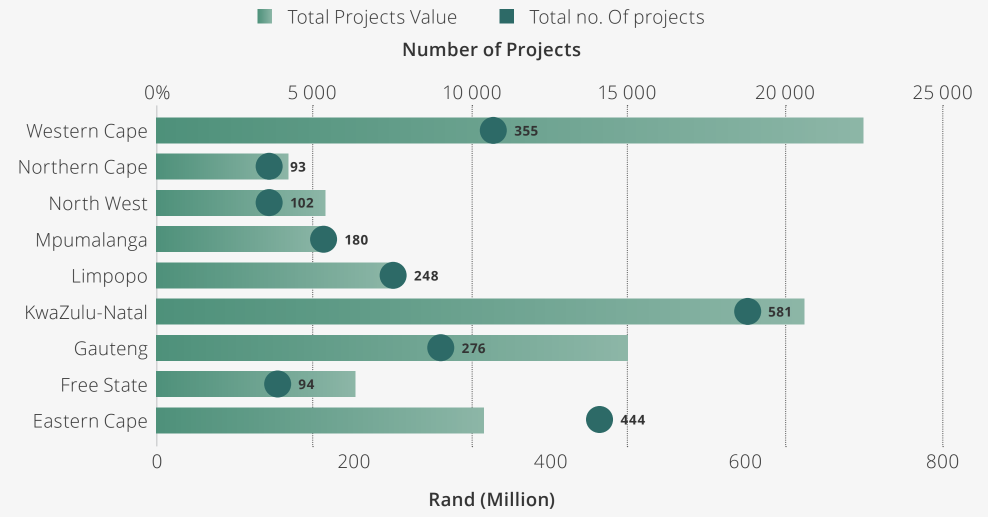
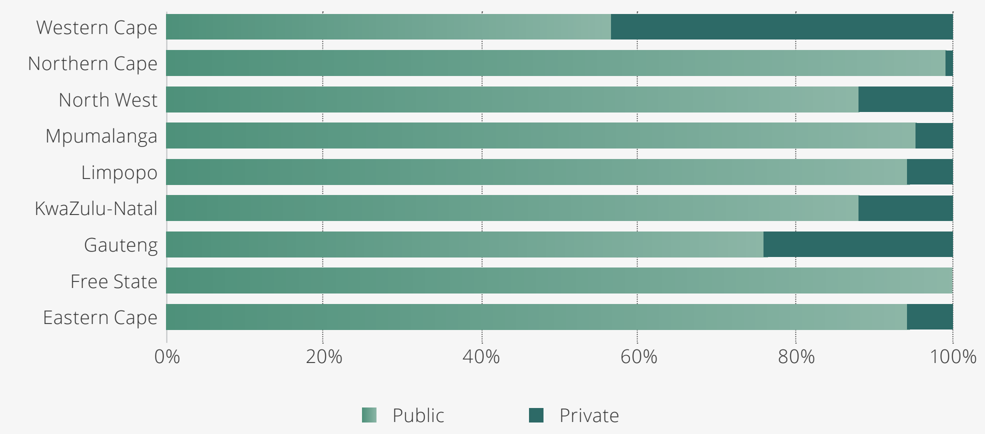


Figure 6: Public and Private Sector Projects by Province



The figure below shows that, in 2024, the public sector dominated awarded projects across all nine provinces, with eight provinces seeing over 70% of their projects funded by government allocations. In value terms, the highest amount of public sector projects was recorded in Gauteng (R18 billion), Western Cape (R12.6 billion), Free State (R11 billion), and Eastern Cape (R9.9 billion). This reflects the continued reliance on government funding as the primary driver of construction activity across the country.

Private sector investment was considerably more limited, with the largest share of private-sector projects concentrated in Western Cape, Gauteng, and KwaZulu-Natal. In terms of value, private-sector awards in these provinces amounted to approximately R9.9 billion, R3.5 billion, and R2.6 billion, respectively. Notably, the Western Cape displayed the most balanced split between public and private sector involvement, with private projects contributing a significant portion to total construction activity.

An in-depth assessment of public versus private sector project distribution highlights stark differences in reliance on government funding. Northern Cape (99%), Free State (100%), Mpumalanga (95%), Limpopo (94%), and Eastern Cape (94%) exhibit near-total dependency on public sector projects, underscoring the central role of government-driven construction in these regions. Conversely, Gauteng and Western Cape demonstrated stronger private-sector participation recording 24% and 44% respectively, suggesting higher investor confidence and more diversified funding sources.

In 2024, the distribution of project value across provinces and sectors reveals significant investment patterns in civil works, residential building, and non-residential building. The Western Cape, Eastern Cape, and Gauteng had the highest share of residential construction projects, with Western Cape leading at R2.6 billion, followed by Gauteng (R1.7 billion) and Eastern Cape (R1.6 billion). This suggests a strong emphasis on housing development, particularly in urban areas with expanding residential demand.

Non-residential construction projects were primarily concentrated in Western Cape (R8.5 billion), KwaZulu-Natal (R4.8 billion), Gauteng (R3.6 billion), and Eastern Cape (R2.9 billion), reflecting ongoing investments in commercial, institutional, and industrial infrastructure. The Western Cape's significant allocation (38% of total construction activity) for non-residential projects indicates a continued expansion in commercial and mixed-use developments.

Construction works projects remain the dominant sector across most provinces, with KwaZulu-Natal (R15 billion), Western Cape (R11.5 billion), and Gauteng (R9.8 billion) leading in total project value. These allocations highlight major infrastructure investments such as transport, utilities and large-scale public works. Additionally, provinces like Free State (92%), North West (85%), and Mpumalanga (84%) exhibit an overwhelming focus on construction works, showing limited diversification into residential or commercial developments.

EXPENDITURE AGAINST BUDGET: MUNICIPAL AND PROVINCIAL GOVERNMENT

During the year under review, municipal capital expenditure across South Africa reflected mixed performance in terms of budget execution.

As of Quarter 2 of the 2024/25 municipal financial year (equivalent to Quarter 4 of the 2024 calendar year), total municipal capital expenditure stood at approximately R14 billion, representing just 36% of the phased budget of around R26 billion, indicating a significant underspend. At a municipal type of level, metros had spent 51% of their phased capital budget by this point, while local municipalities demonstrated stronger performance with 70% of their phased budget spent.

A provincial breakdown of expenditure performance reveals further variation. As of Quarter 2, the Western Cape, KwaZulu-Natal, and the Eastern Cape performed above the 60% mark, recording expenditure levels of 65%, 64%, and 62% respectively. In contrast, Gauteng significantly underperformed, with only 44% of its phased municipal capital budget spent. These figures highlight regional disparities in infrastructure delivery progress, possibly due to differing levels of project readiness, institutional capacity, or administrative efficiency.

By the end of the 2024/25 municipal financial year, total municipal capital expenditure amounted to R60.7 billion, translating to 77% of the total capital budget. While this still represents an underspend of approximately R18 billion, it reflects a modest improvement compared to the R20 billion underspend recorded in the previous year. The year-end data suggests a need for ongoing support to enhance planning, implementation, and expenditure efficiency within municipalities to ensure full utilisation of allocated infrastructure funds.

> *The Medium-Term Development Plan prioritises inclusive economic growth, infrastructure delivery, job creation, and transformation, areas where the construction sector plays a catalytic role.*
> ***– Khulile Nzo, Board Chairperson***

BUSINESS CONDITIONS

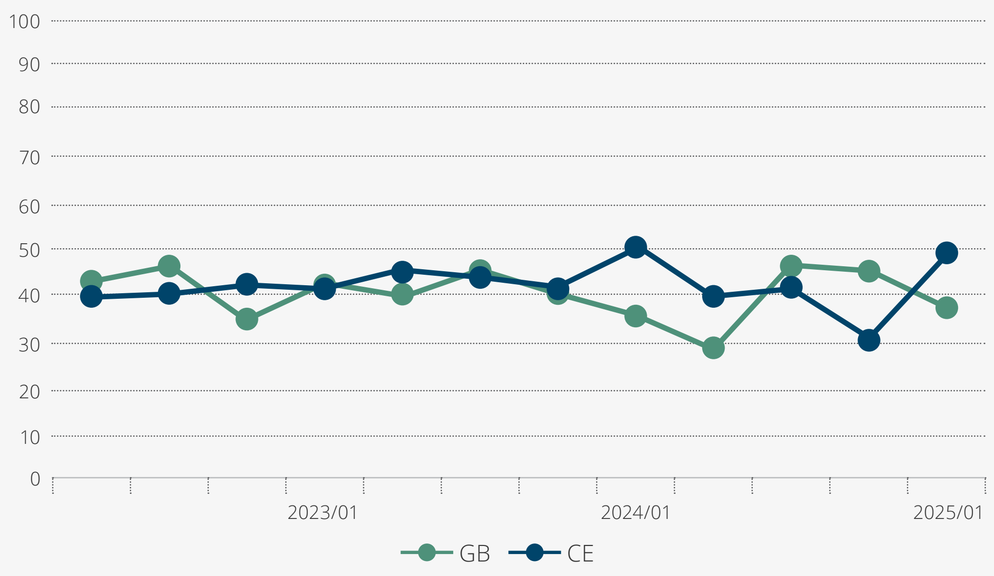
Perceptions of business confidence for Grades 3 to 8 cidb-registered contractors are depicted in the figure below.

Headline confidence ticked up supported by better activity. All four of the measured constraints to business activity eased, further boosting confidence. Nearly seven out of ten respondents said that insufficient demand was a constraint, the highest among all constraints.

Sentiment among General Building (GB) contractors declined for the second quarter in a row to 37, while the business confidence of Civil Engineering (CE) contractors jumped by 18 points to register a level of 49. Comparing activity growth between the two groups, CE fared better than GB.

Contractors in Grades 5 and 6 were the most positive, with the confidence index at 50 (from 28 in 2024Q4). They were closely followed by Grades 7 and 8 contractors whose confidence sat at 48. For firms in Grades 3 and 4, sentiment was down by 15 index points, compared to 2024Q4. Activity among all the grades, excluding Grades 3 and 4 improved in 2025Q1.

Figure 7: Business Confidence for the Construction Industry



INDUSTRY TRANSFORMATION

Transformation covers empowerment issues in the construction industry, focusing on data collated up to 2024Q4. The Monitor, published regularly by the cidb, presents an assessment of the state of transformation of the construction industry, with a focus on the consulting engineering (or professional service providers) and contracting sectors. The Monitor draws largely on information obtained from the cidb Register of Contractors, the cidb Register of Projects and the Consulting Engineers.

BLACK-OWNERSHIP – PROFESSIONALS

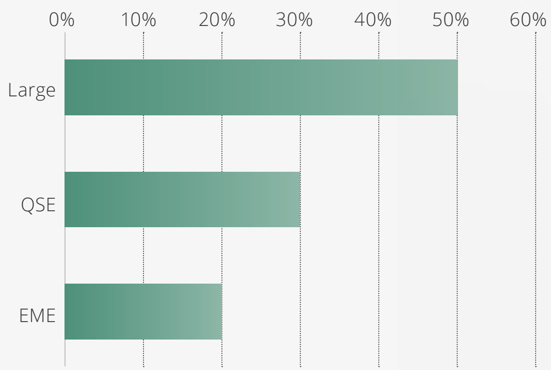
An assessment of data obtained from CESA membership (as at January 2025), shows the percentage of companies who comply with the requirements of the Broad-Based Black Economic Empowerment (B-BBEE) codes for the built environment as set out in the Construction Sector Codes.

Figure 8 below details the distribution of CESA members according to the size of the companies and how they rate in terms of BBBEE compliance. Black ownership of over 51% and more of Exempted Micro Enterprises (< R6 million turnover) is 20%, which is lower than January 2024.

Qualifying Small Enterprises (>=R6 million and <=R25 million turnover) have also decreased from 53% (January 2024) to 30% in January 2025. The number of large enterprises (annual turnover > R25 million) has increased from 21% from the previous report to 50% in January 2025.

Figure 8: Black Ownership Statistics

Size	%
Large	50%
QSE	30%
EME	20%
Total	**100%**



(Source: CESA Membership Database,www.cesa.co.za,January 2025)

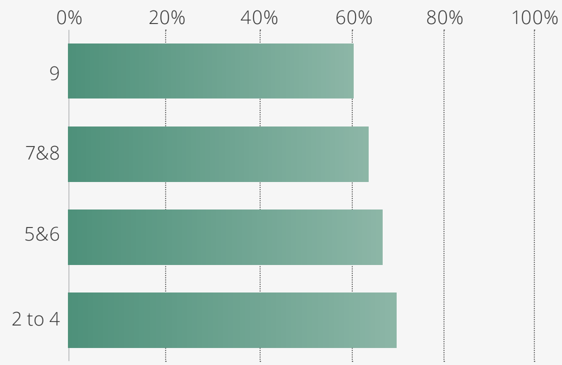
TRANSFORMATION OF THE CONTRACTING SECTOR

Information on the state of transformation of the contracting sector is drawn largely from the cidb Register of Contractors (RoC) and the cidb Register of Projects (RoP). Data on transformation is tracked from Grades 2 to 9 and a total of 21 331 contractors were registered with the cidb during the year under review.

Many of these contractors are in Grades 2 to 4, which accounts for 59% of the RoC. Analysis on the RoC indicated that black ownership of cidb registered contractor enterprises (i.e. not registrations) is estimated at 68% as shown on the figure below.

Figure 9 Black Owned Active Companies for Grades 2 - 9, 2024 Q4

Grade	Total Number	Black 51% + Number	Black 51% + (%)
9	397	236	59%
7&8	3 214	2 047	64%
5&6	5 073	3 351	66%
2 to 4	12 647	8 800	70%
Total	**21 331**	**14 434**	**68%**



The figure above further indicates that the state of transformation decreases with increasing cidb Grade (size of company). Specifically, for ownership of 51% and above, Black owned contractors in Grade 9 were at 59% in 2024Q4 as compared to lower grades. The grade 9 contractor enterprises include public-listed companies and wholly owned subsidiaries, for which black-ownership other than directors is excluded. The impact of excluding public listed and international companies on the profile is however small. Black ownership in Grades 2 to 8 is above 80% on the RoC.

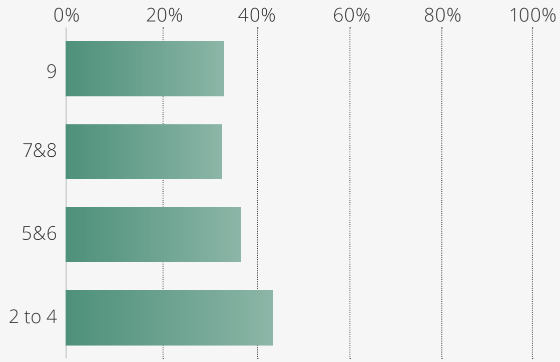
WOMEN-OWNERSHIP – cidb REGISTERED CONTRACTORS

Figure 10 below presents data on women-owned contractor enterprises across South Africa (defined as having 51% or more woman ownership) registered with the cidb. It is important to note that the grade shown for each enterprise reflects its highest grade achieved across all registrations.

The assessment indicates that transformation, in terms of woman ownership, tends to decline as cidb grade increases, reflecting a trend where larger companies are less likely to be majority woman owned. However, this decline is not as pronounced as the trend observed for black ownership across grades. Overall, women-owned enterprises constitute approximately 36% of all registered contractors, and this proportion has remained relatively stable compared to the previous reporting period, suggesting limited progress in advancing gender transformation in the sector.

Figure 10: Women Owned Active Companies for Grade 2 to 9, 2023/24Q4

Grade	Total Number	Women 51% + Number	Women 51% + (%)
9	397	130	33%
7&8	3 214	1 041	32%
5&6	5 073	1 825	36%
2 to 4	12 647	5 406	43%
Total	**21 331**	**8 402**	**36%**



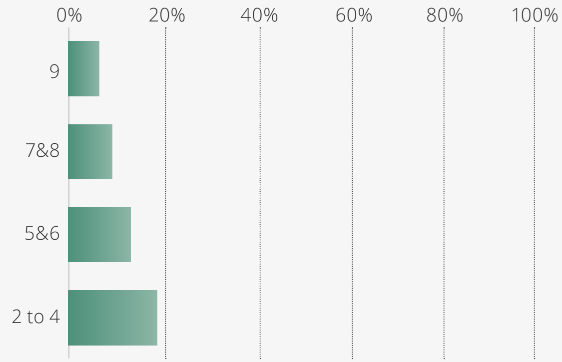
YOUTH OWNERSHIP – cidb REGISTERED CONTRACTORS

The third and final targeted group in terms of transformation comprises youth-owned contractor enterprises registered with the cidb (measured by ownership of 51% or more). The figure below provides an overview of the representation of youth ownership across cidb grades.

The assessment reveals a similar trend to other transformation categories in that youth ownership declines as cidb grade increases, indicating lower participation of young people in larger, more established construction enterprises. Overall, youth-owned companies with majority ownership account for 12% of all enterprises on the RoC, highlighting a significant underrepresentation of youth in the sector and the need for targeted interventions to support their participation and growth.

Figure 11: Youth Owned Active Companies for Grades 2 to 9, 2023/24Q4

Grade	Total Number	Youth 51% + Number	Youth 51% + (%)
9	397	23	6%
7&8	3 214	330	10%
5&6	5 073	659	13%
2 to 4	12 647	2 229	18%
Total	**21 331**	**3 241**	**12%**



The cidb Empowerment and Recognition of Women in Construction (ERWIC) Awards have become a cornerstone of transformation within South Africa's construction sector. Now in their fifth year, the awards celebrate the exceptional achievements of women while promoting a more inclusive, diverse, and forward-looking industry.

PART E:
STAKEHOLDER ENGAGEMENT

ERWIC AWARDS

The cidb Empowerment and Recognition of Women in Construction (ERWIC) Awards have become a cornerstone of transformation within South Africa's construction sector. Now in their fifth year, the awards celebrate the exceptional achievements of women, while promoting a more inclusive, diverse, and forward-looking industry. The 2024 awards ceremony, held in Sandton on 22 August 2024, reaffirmed the importance of recognising excellence and leadership among women across all levels of the built environment.

Over the years, the ERWIC Awards have significantly increased the visibility of women across various disciplines, helping to dismantle outdated stereotypes and normalise women's presence in leadership and technical roles traditionally dominated by men. Beyond recognition, the awards have cultivated a dynamic support network that builds confidence and encourages professional growth.

In 2024/25, the programme was further enriched through strategic partnerships aimed at advancing women's development in the sector. A key highlight was the collaboration with Broll Property Group, which brought industry expertise to the fore and deepened engagement with the private sector.

Building on this recognition, the cidb has continued to expand the impact of the ERWIC platform beyond the annual awards. A major highlight was the ERWIC Finance and Funding Masterclass, hosted on 30 April 2025 at The Capital Menlyn. The day was an interactive session that brought ERWIC winners into direct dialogue with financial institutions and industry experts. Supported by partners including Absa South Africa, African Bank, the City of Ekurhuleni, PMI, and Broll Property Group, the masterclass provided participants with practical tools and insights to grow their businesses and navigate funding opportunities more effectively.

In a further commitment to capacity-building, the cidb partnered with the Project Management Institute (PMI) to sponsor five ERWIC winners to undergo an internationally recognised project management certification programme. This initiative empowers women contractors with essential project leadership and execution skills, positioning them for greater success in managing complex construction projects.

These efforts are not only empowering individual women but also helping the cidb fulfil its development mandate by strengthening contractor competence, advancing enterprise growth, and enhancing inclusivity in the sector. Through ERWIC, the cidb continues to champion transformation in construction, driving progress that is measurable, meaningful, and sustainable.

NATIONAL CONSTRUCTION SUMMIT ON CRIME-FREE CONSTRUCTION SITES

The DPWI, in collaboration with the SAPS and the cidb, convened the National Construction Summit on Crime-Free Sites on 19 November 2024 at the Durban International Convention Centre. Held in response to growing concerns around site-based extortion, intimidation, and criminal disruptions on construction sites, the summit aimed to promote collaborative, practical solutions for a safer, more secure industry and to reaffirm construction's vital role in South Africa's economic recovery and job creation.

The event brought together key stakeholders from across the public and private sectors, including government officials, law enforcement agencies, contractors, industry leaders, and civil society. Notable speakers included the Minister of Public Works and Infrastructure, the Minister of Police, the Deputy Minister of Finance, the Premier of KwaZulu-Natal, and the Mayor of eThekwini, who collectively reinforced the urgency of restoring safety and stability within the sector.

Key highlights included:

- The signing of a Declaration of Intent, formalising a joint commitment to eradicating construction site extortion and violence.
- Panel discussions on legislative and policy reform, inter-agency enforcement collaboration, community engagement, and the misuse of the 30% subcontracting requirement.
- Recognition of the economic damage caused by construction mafias, estimated at R63 billion since 2019, highlighted by National Treasury.
- Calls for dedicated platforms to improve information sharing, best-practice adoption, and rapid-response mechanisms to site disruptions.
- Exploration of empowerment and skills development strategies, particularly for emerging contractors vulnerable to intimidation.

The cidb, as a strategic sector partner, underscored its commitment to advancing professionalism, ethical conduct, and operational safety across the construction value chain. It highlighted its role in facilitating collaboration between government, industry, and enforcement agencies to safeguard infrastructure projects and ensure continued delivery.

> *The media momentum and public discourse generated by the summit elevated awareness of the crisis and bolstered stakeholder confidence in the government's commitment to action. Through this landmark summit, the cidb helped solidify a national, multi-stakeholder approach to crime prevention in the construction sector, laying the foundation for a more secure, resilient, and investment-ready industry that supports South Africa's development goals*

SUMMIT MEDIA COVERAGE AND SOCIAL MEDIA IMPACT

- **28 000** pieces of owned coverage
- Reached more than **91 000** unique users
- #CrimeFreeConstruction trended on X generating over **500** mentions
- @cidb_SA - @GovernmentZA - @SAPS **actively amplified messages**
- Department of Public Works and Infrastructure's posts shared over **2 000** times
- Overwhelmingly **positive** sentiment
- **85%** of online discussions supported stronger law enforcement and reforms

POSTGRADUATE CONFERENCE

During the 2024/25 period, the cidb hosted its biennial Postgraduate Conference, a flagship event in its knowledge development and innovation calendar. Proudly co-hosted with the DUT, a leading institution known for its commitment to research, innovation, and industry engagement, the conference attracted a broad spectrum of postgraduate students, academics, researchers, and construction industry stakeholders from across South Africa.

The conference served as a strategic platform to showcase cutting-edge research, promote academic-industry collaboration, and support the development of evidence-based solutions to pressing challenges in the built environment. Participants presented research on themes such as infrastructure delivery innovation, contractor development, sustainability, sector transformation, digitalisation, and regulatory effectiveness. Sessions were structured around keynote addresses, paper presentations, and panel discussions, fostering rich dialogue between academia and practitioners.

A notable feature of the conference was the strong emphasis on how postgraduate research can inform public policy, enhance procurement frameworks, and support the strategic objectives of the cidb. The event reinforced the role of higher education institutions in shaping the future of the construction sector through rigorous research, knowledge sharing, and thought leadership.

Importantly, the conference reaffirmed the cidb's role as a national knowledge hub, helping to bridge the gap between academic insight and industry application. By investing in this platform, the cidb not only fosters the growth of emerging researchers, but also aligns academic inquiry with South Africa's construction policy priorities and human capital development goals.

Attendees used the opportunity to build partnerships, publish their findings, or integrate their work into real-world policy and practice, demonstrating the tangible impact of this unique knowledge-sharing platform.

eRoC TRAINING SESSIONS

The cidb hosted several eRoC training sessions for Grades 2–9 contractors as part of its broader digital transformation agenda. The sessions aimed to simplify and modernise the registration process by equipping contractors with the practical skills needed to use the eRoC platform confidently. Conducted online to maximise accessibility, especially for contractors in remote or under-resourced areas, the training demonstrated the cidb's commitment to inclusive digital enablement.

The eRoC platform represents a significant shift from manual to digital engagement, reducing paperwork, streamlining processing times, and enhancing transparency in contractor registration. Participants were guided through essential system functions such as uploading documents, checking application statuses, renewing gradings, and resolving compliance issues. The sessions also covered common challenges and provided updates on relevant policy and regulatory changes.

This training formed part of a series of ongoing capacity-building interventions by the cidb to empower emerging contractors and improve service delivery. By demystifying the registration process, the initiative helps reduce barriers to entry and supports greater participation in the formal construction sector.

Feedback was overwhelmingly positive, with participants noting improved understanding and confidence in managing their compliance obligations. The sessions reaffirmed the cidb's commitment to digital inclusion, contractor development, and operational excellence in line with its transformation objectives.

The cidb is proud to have maintained an unqualified audit opinion from the AGSA for the 2024/25 financial year. This is a clear endorsement of our strong governance, accurate financial reporting, and robust internal controls. This achievement reflects our rigorous approach to compliance and accountability and demonstrates our capacity to manage public resources with integrity.

– Bongani Dladla, Chief Executive Officer

PART F:
INTERNAL CAPACITY

The cidb's human resources strategy supports transformation, excellence in service delivery, and the cultivation of a culture rooted in continuous learning and innovation. During the 2024/25 financial year, the cidb implemented targeted initiatives aligned with the organisation's strategic priorities, with a focus on talent optimisation, enhanced performance management, learning and development, organisational culture strengthening, and employee wellness.

HUMAN RESOURCES HIGHLIGHTS

- **Talent acquisition:** the cidb continues to recruit skilled personnel to remain adequately resourced to fulfil its mandate and maintain operational efficiency.
- **Policy review and alignment:** HR policies were regularly reviewed and updated to ensure compliance with evolving labour legislation and to reflect best practices in human capital management.
- **Performance management enhancement:** continuous improvements to the performance management system were undertaken, including robust quality assurance and moderation processes.
- **Learning and development:** the cidb invested in staff capacity through a combination of bursary support and targeted training programmes, with a focus on building critical and scarce skills aligned with current and future organisational needs.
- **Organisational culture improvement:** the cidb implemented initiatives aimed at strengthening organisational culture, supporting adaptability, accountability, and innovation.
- **Employee well-being and engagement:** a range of employee wellness initiatives and engagement activities were implemented to support staff resilience, mental health, and overall morale.
- **Labour relations:** constructive dialogue and collaboration between management and labour representatives contributed to a stable and cooperative labour environment throughout the year.

A strong, motivated workforce remains the foundation of the cidb's performance and progress. Ongoing investments in employee development, business process improvement, and organisational change continue to support our goal of becoming a high-performance institution aligned with national development priorities.

– Bongani Dladla, Chief Executive Officer

HUMAN RESOURCES STATISTICS: 1 APRIL 2024 TO 31 MARCH 2025

Table 5: Personnel Costs by Occupational Level

Occupational Levels	Personnel Expenditure	% of Total Personnel Cost	Number of Employees	Average Personnel Cost per Employee
Top management	R12,770,362,00	11%	5	R2,554,072,00
Senior management	R25,578,172,00	23%	16	R1,598,636,00
Professional, specialised, and middle management	R25,143,579,00	22%	23	R1,093,199,00
Skilled technical, junior management, supervisory	R22,257,857,00	20%	38	R585,733,00
Semi-skilled	R20,218,399,00	18%	52	R388,815,00
Unskilled	R7,255,880,00	6%	25	R290,235,00
Grand Total	**R113,224,249,00**	**100%**	**159**	**R6,510,690,00**

Percentages are rounded off to nearest decimal

Table 6: Total Number of Employees in Each Occupational Category

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	3	0	0	0	2	0	0	0	0	0	**5**
Senior management	8	1	1	0	5	0	0	1	0	0	**16**
Professionally qualified and experienced specialists and mid-management	10	0	2	0	11	0	0	0	0	0	**23**
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	13	0	0	0	22	1	0	2	0	0	**38**
Semi-skilled and discretionary decision-making	16	0	0	0	34	1	1	0	0	0	**52**
Unskilled and defined decision-making	4	0	0	1	19	1	0	0	0	0	**25**
Total Permanent	**54**	**1**	**3**	**1**	**93**	**3**	**1**	**3**	**0**	**0**	**159**

Of the 159 employees, one is on a fixed term contract and three are persons with disabilities.

A: African C: Coloured I: Indian W: White

Table 7: Total Number of Employees with Disabilities

	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	**0**
Senior management	0	0	0	0	0	0	0	0	0	0	**0**
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0	0	**0**
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	1	0	0	0	0	0	**1**
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	0	0	0	**1**
Unskilled and defined decision making	1	0	0	0	0	0	0	0	0	0	**1**
Total	**1**	**0**	**0**	**0**	**2**	**0**	**0**	**0**	**0**	**0**	**3**

Table 8: Employment and Vacancies Per Occupational Category

cidb Equivalent Occupational Category		Number of Posts	Number of Posts Filled	Number of Vacant Posts	Vacancy Rate (%) Number of Vacant Posts/No of Posts x 100
Unskilled and defined decision making	(Paterson B)	27	25	2	7.4%
Semi-skilled and discretionary decision making	(Paterson C1 - C2)	53	52	1	1.9%
Skilled technical and academically qualified	(Paterson C3- C-upper)	53	38	15	28.3%
Professionally qualified	(Paterson D1- D3)	34	23	11	32.4%
Senior management	(Paterson D- upper)	16	16	0	0%
Top management	(Paterson E)	5	5	0	0%
Total		**188**	**159**	**29**	

*3 positions already accepted by end March, leaving vacancies at 26

Table 9: Recruitment

	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	**0**
Senior management	0	0	0	0	0	0	0	0	0	0	**0**
Professionally qualified and experienced specialists and mid-management	0	0	0	0	3	0	0	0	0	0	**3**
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	0	0	0	0	0	0	**1**
Semi-skilled and discretionary decision making	3	0	0	0	0	0	0	0	0	0	**3**
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	**0**
Total	4	0	0	0	3	0	0	0	0	0	**7**

A: African C: Coloured I: Indian W: White

Table 10: Promotions/ Internal Advancements

	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	**0**
Senior management	2	0	0	0	0	0	0	0	0	0	**2**
Professionally qualified and experienced specialists and mid-management	0	0	0	0	1	0	0	0	0	0	**1**
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	2	0	0	0	0	0	**3**
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	0	0	0	**1**
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	**0**
Total	**3**	**0**	**0**	**0**	**4**	**0**	**0**	**0**	**0**		**7**

Table 11: Exits by Race, Gender, and Occupational Category

	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	**0**
Senior management	0	0	0	0	0	0	0	0	0	0	**0**
Professionally qualified and experienced specialists and mid-management	1	0	0	0	1	0	0	0	0	0	**2**
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	1	1	0	0	0	0	**4**
Semi-skilled and discretionary decision making	1	0	0	0	0	0	0	0	0	0	**1**
Unskilled and defined decision making	1	0	0	0	0	0	0	0	0	0	**1**
Total	**5**	**0**	**0**	**0**	**2**	**1**	**0**	**0**	**0**	**0**	**8**

Note: (includes disabled employees)

Table 12: Reasons for Staff Turnover

Termination Type	Number of Terminations	% of Total Terminations	% Turnover Rate
Death	1	12.5%	0.6%
Resignation	6	75%	4%
Expiry of contract	0	0%	0%
Retrenchment- operational requirements	0	0%	0%
Dismissal: misconduct	0	0%	0%
Poor performance	0	0%	0%
Discharged due to ill-health	0	0%	0%
Retirement	1	12.5%	0.6%
Total	**8**	**100**	**5,2%**

*Formula used: terminations/total terminations x 100 = % terminations | *Formula used: terminations/ total no. of employee x100 = % turnover rate

A: African C: Coloured I: Indian W: White

SKILLS DEVELOPMENT STATISTICS

The cidb remains committed to building a capable and future-ready workforce through targeted investment in learning and development. During the 2024/25 financial year, significant strides were made in employee upskilling through bursaries, training initiatives, and support across all occupational levels.

BURSARY PROGRAMME

A total of R1 001 531.35 was awarded in bursaries during the financial year, benefiting 28 employees across the June 2024 and January 2025 bursary cycles. These bursaries supported academic pursuits from undergraduate to doctoral level, reflecting cidb's commitment to career-long learning.

Table 13: Bursaries Awarded During the 2024/25 Financial Year

Term	Amount Awarded	Number of Bursaries
June 2024	R 367 130.00	12
January 2025	R 634 401.35	16
Total	**R 1 001 531.35**	**28**

During the same period, the bursary programme yielded 20 graduates, including three Master's-level qualifications: one Master of Business Administration and two Master of Science in Building degrees, demonstrating cidb's investment in high-level skills development.

TRAINING EXPENDITURE

A total of R493 468.36 was spent on employee training during the reporting period, supporting staff development at multiple organisational levels.

Table 14: Training Spend per Quarter

Quarter	Budget Spent
Quarter 1	R 41,449.89
Quarter 2	R 158,027.45
Quarter 3	R 165,407.14
Quarter 4	R 128,583.40
Total	**R 493,468.36**

A: African C: Coloured I: Indian W: White

SKILLS DEVELOPMENT BY OCCUPATIONAL CATEGORY

Training and development opportunities were distributed across occupational levels, as shown below. No spend was allocated to employees on fixed-term contracts or employees with disabilities during the review period.

Table 15: Skills Development by Occupational Category (Permanent Staff)

Occupational level	Male (A/C/I/W)	Female (A/C/I/W)	Foreign Nationals	Total
Top management	1	0	0	**1**
Senior management	4	2	0	**6**
Professionals and mid-management	2	2	0	**4**
Skilled technical, junior management, supervisors, foremen, etc.	7	8	0	**15**
Semi-skilled	2	3	0	**5**
Unskilled	1	1	0	**2**
Total permanent employees	**17**	**16**	**0**	**33**

"The cidb invested in staff capacity through a combination of bursary support and targeted training programmes, with a focus on building critical and scarce skills aligned with current and future organisational needs."

FACILITY MANAGEMENT

During the reporting period, the cidb advanced procurement of new provincial office space in KwaZulu-Natal (Durban), Eastern Cape (East London), Free State (Bloemfontein), and Mpumalanga (Mbombela). These acquisitions support the cidb's goal of reducing long-term lease dependency while improving operational stability.

Baseline infrastructure assessments were completed for the Centurion Head Office, informing a planned maintenance schedule. This maintenance plan will be extended to the new provincial offices once procured.

A service provider was appointed to supply and install office furniture at the Centurion Head Office, with project completion anticipated by May 2025. This project seeks to standardise furniture across all cidb offices, improve ergonomics, and promote a professional and productive work environment.

The cidb's health and safety committees continued to promote a strong safety culture throughout the organisation. Key achievements during the year included:

- Regular committee meetings and compliance reviews;
- Comprehensive workplace inspections; and
- Emergency evacuation drills and improved response times.

These interventions strengthened cidb's health and safety compliance posture and enhanced organisational readiness in case of emergencies. The cidb remains focused on the successful execution of planned projects and continued enhancement of workplace infrastructure in the 2025/26 financial year.

The cidb implemented initiatives aimed at strengthening organisational culture, supporting adaptability, accountability, and innovation.

PART G:

ANNUAL FINANCIAL STATEMENTS

RISK MANAGEMENT

The cidb continues to advance its commitment to combined assurance with a coordinated and integrated approach to risk management and oversight. This model brings together multiple assurance providers, including internal audit, risk management, compliance, and external parties, to deliver a holistic and comprehensive view of the organisation's risk landscape.

This approach aims to optimise the effectiveness of risk, governance, and control oversight, minimise duplication of efforts, and align all assurance activities with the cidb's strategic objectives and enterprise risk strategy. By breaking down operational silos, combined assurance enhances accountability and enables better-informed decision-making.
During the reporting year, the cidb placed particular emphasis on the following areas:

- Conflict of interest management;
- Business continuity management;
- Safety, health, and environmental (SHE) compliance; and
- Protection of Personal Information Act (POPIA) compliance.

STRATEGIC RISK MANAGEMENT

Effective risk management enhances the organisation's ability to identify, assess, and mitigate risks that may impact the achievement of its goals. In compliance with the PFMA requirements, the cidb conducted a strategic risk assessment to identify and evaluate key risks that could hinder the organisation's ability to deliver on its mandate.

This assessment involved participation from senior management and executives, and followed a structured five-step process:

1. Identification of strategic risk objectives;
2. Identification and description of potential risks;
3. Assessment of risk likelihood and potential impact;
4. Prioritisation of identified risks; and
5. Development of appropriate mitigation strategies.

The top strategic risks were continuously monitored, reviewed, and reported to the Board, ensuring that risk responses remained effective and aligned to evolving organisational priorities.

Table 16: Top 10 Strategic Risks and Mitigation Strategies

Strategic objectives as per the current strategic plan	No	Risk Names	Inherent Risk Rating	Residual Risk Rating	Priority
Increased Black ownership and participation	1	Limited work opportunities to move into higher grades	20	15	2
Increased women ownership and participation	2	Inadequate availability of work opportunities for women	25	15	2
Skills development	3	Shortage of construction skills - supply pipeline.	25	15	3
Contractor development	4	Challenges in the implementation of built projects.	20	12	1
Performance driven clients	5	Loss of infrastructure development investment	20	12	2
Performance driven clients	6	Failure of clients to spend allocated infrastructure budget	20	12	2
Reduced non-compliance	7	Non-compliance with cidb prescripts by clients (RoP) and contractors	20	12	1
Ethical and performance-driven cidb	8	Inadequate business continuity management	20	10	2
Ethical and performance-driven cidb	9	Cybercrime and system hacking	25	9	3
Ethical and performance-driven cidb	10	Failure to achieve performance target (underperformance)	20	9	3

The priority is ranked as per the table below:

Colors	Responses
Red – Priority 1	Management and intervention by EXCO and the cidb Board
Yellow – Priority 2	Management should constantly monitor and manage that the risk is not increasing
Green – Priority 3	Management will constantly monitor the implementation process of risks action plans

EMERGING RISKS AND OPPORTUNITIES

One of the key emerging risks identified during the reporting period was the delay in the appointment of a service provider panel responsible for implementing contractor development projects. As a result, the B.U.I.L.D development targets were not achieved as planned, which is reflected in the organisation's performance information reporting. This shortfall highlights the need for heightened attention to procurement lead times and project planning in the upcoming financial year to avoid potential disruptions to strategic objective delivery.

FRAUD AND CORRUPTION

Fraud and corruption remain significant and persistent risks that threaten the cidb's ability to achieve its organisational objectives. These risks can take multiple forms, including financial fraud, procurement fraud, cybercrime, insider threats, and operational fraud. Each of these poses serious challenges that can compromise the integrity of systems, processes, and service delivery within the organisation.

The consequences of such misconduct are far-reaching and include financial losses, reputational damage, potential litigation, and the erosion of stakeholder trust and business confidence.

In response, the cidb has implemented a comprehensive Anti-Fraud Plan that outlines proactive measures to prevent, detect, and respond to fraudulent activity while promoting a culture of ethics and accountability. This plan is reviewed and approved annually by the Audit, Risk, and Governance Committee (ARGC), which also monitors its implementation and assesses its effectiveness to ensure continued alignment with best practices in governance and risk management.

The cidb's Anti-Fraud Approach Includes:

1. Fraud prevention: implementation of internal controls, awareness campaigns, and training to reduce the risk of fraud occurring.
2. Fraud detection: mechanisms such as whistle-blower hotlines, audit trails, and system alerts to identify potential incidents.
3. Investigation: prompt and impartial inquiry into reported or suspected cases of fraud or corruption.
4. Corrective action: remedial steps, disciplinary action, and legal recourse to ensure accountability and prevent recurrence.

This structured anti-fraud framework supports the cidb's commitment to integrity, transparency, and effective governance.

During the 2024/25 financial year, the cidb implemented several proactive measures to strengthen its anti-fraud and corruption environment. These activities formed part of its broader commitment to ethical governance and effective risk mitigation.

Key Initiatives Included:

- A Fraud Risk Assessment conducted in May 2024 to identify and evaluate emerging fraud threats.
- The Anti-Fraud Plan was reviewed and approved by the Audit, Risk, and Governance Committee (ARGC) in July 2024.
- Pre-screening of all new employees was conducted to verify background and integrity of credentials prior to employment.
- All employees were required to declare their business interests to prevent conflicts of interest.
- The fraud hotline, operated by an independent service provider, remained fully functional and accessible throughout the year.
- All reported fraud cases were investigated and reported to the Board for oversight and action.
- Oversight committees held regular meetings to monitor governance and fraud risk controls.
- Fraud awareness training was conducted in November 2024 to reinforce a culture of ethical conduct and vigilance.
- Internal audits were carried out in line with a risk-based audit plan, ensuring alignment with identified priority areas.

These initiatives collectively contributed to an enhanced internal control environment and reinforced the cidb's commitment to integrity and accountability.

INTERNAL AUDIT

The purpose of the Internal Audit function is to provide independent, objective assurance and consulting services that are designed to add value and improve the operations of the cidb.

The internal audit contributes to cidb's success by supporting:

- Achievement of strategic and operational objectives.
- Strengthening governance, risk management, and internal control processes.
- Informed decision-making and effective oversight.
- Enhancing reputation and credibility with stakeholders.
- Upholding the organisations' ability to serve the public.

The internal audit function is most effective when:

- Performed by competent professionals who maintain appropriate qualifications, skills, and ongoing professional development. All activities conform with the IIA's Global Internal Audit Standards, including the Code of Ethics and the Core Principles for the Professional Practice of Internal Auditing.
- Positioned independently within the organisation, with direct accountability to the Audit, Risk and Governance Committee (ARGC). The Chief Audit Executive (CAE) has unrestricted access to chairperson of the ARGC.
- Internal auditors are free from undue influence in the planning and execution of audit activities and shall maintain objectivity in all engagements. Measures are in place to prevent conflicts of interest and ensure impartial assessments.
- The scope of internal audit activities encompasses the entire organisation and includes both assurance and advisory services.

The cidb has outsourced its internal audit function and Nexia SAB & T has been appointed as Internal Auditors of the cidb for three years. The Internal Audit was functional throughout the financial year under review and operated in line with its approved Internal Audit Charter, based on Treasury Regulation 3.2 and the Standards for the Professional Practice of Internal Auditing. The scope of Internal Audit's work was derived from the approved Internal audit plan, approved by the ARGC.

The audit approach combines two types of audit engagements, that is, assurance and advisory services. Internal audit adheres to the pertinent provisions of the PFMA and associated Treasury Regulations and follows the IIA's standards, principles, and professional ethics when doing their work or any other audit activities that are assigned to them.

AUDIT, RISK AND GOVERNANCE COMMITTEE MEMBERS AND ATTENDANCE

The ARGC consists of members listed below, of which two are independent members in line with good corporate governance practice and six delegated members of the cidb Board. The Committee meets at least four times per annum as per its approved terms of reference, with special meetings where such a need arises. During the financial year under review, the ARGC held six ordinary meetings and two special meetings.

Name and Surname	Designation	Number of Meetings Attended
Mr Lesetja Monama	Chairperson and independent	8
Prof Susan Bouillon	Board Deputy Chairperson	7
Ms Karabo Siyila	Board Member	8
Ms Yvonne Mbane	Board Member	8
Ms Boitumelo Mokgatle	Board Member	8
Ms Celeste Le Roux	Board Member	7
Ms Bongekile Zulu	Board Member	8
Mr Thabane Gwala	Independent Member	8

The cidb is proud to have maintained an unqualified with findings audit opinion from the AGSA for the 2024/25 financial year. This is a clear endorsement of our strong governance, accurate financial reporting, and robust internal controls. This achievement reflects our rigorous approach to compliance and accountability and demonstrates our capacity to manage public resources with integrity.

– Bongani Dladla, Chief Executive Officer

AUDIT, RISK AND GOVERNANCE COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2025.

AUDIT, RISK AND GOVERNANCE COMMITTEE RESPONSIBILITY

The Audit, Risk and Governance Committee ("the Committee") is established as an independent statutory committee in terms of sections 51 (1)(a)(ii) and 77 of the PFMA. The Committee functions within approved terms of reference and complies with relevant legislation, regulation and governance codes. The Committee submits this report for the financial year ended 31 March 2025, as required by the Treasury Regulations 27.1.7.

EVALUATION OF THE EFFECTIVENESS OF INTERNAL CONTROLS

The PFMA requires the Accounting Authority to ensure that the cidb has and maintains effective, efficient and transparent systems of financial, risk management and internal control, whilst it is the Committee's role to review the effectiveness of internal controls and oversee risk management processes. Reviews on the effectiveness of the internal controls were conducted, and they covered financial, operational, compliance and risk assessment during the year under review.

In line with the PFMA, Internal Audit provides the Committee and management with reasonable assurance regarding the adequacy and effectiveness of the internal controls. The Committee considers the system of internal controls appropriate in all material respects to:

- Reduce risks to an acceptable level.
- Meet the business objectives.
- Ensure assets are safeguarded and
- Ensure that transactions undertaken are recorded in the accounting records.

Our evaluation of the effectiveness of internal controls within the cidb is that they are adequate and partially effective.

QUALITY OF IN-YEAR MANAGEMENT OF THE QUARTERLY REPORT

The Committee has reviewed the quarterly management reports and is satisfied with the quality thereof. In instances where performances were below the Annual Performance Plan targets, management provided reasons for the under performance and implemented plans to improve identified performance deficiencies.

EVALUATION OF THE 2024/25 ANNUAL FINANCIAL STATEMENTS AND ANNUAL PERFORMANCE REPORT

The Committee reviewed the annual financial statements of the cidb and is satisfied that they comply with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and that the accounting policies used are appropriate and consistently applied.

Through this review, the Committee has:

- Confirmed, based on management's review and reasons provided, that the annual financial statements were prepared on a going concern basis. The Committee is satisfied that the cidb will maintain its ability to continue as a going concern, for the foreseeable future.
- Reviewed and discussed the audited annual financial statements with the external auditors, the Chief Executive Officer, and the Chief Financial Officer.
- Noted that there were no significant changes in accounting policies and practices.
- Reviewed the external auditors report and considered the accounting treatments of all classes of transactions, account balances and disclosure items to be appropriate.
- Noted that there were two (2) material adjustments to the financial statements arising from the external audit process on the statement of budget versus actual, in terms of GRAP 24 as well as related parties, in terms of GRAP 20.

The review of the annual financial statements and the Annual Performance Report for the period ended 31 March 2025 was performed at the Committee's meeting held on 23 May 2025.

Furthermore, the Committee reviewed the annual performance report for the period ended 31 March 2025. Through this review, the Committee has:

- Reviewed the report on the pre-determined objectives to be included in the Annual Report to ensure alignment with the applicable reporting framework.
- Noted that there were no adjustments to the Annual Performance Report arising from the external audit process.

RISK MANAGEMENT

The Accounting Authority assigned the oversight responsibility for risk management function to the Audit, Risk and Governance Committee. The cidb has implemented a risk management strategy, which includes the fraud prevention plan.

The Committee has monitored the significant risks faced by the cidb through the review of quarterly risk assessment, risk reporting and discussions with management. The Committee received, and has evaluated in detail, the progress made in the mitigation of the strategic risks during the year under review. The Committee notes the progress made towards effective management of risks within the cidb.

EVALUATION OF COMPLIANCE WITH LAWS AND LEGISLATIONS

During the financial year under review, the Committee considered and evaluated:

- The systems and processes the cidb applied and implemented to ensure compliance with laws and legislations.
- Monitored compliance with laws and legislations.
- Reviewed both the internal and external audit reports to identify any instances of non-compliance with laws and legislations.

The Committee noted that arising from the external audit process, the AGSA identified and raised a material non-compliance relating to contravention of PFMA section 55(1)(b) which requires the Accounting Authority to prepare financial statements that are free from material misstatements and errors. Management processed the corrections on the related parties note as well as the statement of budget versus actual, resulting in the cidb receiving an unqualified with findings audit opinion. The Committee will continue monitoring compliance with laws and legislation on a quarterly basis during the ordinary meetings of the ARGC.

EVALUATION OF THE EFFECTIVENESS OF INTERNAL AUDIT

Internal Audit is responsible for reviewing and providing assurance on the adequacy and effectiveness of the internal control environment across all the significant areas of the cidb and its operations.

The Committee is responsible for ensuring that the cidb's internal audit function is independent and has the necessary resources, skills, standing and authority within the organisation to enable it to discharge its responsibilities effectively. The Internal Auditors have unrestricted access to the Committee, management and all records of the cidb.

The Internal Audit division of the cidb applies a fully outsourced model. Nexia SAB & T has served as Internal Auditors of the cidb during the current year under review. The Internal Audit was functional throughout the financial year under review and operated in line with its approved Internal Audit Charter, based on Treasury Regulation 3.2 and the Global Internal Audit Standards. The scope of Internal Audit's work was derived from the approved annual operational plan, approved by the ARGC.

The Committee reviews and approves the Internal Audit Plan annually. Internal audit's activities are measured against the approved internal audit plan and the Chief Audit Executive tables progress reports at the Committee's quarterly meetings.

During the year under review, the Internal Audit developed and implemented a risk based strategic and operational coverage plan in accordance with the Global Internal Audit Standards and the Internal Audit Methodology, which the Committee approved for implementation.

During the 2024/25 financial year, Internal Audit concluded and executed all their planned audits as approved by the ARGC. The following internal audit work was completed during the year under review:

- Review of Quarterly Performance Reports (Quarter 1 to Quarter 4).
- Review of the Performance Bonus.
- Follow up Review on Information Technology Limited General Controls.
- Review of the Annual Performance Plan – 2025/26.
- Review of Internal Financial Controls.
- Follow up Review on Prior Year Audit Findings.
- Review of Annual Performance Report Review – 2024/25.
- Review of Unaudited Draft Annual Financial Statements – 2024/25.

Our assessment of internal audit is that its adequate and effective. Internal audit of the cidb has adequate resources, skills and knowledge to perform their day-to-day responsibilities.

EXTERNAL AUDITORS: AUDITOR-GENERAL OF SOUTH AFRICA

The external audit function is performed by the Auditor-General of South Africa. The Committee has satisfied itself that the external auditor is independent of the cidb. The Committee has satisfied itself that the Auditor-General of South Africa exercised her duties independently and objectively throughout the duration of the audit.

The Committee, in consultation with the Accounting Authority, noted and agreed to the terms of Auditor-General of South Africa's engagement letter, audit strategy and audit fees in respect of the 2024/25 financial year.

The Committee also monitored the implementation of the audit action plans to address matters arising from the management report issued by the Auditor-General of South Africa for the 2023/24 financial year. The Committee noted that a significant number of action plans arising from the 2023/24 were implemented by the cidb.

Auditor-General of South Africa has issued an unqualified audit opinion, with one material finding on non-compliance with laws and legislation during the 2024/25 regulatory audit, which is a regression when compared to the prior financial year, during which the cidb had achieved a clean audit. The Committee concurs and accepts the conclusion of the Auditor-General of South Africa on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and be read together with the report of the Auditor-General of South Africa.

APPRECIATION

The Committee acknowledges the work performed by internal and external auditors, Chief Executive Officer, his executive team and broad management team of the cidb. The Committee wishes to thank everyone for their commitment and dedication to the task at hand and I want to thank my fellow Committee members for their valuable contribution to the Committee and cidb during the 2024/2025 financial year.

IN-CONCLUSION

I would like to congratulate management of the cidb for obtaining an unqualified with findings audit opinion for the year under review. Though this represents a regression when compared to prior year, this is testament of the hard work the cidb team has put in throughout the year to achieve these results. In the 2025/26 financial year, the task remains that of reclaiming the clean audit status. As the Committee, we have full confidence in the cidb team that the clean audit status will be reclaimed.

Signed on behalf of the Audit, Risk and Governance Committee by:

Mr Lesetja Monama (CA) RA
Chairperson: Audit, Risk and Governance Committee
Construction Industry Development Board (cidb)
Date: 31 July 2025

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT

on Construction Industry Development Board

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the Construction Industry Development Board set out on pages 54 to 92, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, the cash flow statement and statement of comparison of budget information with actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Construction Industry Development Board as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matters below. My opinion is not modified in respect of this matter.

B.U.I.L.D fees

7. As disclosed in note 16 to the financial statements, the public entity is currently reviewing the CIDB Act 38 of 2000 to equip itself with the necessary regulatory authority which will empower the entity to levy and collect B.U.I.L.D related revenue in the private sector.

Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.
9. 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 appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

10. My 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 my 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.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I 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
13. I selected the following programme presented in the annual performance report for the year ended 31 March 2025 for auditing. I 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
Programme 3: Construction Industry Regulation	97	To operate and maintain the national RoC, the Contractor Recognition Scheme, the RoC, and the B.U.I.L.D Programme and to monitor and enforce compliance to cidb prescripts

14. I 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.
15. I 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 I 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-achievement of targets.
16. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
17. I did not identify any material findings on the reported performance information for the **selected programme.**

Other matters

18. I draw attention to the matter below.

Achievement of planned targets

The annual performance report includes information on reported achievements against planned targets and provides explanations for over-achievements.

REPORT ON COMPLIANCE WITH LEGISLATION

19. In accordance with the PAA and the general notice issued in terms thereof, I 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.
20. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
21. Through an established AGSA process, I 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.
22. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements, performance report and annual reports

23. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework, as required by section 55(1) (b) of the PFMA.
24. Material misstatements of related parties disclosure and the statement of comparison of budgets and actual amounts identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified audit opinion.

OTHER INFORMATION IN THE ANNUAL REPORT

25. The accounting authority is responsible for the other 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.
26. My opinion on financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
27. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

29. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
30. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
31. Management did not perform adequate reviews and monitoring of compliance with the applicable financial reporting framework.

OTHER REPORTS

32. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
33. The Special Investigation Unit (SIU) is investigating allegations on the registration of contractors at the Construction Industry Development Board in terms of a presidential proclamation. The investigation covers alleged actions between 1 January 2006 and 15 April 2016. At the date of the audit report, the management has not received the results of the finalised investigation.

Auditor - General

Pretoria
31 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

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

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

Professional judgement and professional scepticism

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

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I 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 my 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. I 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me 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

I 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 I identify during my audit.

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

Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51 (1) (b) (i); 51 (1)(b) (ii); 51 (1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1) (b); 55(1) (c)(i); 56(1); 57(b); 66(3)(c) 66(5)
Treasury Regulation, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; 16A7.6; 16A8.3; 16A8.4; 16A9.1(b)(Ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2(a)(ii); 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; 31.2.1; 31.3.3; 31.2.5; 31.2.7(a); 32.1,(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Preferential Procurement Policy Framework Act 5 of 2005	Section 1; 2.1(a); 2.1 (f)
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
National Treasury SCM Instruction No. 03 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 2 of 2021/22	Paragraphs 3.2.1; 3.2.4; 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Second amendment of National Treasury Instruction 05 of 2020/21	Paragraph 1
Erratum National Treasury Instruction 5 of 202/21	Paragraph 2
National Treasury instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9,5.3

MATTERS REQUIRED BY NATIONAL TREASURY INSTRUCTION NO. 4 OF 2022/23

During the year ended 31 March 2025, no irregular amounts were confirmed by the cidb management. However, a potential irregular expenditure was raised by the Auditor-General South Africa during the audit and the transaction is currently under assessment in line with Instruction No.4 of 2022/23.

Fruitless and Wasteful Expenditure

Description	2024/2025	2023/2024
Opening Balance	39 428,00	39 428,00
Add: Fruitless and Wasteful Expenditure confirmed	10 542,63	
Less: Fruitless and Wasteful Expenditure written off		
Less: Fruitless and Wasteful Expenditure recoverable		
Closing balance	49 970,63	39 428,00

CONTENT

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

The annual financial statements set out on page 57 to 93, which have been prepared on the going concern basis, were approved by the Board on 29 July 2025 and were signed on its behalf by:

Bongani Dladla

Chief Executive Officer

Bongani Dladla

Khulile Nzo

Board Chairperson

Khulile Nzo

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Regulatory body for the Construction Industry in South Africa
BOARD MEMBERS	Nzo K (Chairperson) Bouillon S (Deputy Chairperson) Gopane T Le Roux C Maimela K Makhanya S Masimene D Mbane Y Mokgatle B Rabosiwana B Siyila K Songelwa T Zulu B
REGISTERED OFFICE	No 1267 Gordon Hood Road Centurion 0157
BANKERS	Standard Bank of South Africa Limited Investec Limited
AUDITORS	Auditor-General South Africa
SECRETARY	Evans Sebata

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

Figures in Rand	Notes	2025	2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	103 844 788	101 942 433
Intangible assets	4	33 915 201	37 176 871
		137 759 989	**139 119 304**
CURRENT ASSETS			
Receivables from exchange transactions	5	1 519 270	355 042
Receivables from non-exchange transactions	6	447 844 145	271 357 854
Prepayments		11 171 198	4 420 848
Cash and cash equivalents	7	290 405 270	288 079 002
		750 939 883	**564 212 746**
Total Assets		**888 699 872**	**703 332 050**
LIABILITIES			
CURRENT LIABILITIES			
Finance lease obligation	8	-	70 805
Income received in advance	9	108 496 940	105 598 268
Provisions	10	44 338 058	11 687 945
Payables from exchange transactions	11	12 432 032	19 175 825
		165 267 030	**136 532 843**
Total liabilities		**165 267 030**	**136 532 843**
Net assets		**723 432 842**	**566 799 207**
Accumulated surplus		723 432 842	566 799 207
Total net assets		**723 432 842**	**566 799 207**

STATEMENT OF FINANCIAL PERFORMANCE

AS AT 31 MARCH 2025

Figures in Rand	Notes	2025	2024
Revenue			
Revenue from exchange transactions			
Assessment fees	12	56 751 882	54 071 400
Other income		1 533 545	1 744 348
Finance income	13	24 470 887	14 065 663
Gain on disposal of assets and liabilities		-	26 393
Total revenue from exchange transactions		**82 756 314**	**69 907 804**
Revenue from non-exchange transactions			
Government grants and subsidies	15	75 183 000	80 320 000
B.U.I.L.D fees	16	185 678 981	176 456 831
Contractor fines		100 000	150 000
Annual fees	12	102 802 396	89 754 263
Service in kind	12	1 624 992	1 615 331
Total revenue from non-exchange transactions		**365 389 369**	**348 296 425**
Total revenue		**448 145 683**	**418 204 229**
Expenditure			
Employee related costs	17	(140 885 883)	(131 177 349)
Members' emoluments	27	(6 719 808)	(6 707 406)
Depreciation and amortisation	18	(6 315 089)	(5 798 784)
Finance costs	19	(155)	(2 938)
Bad debt written off		(143 688)	(6 165)
Gain or loss on disposal of assets and liabilities		(511 977)	-
Gain or loss on exchange differences		(353 620)	-
Surrender of surpluses - relating to current year	14	(31 758 750)	-
Operational expenses	20	(104 823 076)	(99 094 097)
Total expenditure		**(291 512 046)**	**(242 786 739)**
Surplus for the year		**156 633 637**	**175 417 490**

STATEMENT OF CHANGES IN NET ASSETS

AS AT 31 MARCH 2025

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 April 2023	**391 381 717**	**391 381 717**
Surplus for the period	175 417 490	175 417 490
Balance at 01 April 2024	**566 799 205**	**566 799 205**
Surplus for the year	156 633 637	156 633 637
Balance at 31 March 2025	**723 432 842**	**723 432 842**

CASH FLOW STATEMENT
AS AT 31 MARCH 2025

Figures in Rand	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Registers income		159 285 645	143 110 739
Grants received		75 183 000	80 320 000
Finance income		24 470 887	14 065 663
B.U.I.L.D receipts		109 192 690	71 683 909
Other receipts		533 545	1 744 348
		368 665 767	310 924 659
Payments			
Compensation to employees		(140 009 743)	(131 015 764)
Payments to suppliers and others		(120 791 044)	(86 677 080)
Transfers and grants prepayment		(100 000 000)	-
		(360 800 787)	(217 692 844)
Net cash flows from operating activities	22	**7 864 980**	**93 231 815**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3	(5 559 012)	(1 266 423)
Proceeds from sale of property, plant and equipment	3	91 260	98 991
Purchase of other intangible assets	4	-	(6 689 556)
Net cash flows from investing activities		**(5 467 752)**	**(7 856 988)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance lease payments - capital	8	(70 805)	(280 902)
Finance lease payments - finance cost		(155)	(2 938)
Net cash flows from financing activities		**(70 960)**	**(283 840)**
Net increase in cash and cash equivalents		**2 326 268**	**85 090 987**
Cash and cash equivalents at the beginning of the year		288 079 002	202 988 015
Cash and cash equivalents at the end of the year	7	**290 405 270**	**288 079 002**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
REVENUE						
REVENUE FROM EXCHANGE TRANSACTIONS						
Assessment fees	47 790 652	4 111 279	**51 901 931**	56 751 882	**4 849 951**	32.2
Other income	-	-	**-**	1 533 545	**1 533 545**	32.3
Finance income	6 425 000	6 075 000	**12 500 000**	24 470 887	**11 970 887**	32.4
Total revenue from exchange transactions	**54 215 652**	**10 186 279**	**64 401 931**	**82 756 314**	**18 354 383**	
REVENUE FROM NON-EXCHANGE TRANSACTIONS						
TRANSFER REVENUE						
Government grants	75 183 000	-	**75 183 000**	75 183 000	**-**	
B.U.I.L.D fee	60 000 000	11 683 909	**71 683 909**	185 678 981	**113 995 072**	32.5
Contractor fines	-	-	**-**	100 000	**100 000**	
Annual fees	88 754 068	7 635 233	**96 389 301**	102 802 396	**6 413 095**	32.2
Service in kind	-	-	**-**	1 624 992	**1 624 992**	32.8
Total revenue from non-exchange transactions	**223 937 068**	**19 319 142**	**243 256 210**	**365 389 369**	**122 133 159**	
Total revenue	**278 152 720**	**29 505 421**	**307 658 141**	**448 145 683**	**140 487 542**	
EXPENDITURE						
Employee related cost	(144 951 277)	(3 000 000)	**(147 951 277)**	(140 885 883)	**7 065 394**	32.6
Members' emoluments	(4 500 000)	(2 000 000)	**(6 500 000)**	(6 719 808)	**(219 808)**	
Depreciation and amortisation	-	-	**-**	(6 315 089)	**(6 315 089)**	32.8
Finance costs	(155)	-	**(155)**	(155)	**-**	
Bad debts written off	-	-	**-**	(143 688)	**(143 688)**	
Gain or loss on exchange differences	-	-	**-**	(353 620)	**(353 620)**	
Gain or loss on disposal of assets and liabilities	-	-	**-**	(511 977)	**(511 977)**	
Operating expenses	(128 701 288)	(24 505 421)	**(153 206 709)**	(104 823 076)	**48 383 633**	32.7
Total expenditure	**(278 152 720)**	**(29 505 421)**	**(307 658 141)**	**(259 753 296)**	**47 904 845**	
Operating surplus	**-**	**-**	**-**	**188 392 387**	**188 392 387**	
Surrender of surpluses	-	-	**-**	(31 758 750)	**(31 758 750)**	
Surplus for the year	**-**	**-**	**-**	**156 633 637**	**156 633 637**	
Actual amount on comparable basis as presented in the budget and actual comparative statement	**-**	**-**	**-**	**156 633 637**	**156 633 637**	

SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 March 2025

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in compliance 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.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

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 cidb.

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared based on the expectation that the Construction Industry Development Board (cidb) will continue to operate as a going concern for the foreseeable future. The cidb receives its funding from The Department of Public Works and Infrastructure and recovers some of its costs through the register of contractors. There has not been any indication that these financial sources may be significantly affected in the foreseeable future.

1.4 MATERIALITY

In assessing whether an omission or misstatement could influence the decisions of users and so be material, the cidb has considered 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 has taken into account how users with such attributes could be expected to be influenced in making and evaluating decisions. The quantitative materiality has been determined at 2% of total expenditure

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 judgements 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:

Impairment testing

The cidb reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. There was no indication that impairment has occurred in the current financial period.

Accounting by principals and agent

The cidb was an agent in an arrangement with the Jobs Fund relation to the transaction with a third party, because

(i) It did not have the power to determine the significant terms and conditions of the transaction.

(ii) It did not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.

(iii) It was not exposed to the variability in the results of the transaction Additional information is disclosed in Note 33.

Estimates for B.U.I.L.D. revenue

The cidb recognises its Best Practice Projects Assessment Scheme (B.U.I.L.D) revenue from declared projects on the register of projects. Where projects that were awarded during the year are not declared by clients by year end, the cidb estimates the undeclared projects using the data available on clients websites and other alternative sources.

The nature of transactions of projects qualifying to be recognised for B.U.I.L.D. projects is so volatile that it is impractical to provide an estimate that would be reliable and represent useful information to the users of the Annual Financial Statements. The related revenue can only be reliably measured sometime after the taxable event occurs.

SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 March 2025

The cidb applies GRAP 23.71 in recognising revenue and assets relating to B.U.I.L.D. revenue, and no estimates are provided as management deems it unreliable and will not provide useful information to the users.

Useful lives and Residual values of assets

The management determines the estimated useful lives and related depreciation/amortisation charges for all assets. This estimate is based on industry norms and assets replacement & maintenance plans for the cidb.

1.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is 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
Buildings	Straight-line	20 - 100 years
Furniture and fixtures	Straight-line	3 - 20 years
Motor vehicles	Straight-line	8 - 15 years
Office equipment	Straight-line	3 - 25 years
IT equipment	Straight-line	3 - 25 years
Other equipment	Straight-line	3 - 20 years

The cidb assesses at each reporting date whether there is any indication that the cidb 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 cidb revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate. Some of the indicators that cidb considers are the changes in replacement practices and physical conditions of the assets. There has been no material change in the useful and residual values this financial year.

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

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.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.7 INTANGIBLE ASSETS

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date. The amortisation method and useful life of intangible assets, has been assessed as follows:

Item	Amortisation method	Average useful life
Computer software, internally generated	Straight-line	3-20 Years

1.8 FINANCIAL INSTRUMENTS

Financial instruments are recognised when the cidb becomes a party to the contractual agreement of the instrument. Financial instruments carried in the statement of financial position include cash and bank balances, trade and other receivables, and trade and other payables. These instruments are carried at their amortised cost.

1.8.1 Financial Assets

The cidb classifies its financial assets into the category discussed below:

Receivables from exchange transactions

The cidb classifies receivables from exchange transaction as financial assets at amortised costs and measures these using the effective interest method. These financial assets are not quoted in an active market and have fixed or determinable payments as defined in the standards of Generally Recognised Accounting Practice.

Interest income is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the

SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 March 2025

present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

When a trade receivable is uncollectable, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in surplus or deficit for the year.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank balances. Cash and cash equivalents include cash on hand and deposits held at call. They are initially recognised at fair value, and are subsequently carried at amortised cost using the effective interest method.

1.8.2 Financial Liabilities

All financial liabilities of the cidb are classified as financial liabilities at amortised cost. The classification depends on the nature and purpose of the financial liabilities and is determined at the time of initial recognition.

Payables from exchange transactions

The cidb has payables from exchange as a class of financial liabilities as reflected on the face of the statement of financial position and to the notes thereto.

Finance cost is recognised by applying the effective interest rate.

1.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

1.10 STATUTORY RECEIVABLES

Statutory receivables arise from the published gazette 43726 on the Best Practice Project Assessment Scheme(B.U.I.L.D) which indicates that every client must pay a fee to the cidb amounting to 0,2% up to a maximum of R2 million of construction contract value awarded within the specified period and that meets a specified criteria.

Statutory receivables are recognised when the related revenue is recognised or when the receivable meets the definition of an asset when it is probable that the future economic benefits or service potential associated with the asset will flow to the cidb.

The cidb initially measures statutory receivables at their transaction amount.

The cidb 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:

- Impairment losses; and
- Amounts derecognised.

The cidb assesses at each reporting date whether there is any indication that a statutory receivable may be impaired.

The cidb 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 receivables is reduced through the use of an allowance account.

The amount of the losses is recognised in surplus or deficit.

In estimating future cash flows, the cidb considers the amount and timing of the cash flows it will receive. 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 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.

Any previously recognised impairment loss is adjusted by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable exceeding what the carrying amount of the receivables would have been had the impairment loss not been recognised at the date the impairment is revised.

SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 March 2025

Accordingly, the amount of any adjustment is recognised as surplus or deficit.

The cidb 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 cidb transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- The cidb, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party. As a result, the other party has the practical ability to sell the receivable in its entirety to an unrelated third party.

Moreover, it can exercise that ability unilaterally and without imposing additional restrictions on the transfer. In this case, the entity:

- Derecognises the receivable; and
- Recognise separately any rights and obligations created or retained in the transfer.

1.11 TAX

The cidb is a schedule 3, Part A Public entity and is therefore exempt from income tax.

1.12 LEASES

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.

Operating leases - lessee

The cidb has entered into a 36 months lease agreement through a National Treasury RT3-2018 contract as a participant and is a party to lease agreements for some of its provincial offices accommodation and printers used in head office and provincial offices. 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, if any.

1.13 INCOME RECEIVED IN ADVANCE

Income received in advance represents both assessment and annual fees received in advance and will be release through surplus or deficit when requisite invoices are raised and processed.

1.14 EMPLOYEE BENEFITS

Short-term employee benefits

Short-term employee benefits include items such as:

- Salaries and social security contributions;
- Short-term compensated absences 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;
- Performance bonus payable within twelve months after the end of the reporting period in which the employees render the related service; and

cidb acknowledges the expected cost of performance bonus only when it has a current legal or constructive obligation to make such payments due to past events. This recognition is possible when a reliable estimate of the obligation can be made, and a present obligation only exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits: Defined contribution plans

Payments to a defined contribution plan are charged as an expense as they fall due. The cidb currently contributes towards the insurance portion of the fund on behalf of its employees. The insurance contributed by the cidb covers guaranteed benefits on disability and death.

Provident Fund

The cidb operates a provident fund on behalf of its employees. The provident fund is administered by a single pension fund that is legally separated from the cidb. The cidb has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all eligible employees the benefits. Membership of the provident fund is compulsory for all employees who joined the cidb after 01 September 2010 and optional for all employees who joined the cidb before the said date. The cidb employee benefits structure is on the basic salary plus benefits for the bargaining unit employees. The non-bargaining unit employees benefits structure is on total cost to company. The cidb contributes 7.5% of the annual basic

SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 March 2025

salary towards the provident fund for employees within the bargaining unit and does not directly contributes towards the provident fund for the non-bargaining unit employees who are members of the fund. However all employees are required to contribute towards the provident fund irrespective of the unit they fall under.

1.15 PROVISIONS AND CONTINGENCIES

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

They are reviewed at each reporting date and adjusted to reflect the current best estimate. They 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.

Employee benefits provisions comprises leave and performance bonus. Management determined an estimate based on the information available. Additional disclosures and judgements made of the estimates are included in note 10.

1.16 EXPENDITURE

Expenditure is classified in accordance with nature of the expenditure in the period in which it is incurred. The cidb recognises expenditure in surplus or deficit when a decrease in future economic benefits or service potential relates in an asset or an increase in a liability , other than those relating to the distributions to government.

The cidb recognises expense immediately in surplus or deficit when no future economic benefits or service potential are expected or when and to the extent that future economic benefits or service potential do not qualify or cease to qualify for recognition as an asset in the statement of financial position. The related costs of providing services recognised as revenue in the current period is included as expenditure.

1.17 PREPAYMENTS

A prepayment represents an expense paid for in one accounting period, but the asset for which it is paid will not be consumed until a future period. To ensure that the expenditure is recognised as an expense in the same period in which it is consumed, it is recorded as a prepaid expense. If the asset is consumed over multiple periods, there may be a series of corresponding charges to expense. The amount of prepaid expenses is initially measured in the actual cash paid on the date of recognition. These expenses are realised in the surplus and deficit statement when the cidb incurs the expenses.

1.18 REVENUE FROM EXCHANGE TRANSACTIONS

Measurement

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

Assessment income

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

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

1.19 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions takes the form of grants from the Department of Public Works and Infrastructure, annual fees from contractors, fines and fees from the Best Practice Projects Assessment Scheme (B.U.I.L.D).

Measurement

Revenue from a non-exchange transaction is measured at the fair value of the consideration received or receivable by the cidb.

When, as a result of a non-exchange transaction, the cidb 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

SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 March 2025

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.

Fines

Fines are economic benefits or service potential received or receivable by the cidb from an individual or other entity, as determined by the outcome of the hearing, as a consequence of the individual or other entity breaching the requirements of cidb regulations. The cidb is empowered to impose fines on individuals or entities considered to have breached the cidb regulations. Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the amount determined by the investigating committee in line with cidb regulation 29(3).

B.U.I.L.D income

The Minister of Public Works and Infrastructure published the implementation of dates for the Standards for Indirect Targeting for Enterprise Development and Standard for Developing Skills through Infrastructure Contracts in the Government Gazette no. 43726. The first phase of implementation started in 01 April 2021 for National Government Departments, Public Entities and Strategic Infrastructural Projects. Provincial departments and Metropolitan municipalities became eligible for Best Practice Projects Assessment Scheme in 2022/23 while district and local municipality became eligible this financial year.

All construction contracts above a prescribed tender value are subject to assessment compliance with Best Practice Standards and Guidelines as gazetted. Every client who engages in the Best Practice Project Assessment Scheme also known as B.U.I.L.D must pay to the cidb 0,2% of the contract value as determined at the time of the awarding of the contract as a B.U.I.L.D fee.

On the requirements of chapter four of the CIDB Act, Clients are required to register their projects on the Register of Projects (ROP). Upon registration of the projects on the ROP, the cidb will then use the ROP to determine projects qualifying to contribute to the Best Practice Projects Assessment Scheme in line with the fee prescribed by the Minister.

Based on the stipulated law above, the cidb recognises B.U.I.L.D fees when it satisfies the definition of assets and revenue. Therefore, the future economic benefits will flow to the cidb, and the fair value of the assets can be measured reliably. The above are satisfied when a project is registered on the Register of Projects or when cidb receives a payment from a client in lieu of a qualifying project, or when applicable projects are identified and made known to the cidb through alternative sources (e.g. clients' websites) as at the reporting date.

Where amendments are made to the record of the ROP declared projects by the client, the related adjustments are recognised in the period the amendments are brought to the cidb's attention.

Additional information is included in note 16.

Services in-kind

The cidb recognises services in-kind that are significant to its operations and service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the cidb and the fair value of the assets can be measured reliably.

The cidb receives free accommodation from the DPWI Provincial Departments for its six provincial offices based in Eastern Cape, Western Cape, Limpopo, Northern Cape, North West and KwaZulu-Natal in a form of shared office space. The cidb uses the The Rode's Report on South African Market to estimate the value of the services received. Where data of the town or city where the offices are located is not available on the Report, the data of the nearest period or similar town is used for the estimate.

1.20 FINANCE INCOME

Finance income is recognised on a time-proportion basis using the effective interest method.

1.21 ACCOUNTING FOR CONDITIONAL GRANTS TO EXTERNAL ENTITIES

The cidb recognises grant contributions to external entities in accordance with GRAP 23: Revenue from Non-exchange Transactions. Where such transfers are subject to specific performance conditions or reporting obligations, they are initially recognised as assets (prepayments) until the recipient satisfies the agreed conditions. Recognition as expenditure occurs only upon confirmation of compliance with these conditions.

SIGNIFICANT ACCOUNTING POLICIES
for the year ended 31 March 2025

Recognition criteria

Conditional grants are recognised as a Transfer and Grants Prepayment (asset) at the point of payment.

When the recipient entity satisfies the performance obligations (as defined in the Memorandum of Agreement), the amount is reclassified as a Grant Expense in the statement of financial performance.

Measurement

Grants are measured at the amount of cash transferred. Any right to reimbursement under a clawback clause is disclosed as a contingent asset per GRAP 19.

1.22 BUDGET INFORMATION

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives. The approved budget covers the fiscal period from 2024/04/01 to 2025/03/31.

1.23 FRUITLESS AND WASTEFUL EXPENDITURE

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.

1.24 TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions

The cidb records foreign currency transactions on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the Rand and the foreign currency at the date the purchase order is issued.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in surplus or deficit in the period in which they arise.

1.25 CONTINGENT LIABILITIES

Contingent liabilities are not recognised in the statement of financial position but are disclosed in the notes to the financial statements unless the possibility of an outflow of resource is remote. Refer to note 25

1.26 CONTINGENT ASSETS

cidb shall identify, assess, and disclose contingent assets in its financial statements where there is a probable inflow of future economic benefits or service potential, but recognition criteria under GRAP have not yet been met.

1.27 COMMITMENTS

The cidb discloses 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 are disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost
- They must be capital in nature.

Operational expenditure commitments are not required to be disclosed in terms of GRAP but are provided for additional information to the user.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

The cidb has not applied the following standards and interpretations, which have been published and are mandatory for the cidb's accounting periods beginning on or after 01 April 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 107 (as revised) Mergers	Date to be determined	Unlikely there will be a material impact
GRAP 106 (as revised) Transfer of Functions Between Entities Not Under Common Control	Date to be determined	Unlikely there will be a material impact
GRAP 105 Transfer of Functions Between Entities Under Common Control	Date to be determined	Unlikely there will be a material impact
GRAP 2023 Improvements to the Standards of GRAP 2023	Date to be determined	Unlikely there will be a material impact
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	Date to be determined	Not expected to impact results but may result in additional disclosure
GRAP 103 (amended): Heritage Assets	Date to be determined	Unlikely there will be a material impact
iGRAP 22 Foreign Currency Transactions and Advance Consideration	01 April 2025	Not expected to impact results but may result in additional disclosure
GRAP 104 (as revised): Financial Instruments	01 April 2025	Not expected to impact results but may result in additional disclosure

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

3. PROPERTY, PLANT AND EQUIPMENT

	2025			2024		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Building	93 258 786	(4 352 077)	88 906 709	93 258 786	(2 486 901)	90 771 885
Furniture and fixtures	1 298 567	(1 052 719)	245 848	5 384 043	(4 824 839)	559 204
Motor vehicles	180 775	(174 749)	6 026	180 775	(173 243)	7 532
Office equipment	2 161 437	(1 116 193)	1 045 244	2 537 429	(1 857 941)	679 488
IT equipment	15 985 537	(4 500 160)	11 485 377	14 268 183	(4 505 084)	9 763 099
Other equipment	2 230 819	(75 235)	2 155 584	163 406	(2 181)	161 225
Total	**115 115 921**	**(11 271 133)**	**103 844 788**	**115 792 622**	**(13 850 189)**	**101 942 433**

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Building	90 771 885	-	-	(1 865 176)	88 906 709
Furniture and fixtures	559 204	-	(110 740)	(202 616)	245 848
Motor vehicles	7 532	-	-	(1 506)	6 026
Office equipment	679 488	570 412	(59 831)	(144 825)	1 045 244
IT equipment	9 763 099	2 921 187	(432 667)	(766 242)	11 485 377
Other equipment	161 225	2 067 413	-	(73 054)	2 155 584
	101 942 433	**5 559 012**	**(603 238)**	**(3 053 419)**	**103 844 788**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Building	92 637 061	-	-	(1 865 176)	90 771 885
Furniture and fixtures	789 281	-	(4 124)	(225 953)	559 204
Motor vehicles	9 039	-	-	(1 507)	7 532
Office equipment	855 441	171 649	(33 057)	(314 545)	679 488
IT equipment	9 415 950	931 368	(33 565)	(550 654)	9 763 099
Other equipment	-	163 406	-	(2 181)	161 225
	103 706 772	**1 266 423**	**(70 746)**	**(2 960 016)**	**101 942 433**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

Pledged as security

The cidb has no assets pledged as security for liabilities and has no restrictions have been imposed on any of its assets

Compensation received for losses on property, plant and equipment – included in operating profit.

	2025	2024
IT equipment	91 260	98 991
Assets subject to finance lease (Net carrying amount)		
Office equipment	-	68 166
Expenditure incurred to repair and maintain property, plant and equipment		
Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
Operational expenses	3 745 534	2 886 432

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

4. INTANGIBLE ASSETS

	2025			2024		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, internally generated	45 694 273	(11 779 072)	33 915 201	45 694 273	(8 517 402)	37 176 871

	Opening balance	Amortisation	Total
Reconciliation of intangible assets - 2025			
Computer software, internally generated	37 176 871	(3 261 670)	33 915 201

	Opening balance	Additions	Amortisation	Total
Reconciliation of intangible assets - 2024				
Computer software, internally generated	33 326 083	6 689 556	(2 838 768)	37 176 871

Pledged as security

The cidb has no intangible assets pledged as security for any liabilities and has no restrictions on any of its assets.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

5. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2025	2024
Trade debtors	462 588	255 349
Other receivables	1 000 000	-
Staff debtors	56 682	99 693
	1 519 270	**355 042**

6. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2025	2024
B.U.I.L.D Fees	347 844 145	271 357 854
Transfer and grants prepayment	100 000 000	-
	447 844 145	**271 357 854**
The cidb had the following statutory receivables where the framework for the presentation of financial statements has been applied:		
B.U.I.L.D Fees	347 844 145	271 357 854
Other non-financial asset receivables included in receivables from non-exchange transactions above are as follows:		
Transfer and grants prepayment	100 000 000	-
Total receivables from non-exchange transactions	447 844 145	271 357 854

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Transfers and grants prepayment

The cidb entered into a collaborative arrangement with the Small Enterprise Development Finance Agency (SEDFA) aimed at providing financial support to qualifying Small, Medium and Micro Enterprises (SMMEs) in the construction sector. The fund is designed to address constraints regarding access to finance for SMMEs and promote sustainable participation in the industry.

The cidb contributed R100 million in a form of transfers and grants prepayment that is subjected to the following conditions:
- A Retail Financial Intermediary (RFI) must be appointed by SEDFA to disburse the financial products to qualifying SMMEs
- The disbursement must be done within two years
- cidb will maintain the strategic oversight over the fund
- SEDFA must submit periodic reports to the cidb regarding the performance of the fund.

Receivables from non-exchange transactions past due but not impaired

Receivables from non-exchange transactions other than those ageing relate to B.U.I.L.D estimates. As at 31 March 2025, estimates were R65 687 644 (2024: R64 920 890)

The ageing statutory receivables is as follows:

	2025	2024
1 to 3 months	9 227 078	25 938 747
Over 3 months	84 828 873	128 336 410

Basis used to assess and test whether a statutory receivable is impaired

Management evaluated the recoverability of the statutory receivables and determined that no impairments were necessary. Management considered the type of receivable, the type of clients owing this receivable, the support structures available to both the cidb and clients to collect and/or settle the receivable. After all these consideration, the cidb management team is confident that the entire balance will be recoverable.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

7. CASH AND CASH EQUIVALENTS

	2025	2024
Cash and cash equivalents consist of:		
Cash on hand	2 067	5 258
Bank balances	105 677 099	108 256 425
Other cash and cash equivalents	184 726 104	179 817 319
	290 405 270	**288 079 002**
Cash and cash equivalents held by the entity that are not available for use by the cidb	101 711 456	102 099 107

The cidb entered into an administrative agreement with the Jobs Fund, an agency of the National Treasury. The cidb is administering and monitoring the implementation of the JF8 - 1709 Construction Industry SMMEs Development Project. An amount of R0 (2024: R5 548 348) is at the bank at the end of the reporting period, ringfenced for exclusive use for the project.

Another portion of cash and cash equivalent which is not available for use by the entity is an amount of R101 711 456 (2024:R96 550 758) held for the B.U.I.L.D Programme. cidb launched the Best Practice Project Assessment Scheme aimed at developing sustainable construction industry. These funds will be spent exclusively on B.U.I.L.D Programs.

Other cash and cash equivalents represents cash held on call accounts

8. FINANCE LEASE OBLIGATION

	2025	2024
Minimum lease payments due		
- within one year	-	70 960
	-	70 960
Less: future finance charges	-	(155)
Present value of minimum lease payments	**-**	**70 805**

The cidb leased telephone equipments under a finance lease arrangement. The average lease term was 3 years with the lease payments discounted at the rate implicit in the lease.

9. INCOME RECEIVED IN ADVANCE

	2025	2024
Income received in advance		
This represents both assessment and annual fees received in advance and will be release through surplus or deficit when contractors apply for grading and requisite invoices are raised and processed.	108 496 940	105 598 268

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

10. PROVISIONS

	Opening Balance	Additions	Utilised during the year	Total
Reconciliation of provisions - 2025				
Employee benefit cost	11 687 945	8 573 085	(7 681 722)	12 579 308
Surrender of surpluses	-	31 758 750	-	31 758 750
	11 687 945	**40 331 835**	**(7 681 722)**	**44 338 058**
Reconciliation of provisions - 2024				
Employee benefit cost	11 113 028	7 290 464	(6 715 547)	11 687 945

Employee benefit cost provision

Employee entitlements to annual leave are recognised when the leave accrues to the employees. A provision for the estimated liability for annual leave due to services rendered by employees up to the balance sheet date is raised. Provision for leave is calculated at the current salary rate multiplied by the balance of the number of leave days. There are no uncertainties envisaged that may affect the above provision. The provision for leave is expected to be settled within the next 12 months.

The cidb has a policy to provide performance bonuses to non-bargaining unit employees. The bonus amount is determined by a sliding scale ranging from 7% to 25% of the employee's salary. The cidb recognises a liability for the amount expected to be paid if it has a legal or constructive obligation to pay based on past service rendered by the employee. The cidb raises a provision for the bonus based on an estimated amount to be paid using measurement tools. This provision is expected to be settled within the next 12 months.

Surrender of surpluses provision

The entity submits requests to the relevant Treasury to retain surpluses in terms of section 53(3) of the PFMA. The cidb will declare all surpluses to the National Treasury from the period 1 August to 30 September of this year, using its audited annual financial statements as the basis for calculation of surpluses or deficits. The surplus for the year has been calculated to R574 501 655

The cidb assesses annually the probability to surrender the funds using the trends of the outcomes for the past five years to estimate the probable outcome for this financial year. This year's probable outcome has been determined at 5.2% of the calculated surplus.

cidb and the Department of Public Works and Infrastructure (DPWI), through the office of the Director-General, are in discussions with the National Treasury, including the Minister of Finance and the Director-General of the National Treasury, regarding the disputed retention of surplus funds. cidb management is confident that the outcome of these discussions will be in their favour.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

11. PAYABLES FROM EXCHANGE TRANSACTIONS

	2025	2024
Trade payables	10 511 194	4 571 219
Jobs fund payable	-	5 548 349
Trade accruals	559 143	7 446 884
Operating lease payables	277 660	510 459
Payroll liabilities	1 084 035	1 097 181
Other creditors	-	1 733
	12 432 032	**19 175 825**

12. REVENUE

	2025	2024
Assessment fees	56 751 882	54 071 400
Other income	1 533 545	1 744 348
Interest received - investment	24 470 887	14 065 663
Government grants and subsidies	75 183 000	80 320 000
B.U.I.L.D fees	185 678 981	176 456 831
Contractor fines	100 000	150 000
Annual fees	102 802 396	89 754 263
Service in kind	1 624 992	1 615 331
Gain on disposal of assets and liabilities	-	26 393
	448 145 683	**418 204 229**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

	2025	2024
The amount included in revenue arising from exchanges of goods or services are as follows:		
Assessment fees	56 751 882	54 071 400
Other income	1 533 545	1 744 348
Interest received - investment	24 470 887	14 065 663
Gain on disposal of assets and liabilities	-	26 393
	82 756 314	**69 907 804**
The amount included in revenue arising from non-exchange transactions is as follows:		
Transfer revenue		
Government grants & subsidies	75 183 000	80 320 000
B.U.I.L.D Fees	185 678 981	176 456 831
Contractor fines	100 000	150 000
Annual fees	102 802 396	89 754 263
Service in kind	1 624 992	1 615 331
	365 389 369	**348 296 425**

Nature and type of services in-kind are as follows:

The Provincial Departments of Public Works and Infrastructure provided free accommodation for our provincial offices in Eastern Cape, Western Cape, Northern Cape, North West, Limpopo and KwaZulu-Natal.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

13. FINANCE INCOME

	2025	2024
Interest revenue		
Bank	24 470 887	14 065 663

The amount included in finance income arising from exchange transactions amounted to R24 470 887.

14. SURRENDER OF SURPLUSES

Surrender of surpluses - relating to current year	(31 758 750)	-

15. GOVERNMENT GRANTS & SUBSIDIES

Operating grant		
Government grant and subsidies	75 183 000	80 320 000

16. B.U.I.L.D FEES

Fees	185 678 981	176 456 831

The current B.U.I.L.D fees are earned from the public sector projects as the cidb regulates the public sector for now through its procurement prescripts.

The cidb believes involving the private sector in its mandate and regulations will significantly enhance the organisation's ability to promote a comprehensive developmental agenda for the construction industry. The involvement of the private sector is expected to bring innovative practices, increased efficiency, and additional resources, thus strengthening the industry's growth and sustainability. To facilitate this, the cidb is currently reviewing the CIDB Act 38 of 2000 to equip itself with the necessary regulatory authority. The Department of Public Works and Infrastructure is presently conducting the Draft CIDB Act stakeholders engagements. Revising the CIDB Act will empower cidb to levy and collect B.U.I.L.D related revenue in the private sector.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

17. EMPLOYEE RELATED COSTS

	2025	2024
Basic	102 272 355	97 074 906
Bonus	3 588 693	4 609 135
Medical aid - company contributions	2 317 151	1 766 141
UIF	343 679	347 638
Other payroll levies	749 503	662 130
Leave pay provision charge	962 366	(493 166)
Defined contribution plans	12 066 024	11 603 666
Long-service awards	230 000	63 500
Housing benefits and allowances	3 052 279	2 141 237
	125 582 050	**117 775 187**
Remuneration of executive directors		
Annual remuneration	12 770 362	11 690 242
Other allowance	96 000	96 000
Performance bonuses	2 437 471	1 615 920
	15 303 833	**13 402 162**

18. DEPRECIATION AND AMORTISATION

Property, plant and equipment	3 053 419	2 960 016
Intangible assets	3 261 670	2 838 768
	6 315 089	**5 798 784**

19. FINANCE COSTS

Finance leases	155	2 938

Total interest expense, calculated using the implicit interest rate, on financial instruments not at fair value through surplus or deficit amounted to R155

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

20. OPERATIONAL EXPENSES

	2025	2024
Advertising	6 007 254	1 773 454
Auditors remuneration	3 380 769	3 444 580
Bank charges	1 410 298	1 259 336
Cleaning	1 807 351	1 715 103
Consulting and professional fees	25 811 945	27 168 372
Consumables	442 766	326 931
Donations	1 000	-
Fines and penalties	10 543	-
Rentals	4 815 549	4 038 386
Insurance	597 003	671 824
IT expenses	20 894 397	20 755 206
Motor vehicle expenses	14 634	12 054
Placement fees	115 647	83 534
Postage and courier	41 492	36 688
Printing and stationery	569 139	610 680
Repairs and maintenance - PPE	3 750 490	2 907 561
Security	4 455 492	5 291 329
Subscriptions and membership fees	864 228	788 059
Telephone and fax	2 943 228	3 886 271
Training and welfare	1 676 999	2 896 415
Travel - local	8 420 579	7 194 365
Travel - overseas	1 558 989	4 360 317
Minor assets expensed	34 076	3 639
Electricity	5 322 775	4 722 764
Storage fees	506 431	669 307
Board expenses	-	420 200
Sponsorships	336 385	478 611
Venue expenses	9 033 617	3 579 111
	104 823 076	**99 094 097**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

21. AUDITORS' REMUNERATION

	2025	2024
External audit	2 658 720	2 759 244
Internal audit	722 049	685 336
	3 380 769	**3 444 580**

22. CASH GENERATED FROM OPERATIONS

Surplus	156 633 637	175 417 490
Adjustments for:		
Depreciation and amortisation	6 315 089	5 798 784
Gain (loss) on sale of assets and liabilities	511 977	(26 393)
Loss on foreign exchange	353 620	-
Finance costs - Finance leases	155	2 938
Bad debts written off	143 688	6 165
Movements in provisions	32 650 113	574 916
Cash lost	-	(1 850)
Changes in working capital:		
Receivables from exchange transactions	(1 164 228)	(88 299)
Add back non-cash movement	(497 308)	(6 165)
Receivables from non-exchange transactions	(176 486 291)	(104 772 922)
Prepayments	(6 750 350)	5 167 344
Payables from exchange transactions	(6 743 794)	2 822 168
Income received in advance	2 898 672	8 337 639
	7 864 980	**93 231 815**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

23. FINANCIAL INSTRUMENTS DISCLOSURE

	2025	2024
Categories of financial instruments		
Financial assets		
Financial assets at amortised cost		
Trade and other receivables from exchange transactions	1 462 588	255 349
Cash and cash equivalents	290 405 270	288 079 002
	291 867 858	**288 334 351**
Financial liabilities		
Financial liabilities at amortised cost		
Finance lease obligation	-	70 805
Payables from exchange transactions	11 070 337	12 019 835
	11 070 337	**12 090 640**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

24. COMMITMENTS

	2025	2024
Authorised capital expenditure		
Already contracted for but not provided for		
Property, plant and equipment	11 777 044	-
Total capital commitments		
Already contracted for but not provided for	11 777 044	-
Operational expenditure		
Already contracted for but not provided for		
Operational expenditure	88 376 129	180 128 755
Total operational commitments		
Already contracted for but not provided for	88 376 129	180 128 755
Total commitments		
Total commitments		
Authorised capital expenditure	11 777 044	-
Authorised operational expenditure	88 376 129	180 128 755
	100 153 173	**180 128 755**
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	2 915 782	1 312 582
- in second to fifth year inclusive	2 257 850	-
	5 173 632	**1 312 582**

Operating lease payments represent rentals payable by the cidb for its offices in Free State and Mpumalanga. Leases are negotiated for an average term between six months to three years. No contingent rent is payable.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

25. CONTINGENCIES

The cidb has a cash surplus of R574 501 655 (2024:R423 259 055) classified as contingent liability as at 31 March 2025 as there is no approval to retain it yet. In terms of PFMA Section 53(3) entities are not allowed to accumulate cash surpluses unless approved by National Treasury. The cidb is obliged to repay to National Treasury any amount of the surplus not approved for retention. The cidb is currently in engagements with National Treasury regarding this surplus. In the past three years National Treasury has permitted the cidb to retain the surplus. Management believes that due to the past trend and the strength of the projects committed for the surplus, cidb won't have to surrender these funds. The surplus below is either committed or earmarked for certain projects and is calculated on table below.

During the 2023 reporting period, cidb was instructed to surrender R50 784 874 of the prior financial year's surplus. An appeal has been lodged to contest the initial decision to surrender.

cidb and the DPWI, through the office of the Director-General, are in discussions with the National Treasury, including the Minister of Finance and the Director-General of the National Treasury, regarding the disputed retention of surplus funds. cidb management is confident that the outcome of these discussions will be in their favour. At the current reporting date, the outcome of the appeal was pending.

	2025	2024
Retention of Surplus		
Cash and cash equivalent for the year	290 405 270	288 079 002
Add: Receivables	449 363 415	271 712 896
Less: Current liabilities	(165 267 030)	(136 532 843)
	574 501 655	**423 259 055**

26. RELATED PARTIES

Relationships

Controlling party: National Government through the Minister of Public Works and Infrastructure.

Related party balances

Exempt related party transactions
The cidb is exempt from full quantitative disclosure of transactions with related parties in the national sphere of government where such transactions occurred within normal supplier or recipient relationships, under cidb's legislative mandate. The following B.U.I.L.D related transactions with public entities qualify under this exemption. Narrative disclosure is provided to indicate the nature of services rendered and outstanding balances, where applicable.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

Amounts included in receivables from non- exchange transactions owing by related parties

	2025	2024
Airports Company South Africa	1 073 682	587 042
Amatola Water Board	-	1 195 953
Armaments Corporation of South Africa	73 558	73 558
Bloemwater	675 742	675 742
Construction Education and Training Authority	538 516	-
Council for Geoscience	41 596	-
Council for Scientific and Industrial Research CSIR	-	54 209
Department of Home Affairs Pretoria	-	120 000
Department of Public Works and Infrastructure	6 172 954	5 578 987
Department of Rural Development and Land Reform	51 632	-
Department of Transport	-	679 089
Department of Water and Sanitation Pretoria	121 568	365 817
Development Bank of Southern Africa	14 146 014	22 046 853
Eskom	27 119 933	18 643 494
Housing Development Agency	196 295	-
Independent Development Trust	11 463 362	7 789 367
iSimangaliso Wetland Park	-	624 796
Lepelle Northern Water	-	2 139 537
Magalies Water	1 140 492	2 197 856
Mintek	86 361	-
National Research Foundation	146 279	-
Passenger Rail Agency of South Africa	24 236 173	14 938 013
Rand Water	7 106 178	7 226 369
Road Traffic Management Corporation	-	353 038
Sedibeng Water	92 366	92 366
South African Broadcasting Corporation	55 566	-
South African National Parks	42 974	148 339
South African National Roads Agency Limited	22 529 025	10 238 299
South African Police Service Pretoria	525 689	1 426 098
Transnet	13 547 783	11 034 358
Umgeni Water	12 465 257	4 617 866

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

National government awarded major infrastructural projects during the year which attracted the fee of 0,2% of the awarded contract value. This fee is recorded as B.U.I.L.D revenue in the statement of financial performance. Some of the balances were still oustanding as at year end and the combined balances owed to the cidb were as follows: 2025 : (R143 648 996); 2024: (R112 847 044) and are recorded as receivables from non-exhchange transactions.

Non-exempt related party transactions

Amounts included in receivables from non-exchange transactions owing by related parties

	2025	2024
Small Enterprise Development and Finance Agency (SEDFA)	100 000 000	-

Cidb entered into a non-repayable grant agreement with SEDFA, with R100 million transferred to the Construction Fund. This transaction falls outside the exemption and is therefore fully disclosed. Further R50 million has been committed to this course.

Amounts included in receivables from exchange transactions owing by related parties

	2025	2024
Construction Education Training Authority	1 000 000	-

The cidb rendered contractor development services to the Construction Education and Training Authority (CETA) on a cost-recovery basis during the year. The total value of the transaction amounted to R1 million, which was invoiced in full. As at 31 March 2025, the entire R1 million remained outstanding.

This transaction falls outside the exemption criteria. It was not part of cidb's routine statutory levies or B.U.I.L.D assessments, but rather a project-specific agreement with a related party in the national sphere of government.

Related party transactions
Revenue from non-exchange transactions with related parties

	2025	2024
Department of Public Works and Infrastructure (transfers and subsidies)	(75 183 000)	(80 320 000)

Revenue from exchange transactions with related parties

	2025	2024
Construction Education Training Authority	(1 000 000)	(1 000 000)

Prior year related party disclosure has been restated due to the assessment of the whole national government sphere as a related party this year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

27. MANAGEMENT REMUNERATION

Members' emoluments for meetings, activities and cellphone allowance, which excludes reimbursed travel expenses, subsistence and amounted to a total of R6 719 808 (2024:R6 707 406).

Board meetings include: Statutory meetings, all pre-schedules Board/Exco and committee meetings for the year, this includes board induction and strategic planning meetings.
All provincial stakeholder liaison meetings All NSF meetings

Committee meetings include: All board committee meetings for the year

Other Activities include: National and regional meetings as well as events, parliamentary meetings, roadshows, other stakeholder meetings, any other meetings attended by members of the Board, and attendance/participation at any other events or meetings as determined from time to time.

Retainer: The retainer is payable to cover any other incidental costs and preparation for those activities which are not provided for.

Executive: 2025	Salary	Other allowances	Performance bonus	Total
Dladla B (CEO)	3 197 727	24 000	750 640	3 972 367
Nsibande S (CFO)	2 893 605	18 000	543 400	3 455 005
Naka E (CIO)	2 104 935	18 000	296 470	2 419 405
Nyaga N(COO)	2 440 473	18 000	343 729	2 802 202
Ngwenya M (CCSO)	2 133 621	18 000	300 510	2 452 131
	12 770 361	**96 000**	**2 234 749**	**15 101 110**

Executive: 2024	Salary	Other allowances	Performance bonus	Total
Dladla B (CEO)	3 045 454	24 000	908 770	3 978 224
Nsibande S (CFO)	2 283 807	18 000	420 950	2 722 757
Naka E (CIO)	2 004 700	18 000	-	2 022 700
Nyaga N(COO)	2 324 261	18 000	-	2 342 261
Ngwenya M (CCSO)	2 032 020	18 000	286 200	2 336 220
	11 690 242	**96 000**	**1 615 920**	**13 402 162**

* During the current financial period, an amount of R2 234 749 was paid in relation to the executive performance bonus for the previous financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

Non-executive: 2025	Board meetings	Committee meetings	Other activities	Retainer	Other allowances	Total
Nzo K (Chairperson)	128 611	100 030	315 449	144 036	15 600	703 726
Bouillon S (Deputy Chairperson)	99 445	220 720	89 742	122 244	15 600	547 751
Gopane T	91 143	175 617	86 698	112 068	12 000	477 526
Le Roux C	82 251	184 509	84 475	112 068	12 000	475 303
Maimela K	80 028	153 387	95 590	112 068	12 000	453 073
Makhanya S	68 913	135 603	26 676	112 068	12 000	355 260
Masimene D	86 697	182 286	113 373	112 068	12 000	506 424
Mbane Y	91 143	233 415	60 022	112 068	12 000	508 648
Mokgatle B	97 812	273 429	66 691	112 068	12 000	562 000
Rabosiwana M	80 028	177 840	44 460	112 068	12 000	426 396
Siyila K	80 028	208 962	47 518	112 068	12 000	460 576
Songelwa T	75 582	151 164	62 245	112 068	12 000	413 059
Zulu B	97 812	224 523	93 367	112 068	12 000	539 770
Monama S (Independent Audit, Risk & Governance Committee Chair)	-	106 704	42 237	-	12 000	160 941
Gwala T (Independent Audit, Risk & Governance Committee Member)	-	45 866	-	-	12 000	57 866
Magagula R (Independent Information and Communication Technology Committee Member)	-	10 988	6 541	-	-	17 529
Moroeng L (Independent Information and Communication Technology Committee Member)	-	26 676	1 668	-	-	28 344
Qomiso M (Independent Information and Communication Technology Committee Member)	-	24 605	1 011	-	-	25 616
	1 159 493	**2 636 324**	**1 237 763**	**1 499 028**	**187 200**	**6 719 808**

Non-executive: 2024	Board meetings	Committee meetings	Other activities	Retainer	Other allowances	Total
Nzo K (Chairperson)	97 172	78 947	414 209	144 036	25 600	759 964
Bouillon S (Deputy Chairperson)	70 339	191 680	207 367	122 244	25 600	617 230
Gopane T	65 579	78 430	75 585	112 068	22 000	353 662
Le Roux C	44 460	165 615	73 364	112 068	22 000	417 507
Maimela K	53 352	180 688	102 363	112 068	22 000	470 471
Makhanya S	68 913	83 987	111 151	112 068	22 000	398 119
Masimene D	60 021	184 509	75 130	112 068	22 000	453 728
Mbane Y	64 467	171 242	157 285	112 068	22 000	527 062
Mokgatle B	73 359	121 155	161 274	112 068	22 000	489 856
Rabosiwana M	64 467	182 288	134 599	112 068	22 000	515 422
Siyila K	64 467	158 946	107 365	112 068	22 000	464 846
Songelwa T	60 021	157 347	138 489	112 068	22 000	489 925
Zulu B	68 913	173 396	157 284	112 068	22 000	533 661
Monama S (Independent Audit, Risk & Governance Committee Chair)	47 240	58 911	-	-	22 000	128 151
Gwala T (Independent Audit, Risk & Governance Committee Member)	2 698	36 422	-	-	22 000	61 120
Magagula R (Independent Information and Communication Technology	-	26 682	-	-	-	26 682
	905 468	**2 050 245**	**1 915 465**	**1 499 028**	**337 200**	**6 707 406**

28. RISK MANAGEMENT

Liquidity risk

Liquidity risk is the risk that cidb will not be able to meet its financial obligations as they become due. The cidb ensures that adequate funds are available to meet its expected and unexpected financial commitments. The following table provides details of the cidb's remaining contractual liability for its financial liabilities and availability of cash resources. The amounts disclosed in the table are contractual undisclosed cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2025	**Within 1 month**	**Over 1 and 6 months**	**Over 6 and 12 months**	**Over 1 year**
Payables from exchange transactions	11 070 337	-	-	-

At 31 March 2024	**Within 1 month**	**Over 1 and 6 months**	**Over 6 and 12 months**	**Over 1 year**
Payables from exchange transactions	12 019 835	-	-	-
Finance lease obligation	23 576	47 229	-	-

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, and trade debtors. The cidb only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. The cidb only trades with recognised, credit worthy third parties and monitors receivables on an ongoing basis with the result that the cidb's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the cidb, which comprise cash and cash equivalents, the cidb's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of these instruments. The cidb's cash and cash equivalents are placed with high credit quality financial institutions, therefore the credit risk with respect to cash and cash equivalents is limited.

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

	2025	**2024**
Non-executive:		
Financial instrument		
Cash and cash equivalents	290 405 270	288 079 002
Receivables from exchange transactions	1 462 588	255 349
Payables from exchange transactions	11 070 337	12 019 835

Aging of financial assets

Neither of the financial assets were past due nor impaired.

Market risk

Interest rate risk

The cidb is exposed to interest rate changes in respect of returns on its investments with financial institutions. The cidb's interest rate profile consist of fixed and floating rate bank balances which expose the cidb to fair value interest rate risk and cash flow interest rate risk. The cidb's exposure is managed by investing in current accounts, call accounts and short term maturity accounts with credible financial institutions

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due after five years
Cash in current banking institutions	7,50 %	290 405 270	-	-	-	-

29. EVENTS AFTER THE REPORTING DATE

There were no material events or adjustments made after the reporting date.

30. FRUITLESS AND WASTEFUL EXPENDITURE

	2025	2024
Fruitless and wasteful expenditure identified - current	10 543	-

The fruitless and wasteful expenditure identified above represents interests and penalties incurred for late payments where the service provider policy required that the invoice to be settled the same day it was raised and the other where the other within seven days.

The cidb is still in the negotiation process with the service provider for the R9 775 charges to be reversed while the R768 was committed by the former employee and the recovery process is currently in progress.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

31. SEGMENT INFORMATION - ENTITY WIDE DISCLOSURE

General information

Identification of segments

The cidb operates within all South African provinces through its nine provincial offices, with Gauteng provincial office sharing the same office space with the Head office.

The Provincial offices are regarded as service centres where the applications would be received for processing at the Head Office. Consequently, the province's activities are considered insignificant for decision-making.

The cidb management does not review the results of the provincial offices to make decisions about resources to be allocated or assess each provincial performance for decision-making purposes, and the geographical locations are meant only to ensure the geographical footprint of the cidb.

32. BUDGET DIFFERENCES

Material differences between budget and actual amounts

32.1) The cidb performed a mid-year budget assessment during the year to re-align the available budgets to its objectives including those that became critical during the year. Only the variances in excess by R1 million of the final budget will be explained below.

32.2) Annual and assessment fees constitute revenue from register of contractors. The budget was adjusted during the year to align to the prevailing recovery rate at the time of assessment. There was still an overrecovery at the end of the year due to the positive response of the construction industry to the services of the cidb and the need to position themselves for government opportunities that were available throughout the year.

32.3) Other income relates to R1 million received from CETA for contractor training, 0,2 million sponsorship for a conference and R0,3 million from contractor management training fees. These funds were not included in the budget. These were not budgeted for due to their once-off nature.

32.4) Finance income budget was adjusted to align to the cash balances that were held during the year. It still exceeded the budget by R11,9 million due to higher B.U.I.L.D cash balances held during the financial year which were not initially planned for short term investment.

32.5) B.U.I.L.D fees budget was adjusted after the confirmation of the cash collected in 2023/24. The budgeted amount represents the cash available for spending at the beginning of the year, while the earned revenue represents all projects invoiced this financial year which are not fully collected by the end of the year.

32.6) Employee costs budget was adjusted by R3 million to fund the internships planned to start in 2025/26. By year end, the recruitment of interns was at advertising stages. Employee costs were below budget, due to some key roles that were filled late in the financial year and some that were still in recruitment process.

32.7) Operational expenses were lower than budgeted due to delays in other B.U.I.L.D projects, which resulted in some planned spending being deferred to future period.

32.8) Variances related to depreciation and amortisation, loss or gain on assets disposal, service-in-kind and surrender of surpluses were excluded from budgeting as they are non-cash items.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

33. ACCOUNTING BY PRINCIPALS AND AGENTS

The entity was a party to a principal-agent arrangements.

Details of the arrangement is as follows:

The cidb entered into an administrative agreement with the Jobs Fund, an agency of National Treasury where the cidb is administering and monitoring the implementation of the JF8 - 1709 Construction Industry of SMMES Development Project. Through the back to back agreement signed by the cidb and the implementing agencies, the cidb ceded its rights and risks associated with the project to the implementing agencies. This arrangement was concluded this financial year.

Entity as agent

Resources held on behalf of the principal, but recognised in the entity's own financial statements

The cash resource amounting to R0 (2024: R5 548 348) is held as at the reporting date. The requirements of this arrangement has been met and the balance of R5 547 368 was refunded to the jobs Fund.

Revenue recognised

The revenue to the value of R980 together with the corresponding expenditure of R980 included under operating expenditure was realised this financial year for the bank charges incurred during the year.

Liabilities and corresponding rights of reimbursement recognised as assets

A payable amounting to R0 (2024: R5 548 348) is held as at the reporting date. The requirements of this arrangement has been met and the balance of R5 547 368 was refunded to the jobs Fund.

PART H:

PERFORMANCE AGAINST TARGETS

ANNUAL PERFORMANCE REPORT 2024/25

14/16 performance targets achieved

Overall achievement **87.5%**

PERFORMANCE INDICATORS

1

PROGRAMME 1: ADMINISTRATION

Outcome	APP No.	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from Planned Annual Target to Actual Achievement 2024/25	Reasons for deviations
1.6 Ethical performance driven cidb	1.1	Resolution of Audit issues	% Audit issues resolved	N/A	87%	80%	83%	3%	Constant monitoring of progress of the action plan and engagements with management resulted in more findings being resolved sooner than anticipated
	1.2	Board performance assessment	Number of Board performance assessments conducted	N/A	1	0	0	0	N/A
	1.3	Age analysis report	% of invoiced paid within 30 days	100%	100%	100%	100%	0	N/A
	1.4	System uptime	% system uptime	98%	99%	98%	98.15%	0.15%	Continuous monitoring of IT Systems to avoid downtime

2 PROGRAMME 2: RESEARCH AND DEVELOPMENT

Outcome	APP No.	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from Planned Annual Target to Actual Achievement 2024/25	Reasons for deviations
1.1 Increased black ownership and participation **1.2** Increased woman ownership and participation **1.3** % Youth ownership across all grades	2.1	Research report	Number of research studies conducted	2	2	2	2	0	N/A

3 PROGRAMME 3: CONSTRUCTION INDUSTRY REGULATIONS

Outcome	APP No.	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from Planned Annual Target to Actual Achievement 2024/25	Reasons for deviations
1.1 Increased black ownership and participation **1.2** Increased woman ownership and participation **1.3** % Youth ownership across all grades **1.4** Reduced non-compliance and fraud **1.6** Ethical and Performance driven cidb	3.1	Report on revised registration criteria	Number of reports on amendments of registration criteria	1	1	0	0	N/A	N/A
	3.2	Compliance on cidb prescripts	Percentage of contravention notices against detected non-compliance on cidb prescripts issued within 30 days	New	100%	90%	99.47%	9.47%	Effective compliance monitoring systems that are aligned to the compliance Standard Operating Procedure (SOP) and employee's performance management system. i.e. the SOP process to monitor the target achievement is incorporated in employee performance contracts
	3.3	1.9 Contractors registered on the RoC	% of grades 1 to 9 contractors registered within 21 working days for compliant applications	100%	100%	98%	99.96%	1.96%	Construction Industry Regulation unit has set the overall application processing to 14 days and there is strict monitoring of the target achievement from the time application is received or loaded on CRM until the application is activated, The Registration Coordinator is continuously monitoring inboxes of staff that are responsible for applications processing for achievement of sub process turnaround time

4

PROGRAMME 4: CONSTRUCTION INDUSTRY PERFORMANCE

Outcome	APP No.	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from Planned Annual Target to Actual Achievement 2024/25	Reasons for deviations
1.1 Increased black ownership and participation. **1.2** Increased woman ownership and participation **1.3** % Youth ownership across all grades **1.4** Performance driven clients	4.1	Monitoring reports	Number of industry monitoring reports	4	4	4	4	0	N/A
	4.2	Monitoring reports	Number of transformation status reports	1	1	1	1	0	N/A
	4.3	Construction industry standards	Number of industry performance standards submitted to Board	New	1	0	0	0	N/A

5

PROGRAMME 5: PROCUREMENT AND DEVELOPMENT

Outcome	APP No.	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from Planned Annual Target to Actual Achievement 2024/25	Reasons for deviations
1.4 Performance driven clients	5.1	Construction industry transformation guidelines	Number of construction industry transformation procurement guidelines developed	n/a	4	4	4	0	N/A
	5.2	Development	Number of construction industry development guidelines developed	n/a	2	2	2	0	N/A
	5.3		% of B.U.I.L.D funds spent on development	n/a	40%	100%	46.61%	53.39%	The underachievement was a result of: • Delays experienced in the procurement of service providers to undertake contractor development initiatives • Contractor no-shows for scheduled APL assessments. • Low contractor participation on CMS and top up training sessions
	5.4		% of B.U.I.L.D funds spent on development finance	N/A	N/A	100%	0%	100%	The underachievement was a result of: The agreement with SEFA was finalised during the current financial year and a R100m microlending transferred to SEFA. cidb will work with SEFA in 2025/26 for mechanisms of awarding funding to contractors
	5.5		Number of reports on enterprises receiving development support	N/A	1	1	1	0	N/A

6 PROGRAMME 6: PROVINCIAL OFFICES

Outcome	APP No.	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from Planned Annual Target to Actual Achievement 2024/25	Reasons for deviations
1.4 Increased black ownership and participation **1.5** Increased woman ownership and participation **1.6** % Youth ownership across all grades **1.4** Performance driven clients	6.1	Construction industry transformation reformative leadership provided	Number of construction industry development interventions implementation reports provided	N/A	4	4	4	0	N/A
	6.2	Construction industry development leadership provided	Number of transformation intervention implementation reports provided	N/A	4	4	4	0	N/A
	6.3		Number of client departments capacitated on IDMS	110	0	120	169	49	The overachievement is driven by demand by clients for capacitation when the need arises

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