

SACPCMP

The South African Council for the Project and Construction Management Professions

— CONSTRUCTING NEW PERSPECTIVES —

ANNUAL REPORT 2021/2022



DEVELOP | GROW | PROSPER



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PART A

GENERAL INFORMATION

1. GENERAL INFORMATION

Registered name

The South African Council for the Project and Construction Management Professions

Registration

Incorporated under the Project and Construction Management Professions Act No. 48 of 2000

Physical address

Rigel Office Park
446 Rigel Avenue South
Erasmusrand
Pretoria
0181

Postal address

PO Box 6286
Halfway House
Midrand
1685

Telephone numbers

+27 (0)11 318 3402/3/4

Email address

eatoregistrar@sacpcmp.org.za

Website address

www.sacpcmp.org.za

External auditors

PSTM Auditors Inc.
7 Naivasha Road
Sunninghill
Sandton
Johannesburg
2157

Bankers

Nedbank Limited
Investec Bank

Council secretary

IKB Secretaries

2. LIST OF ABBREVIATIONS/ACRONYMS

ACHASM	Association of Construction Health and Safety Management	CMentor	Construction Mentor
ACPM	Association of Construction Project Managers	CPD	Continuing Professional Development
AIB	Australian Institute of Building	CSR	Corporate Social Responsibility
APP	Annual Performance Plan	DoE&L	Department of Employment and Labour
ARC	Audit and Risk Committee	DPWI	Department of Public Works and Infrastructure
ASAQs	Association of South African Quantity Surveyors	ECSA	Engineering Council of South Africa
B-BBEE	Broad-Based Black Economic Empowerment	EDMS	Electronic Document Management System
BCP	Business Continuity Plan	EPWP	Expanded Public Works Programme
BE	Built Environment	ERM	Enterprise Risk Management
BI	Building Inspector	EXCO	Executive Committee
CanCHSA	Candidate Construction Health and Safety Agent	GIAMA	Government Immovable Asset Management Act
CanCHSM	Candidate Construction Health and Safety Manager	HDI	Historically Disadvantaged Individuals
CanCHSO	Candidate Construction Health and Safety Officer	HR	Human Resources
CBE	Council for the Built Environment	HRBP	Human Resources Business Practitioner
CBEP	Councils for the Built Environment Professions	HRDC	Human Resources Development Council
CCSA	The Competition Commission South Africa	HSECP	HSE Connection Point
CBInsp	Certified Building Inspector	IAF	Internal Audit Function
CCM	Candidate Construction Manager	ICT	Information and Communication Technology
CCPM	Candidate Construction Project Manager	IDoW	Identification of Work
CPM	Construction Project Management	IHL	Institutions of Higher Learning
CESA	Consulting Engineers South Africa	IoSM	The Institute of Safety Management
CETA	Construction Education and Training Authority	ITIL	Information Technology Infrastructure Library
CHE	Council on Higher Education	LGSETA	Local Government Sector Education and Training Authority
CHS	Construction Health and Safety	MARKOR	Market Orientation (scale)
CHSM	Construction Health and Safety Manager	MBA KZN	Master Builders Association KwaZulu-Natal
CHSO	Construction Health and Safety Officer	MBA North	Master Builders Association North
CIDB	Construction Industry Development Board	MBA WC	Master Builders Association Western Cape
CIOB	Chartered Institute of Building	MBSA	Master Builders South Africa

MM	My Membership (system)	RPL	Recognition of Prior Learning
MoA	Memorandum of Agreement	SACAP	The South African Council for the Architectural Profession
MoU	Memorandum of Understanding	SACLAP	South African Council for the Landscape Architectural Profession
MTEF	Medium-Term Expenditure Framework	SACPCMP	The South African Council for the Project and Construction Management Professions
NCPD	National Council of and for Persons with Disabilities	SACPVP	South African Council for the Property Valuers Profession
NHBRC	National Home Builders Registration Council	SACQSP	The South African Council for the Quantity Surveying Profession
NQF	National Qualifications Framework	SAFCEC	South African Forum of Civil Engineering Contractors
OHS	Occupational Health and Safety	SAIA	South African Institute of Architects
PA	Personal Assistant	SAICE	South African Institution of Civil Engineering
PCM	Project and Construction Management	SAIOSH	South African Institute for Occupational Safety and Health
PFMA	Public Finance Management Act	SARF	South African Road Federation
PAJA	Promotion of Administration Justice Act	SCM	Supply Chain Management
PMSA	Project Management South Africa	SDLC	Systems Development Life Cycle
POPIA	Protection of Personal Information Act	SETA	Sector Education and Training Authority
PPPFA	Preferential Procurement Policy Framework Act	SGB	Standards Generating Body
PR	Public Relations	SLA	Service Level Agreement
PrBInsp	Professional Building Inspector	SOEs	State-Owned Entities
PrCHSA	Professional Construction Health and Safety Agent	SOP	Standard Operating Procedure
PrCM	Professional Construction Manager	SRC	Stakeholder Relations and Communications
PrCMentor	Professional Construction Mentor	SWOT	Strengths, Weaknesses, Opportunities and Threats
PrCPM	Professional Construction Project Manager	TOR	Terms of Reference
QA	Quality Assurance	VA	Voluntary Association
QC	Quality Control	YM	Your Membership (system)
QCTO	Quality Council for Trades and Occupations		
RICS	Royal Institution of Chartered Surveyors		
RP	Registered Person		

3. FOREWORD BY THE PRESIDENT OF THE COUNCIL



Mr Isaac Nkosi, SACPCMP President

As the world emerged from the clutches of the COVID-19 pandemic in the period under review, the Council concentrated on playing its part in the national Economic Reconstruction and Recovery Plan (ERRP) by ensuring that we capacitate the priority area of Infrastructure Development through the refocused regulation of the professions under our ambit.

The Construction Education and Training Authority (CETA) recently released its findings on research conducted into the construction sector. These research findings indicate that Construction Project Management is a scarce skill and more needs to be done to increase the number of professionals in the sector. In its 2021 Construction Sector Report, the Johannesburg Stock Exchange (JSE) highlighted “skill shortages” as one of the worrying issues in the industry. Consequently, our professions become a core component of the “implementation of shovel-ready projects” as stipulated in the ERRP, as ‘principal agents’.

The Construction Industry is still reeling from the impact of the lockdowns which saw the significant slashing of government’s infrastructure spend; the eventual halting of projects; and subsequently, the slowdown of activities in the South African Construction Industry as a whole. The infrastructure-led economic recovery envisaged by the ERRP has spurred the Council’s efforts to improve the governance environment to ensure that, among other things, barriers to entry and perceptions of “gate keeping” are addressed.

The Council still grapples with core issues of transformation of the professions under our ambit in this challenging economic climate. We desire to address long-standing inequalities perpetuated in our economy that still disproportionately impact the historically disadvantaged. When looking at infrastructure-led economic recovery, it is also important to ensure that the recovery actively reverses long-existent inequalities of access to the professions within the Construction Industry, particularly for women and Africans.

As a Council, we acknowledge and are proactively looking at ways to address impediments to access which fall outside our mandates. This is where partnerships become useful. In the main, partnerships have been forged with Voluntary Associations that encourage collaboration

in addressing issues of transformation for the good of the professions. Coupled to this, we also seek to endorse initiatives and programmes are created to support the historically disadvantaged and as such, create mechanisms for access.

Other partnerships the SACPCMP has forged locally and internationally have mainly focussed on improving ethics and professionalism; research and innovation; creation and fostering of a skills pipeline for the professions; and reciprocal recognition for better mobility of professionals. Through exposure to other markets and standards, the cross-pollination of international best practices is supported, which will ultimately benefit the professions. In the future, the Council will further explore new and/or renew expired sectoral compacts among industry regulators, employer representative bodies and federations to support the economic recovery led by the Construction Industry.

The Council continued to participate in various collaborative fora of Councils for the Built Environment Professions (CBEPs), facilitated by the Council for the Built Environment (CBE) to promote synergy between built environment professions. Furthermore, through the Council’s own fora of key stakeholder groups, we kept our pulse on key industry and educational developments which impact the profession. These interactions are central to our policy and regulatory stance to ensure that they are representative and foster the currency of the professions.

Since the initiation of its 2020–2025 Strategy, the Council has maintained a keen focus on ‘making the SACPCMP work effectively and efficiently for its stakeholders. Despite the numerous challenges facing worldwide economies, and the Built Environment in particular, I am pleased that the SACPCMP embraced a number of strategic and qualitative shifts that were fundamentally requisite to enable the development and good governance of the entity. These contributed to providing strengthened ethical regulation of the Project and Construction Management Environment and all the professions we register for the purpose of protecting the public.

The Council, through the Audit and Risk Committee, embarked on a drive to ensure good governance which resulted in a Governance Audit undertaken within the SACPCMP as part of the 2021/2022 approved Annual Internal Audit Plan. The key objectives of the review were to determine whether the establishment and composition of the Council Committees met the criteria and principles as stipulated in the relevant legislation and alignment to King IV principles.

The review flagged certain control deficiencies in the composition of the Council's committees and the review of their terms of reference. This resulted in a reconstitution of the Council's committees and a reduction of committees from 12 to five, namely:

- Regulatory Matters Committee;
- Finance Committee;
- Audit and Risk Committee;
- Social and Ethics Committee; and
- Human Resources, Remuneration and Nominations Committee.

The new Council committees are aligned to King IV recommended committees' principles.

The Audit and Risk Committee (ARC) continued to play a critical role in its independent oversight of the Council by reviewing the work of the internal auditors; reviewing improvements in the control environment of Council operations; and tracking progress of management in implementing recommendations emanating from respective internal and external audits. The Council made significant steps forward in respect of improving risk management, financial controls and other governance aspects of the Council and its operations.

In the period under review, the Council witnessed the commencement of several major projects. These related to improvement of the operating environment through the establishment of proper business processes; development of a new organisational design; research and policy development for the Council's 13 mandates and development of the guideline tariff of professional fees; and development of competency standards. The work accomplished through these major projects was crucial to ensuring a pipeline of competent professionals for the region's future infrastructure development. The development and maintenance of Competency Standards will ensure that project and construction management; construction health and safety; and building inspection expertise within the Built Environment is maintained to the highest degree. This may also stimulate job creation as the Construction Industry is seen in both developing and developed countries as one of the major sources of employment.

As lockdown restrictions waxed and waned throughout the year under review, the Council continued to work and interact with its stakeholders within a virtual environment to increase efficiency and cost-effectiveness. We look forward to embracing the virtual world more and more by utilising it strongly to develop ourselves; build public confidence and assurance; as well as the recognition of the professions.

The extensive amount of work undertaken in the 2021/2022 financial year did well to address our resource-led strategy intended to drive the SACPCMP's corporate objectives. This work and focus will support good governance as well as the mandated responsibilities of the Council to ensure that its vision of being "a world-class regulatory body for the Built Environment Management Professions" is realised. The next financial period will see the culmination of work undertaken for the Organisational Design (OD); policy development; and Business Process Mapping projects. Each of these initiatives contributes to effective working relationships; fostering an appropriate organisational culture;

and ensuring well-defined accountabilities in discharging the SACPCMP's mandate. This will further cement the Council's drive towards improvement and sustainability.

During the course of 2022, the SACPCMP will also see the induction of a new and sixth-term Council, one that will steer the entity through the next four years. As its fifth-term President, I have thoroughly enjoyed the challenges and opportunities that working with this Council has presented. While I will, sadly, hand the reigns over to a new Council President, I can do so with confidence knowing that the programmes that have been set in place to move the SACPCMP into a new phase of sustainability and growth are well entrenched.

The fifth-term Council has successfully started to develop the right elements to create a sustainable world-class regulator. We have ensured that there is a purpose-driven team of professionals that have a unified set of objectives to adequately meet the needs of a progressive regulatory authority within the Built Environment. We have set the foundations for the provision of thought leadership within the Built Environment to meet the strategic qualitative 'big shifts' needed over the next decade to achieve meaningful development as a country.

On behalf of my colleagues in the Council, I would like to thank the Minister, Deputy Minister and Management of the Department of Public Works and Infrastructure; the Council for the Built Environment; our sister Councils for the Built Environment Professions; all the entities within the DPWI family; and our recognised Voluntary Associations for the support rendered to, and cooperation with, the SACPCMP during the tenure of the fifth-term Council.

To our valued registered professionals, candidates and applicants in all our registration categories: I would like to thank them dearly for their understanding, patience and resilience as we went through a period of systems transition and the challenges during the tenure of the fifth-term Council.

To my fellow Council members, Management and staff of the SACPCMP, I extend my gratitude for their comradery and support in leading this entity. I wish the incoming President and Council members of the sixth term the greatest success in leading the SACPCMP, its management, staff and valued stakeholders through the next four years.

May the Construction Project Management, Construction Management, Construction Health and Safety, and Building Inspector professions enjoy continued promotion, growth, and transformation, thus ensuring a strong and sustainable Built Environment for all.



Isaac Mzumara Nkosi

President: The South African Council for the Project and Construction Management Professions (SACPCMP)

4. MESSAGE FROM THE REGISTRAR



Mr Butcher Matutle, SACPCMP Registrar

The implementation of the Strategic Plan in the previous financial year began under trying circumstances. Regardless, the SACPCMP's focus to ensure sustainability remained a focal area while the world was plunged into economic uncertainty. Despite constrained capacity in terms of human capital and budget restrictions that severely impacted on the delivery of the APP, the Council pressed on with what could be implemented. And much was achieved.

Through the 2021/2022 period, the SACPCMP improved its solvency and financial strength as well as successfully transitioned into a hybrid workplace environment, while preparing to take residence in its new 'office home' in Erasmusrand, Pretoria. The Council also adopted important institutional policies in response to prevailing priorities, such as employee wellness, remote working and asset management, to name but a few. Operations continued to be strained by a reduction in human resources, as the staff contingent reduced from 41 (as at April 2020) to 29 persons as at 31 March 2022. This was guided by the Council Sustainability Strategy, as reported in the previous financial period, developed as a response to the COVID-19 pandemic. However, the focus on completing the Council's organisational design process is expected to see a positive expansion of the entity's staffing complement in the new financial year.

Through strict expenditure management and several key human resource management strategies, the Council was able to see a 10% growth in revenue from the 2020/2021 (R37.8 million) reported revenue. As at 31 March 2022, the financial year closed with revenue amounting to R41.6 million. The fees revenue was 2% higher than the budgeted revenue for the financial year which amounted to R40.9 million.

The relaxing of sustainability measures supported the renewed focal points driving the SACPCMP's 2020–2025 Strategy which made the 2021/2022 financial year one of productive change. The Council continued with the work that commenced in the previous financial period regarding the restructuring of the organisational environment where mandate groupings were created. Several important milestones were reached as the Council centred its

duty on creating an enabling environment through governance and oversight for the delivery of core business and strategic goals.

One of the performance-related challenges noted in the previous financial year was an inability to successfully complete the work identified in the annual performance plan of 2020/2021, due to the COVID-19 pandemic. In the 2021/2022 financial year, a significant amount of backlog and identified projects were successfully addressed and the SACPCMP continued ahead with the projects required to support the four programmes of its 2020–2025 Strategic Plan.

We also commenced with several major projects in the period under review, so as to improve the operating environment. The development of business processes for mandate compliance resulted in the identification of 25 business processes for the 13 legislative mandates of the Council. In addition, a research and policy development project achieved excellent progress. This will see a batch of seven core policies completed and approved in the new financial period.

Following a consultative process to review the Guideline Tariff of Fees, which were last gazetted in 2019, the Council commenced with the appointment of an independent service provider (Enterprises University of Pretoria) to rebase the guideline fees from 2019 to 2022. While the rebased fees were scheduled for gazetting in March 2022, ongoing consultations and deliberations with the Councils for the Built Environment (CBEPs) and the Competition Commission SA resulted in a postponement of the gazetting as was scheduled. The CBEPs currently await an outcome from the Department of Public Works and Infrastructure on the way forward to ensure that their legislative mandates are upheld and discharged effectively, without contradiction or conflict of interest in how the entities work within the broad sphere of legislation governing the industry.

A mammoth undertaking, that will support professional competency for years to come, was the Council's Competency Standards Development Project. This saw interim competency standards developed for all of Council's registration categories and translated into 123 competencies with several hundred standards mapped across nine frameworks.

The past year increased focus on the development and rollout of an online examination and interview platform. A great deal of work went into developing the necessary and secure platforms to enable the Council to conduct its assessments entirely online.

The SACPCMP's performance regarding its core business of standard registration functions witnessed minimal disruption in 2021/2022, as the number of candidates and Registered Persons increased with consistency. While the effect of the COVID-19 pandemic on SACPCMP registration was unmistakable, we are pleased to note that an upturn in registration numbers is gradually revealing itself.

We note with concern that transformation still remains a challenge. The numerous factors influencing an increased uptake of women, Africans and the disabled into the Construction Industry seems frustratingly slow. We do, however envisage that a handful of the Council's new and updated policies, expected for gazetting in the new financial period, will provide a fresh boost to support our transformation efforts. The Council will also embark on developing strategic partnerships within the public and private sectors to further develop opportunities of candidacy that will, in turn, develop opportunities for sector transformation.

In the 2021/2022 financial year, the Council moved ahead with the development of various frameworks and processes critical to achieving its mandated responsibilities and compliance. This included the implementation of a quality assurance system to validate assessment processes for the purpose of registration.

The groundwork has been laid for a comprehensive policy and standards ecosystem for the quality assurance of professional registration to guarantee that only competent individuals are registered.

Thanking the Fifth-Term Council

As we moved into 2022, the SACPCMP embarked on preparations for the appointment of its sixth-term Council. The process was guided predominantly by the statutory prescriptions and parameters outlined in the Act. I would like to thank our Council Members, who under the leadership of the SACPCMP President, Mr Isaac Nkosi, and SACPCMP

Vice President, Mr Bafikile Bonke Simelane, have given of their time, attention and valued experience to support and develop the entity.

Many long days, late evenings and lively discussions have characterised the engagement sessions that brought the fifth-term Council together to help 'steer the ship' through turbulent times. I am grateful for the confidence that was placed in me as Registrar to take this Council forward in meeting its mandate and ensuring good governance. It is not a job that can be done alone, and the fifth-term Council Members provided the support and guidance needed. Moving forward into 2022/2023, management has a steep journey to traverse before realising the vision of the 2020–2025 Strategic Plan. We look forward to meeting and working with the sixth-term Council for the benefit of all SACPCMP stakeholders.

I also look confidently to counting on the support of the Department of Public Works and Infrastructure (DPWI), the Council for the Built Environment (CBE), the sister Councils for the Built Environment Professions and the SACPCMP's Voluntary Associations in supporting Built Environment professionals through thought leadership and meaningful action. We are mindful that the Council does not operate in a vacuum, but within a national policy, legislative and institutional framework, built to better serve the people of the Republic of South Africa. That is the focus of the year ahead... to build a stronger, better and more effective entity and continuously endeavour to discharge the SACPCMP's mandates as effectively, transparently and timeously as possible.



Moroko Isaac Butcher Matutle

Registrar: The South African Council for the Project and Construction Management Professions (SACPCMP)

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY

To the best of our knowledge and belief, we confirm the following:

All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements (AFS) audited by PSTM Auditors Inc.

The Annual Report is complete, accurate and free of material omissions.

The Annual Report has been prepared in all material instances in accordance with the Annual Report guidelines as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with international financial reporting standards applicable to the public entity.

The accounting authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

The accounting authority is responsible for establishing and implementing a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2022.

Yours faithfully



Moroko Isaac Butcher Matutle

Registrar: SACPCMP



Isaac Mzumara Nkosi

President: SACPCMP

6. STRATEGIC OVERVIEW



Vision

To be a progressive regulatory body for the Built Environment Management Professions.



Mission

To create an enabling environment for the promotion, growth and transformation of the Built Environment Management Professions through advocacy, research and best practice.



Values

- Accountability
- Integrity
- Innovation
- Transparency
- Teamwork

SACPCMP VALUE PROPOSITION



OUR VALUE PROPOSITION DESCRIBES THE BENEFITS STAKEHOLDERS CAN EXPECT FROM OUR SERVICES.

Public

- We provide the public with confidence that persons registered with us have the necessary level of professional expertise to render applicable services.
- We provide students with the assurance that accredited institutions offer qualifications that will sufficiently equip the students to enter their chosen professions within the Built Environment.
- We provide the public with guidelines for scope of services and recommended professional fees for services rendered by persons registered with us.
- We facilitate cross-country recognition of qualifications and registrations.
- We provide a dispute resolution mechanism to address non-commercial and contractual disputes between Registered Persons and members of the public.

Industry

- Professionals registered with the SACPCMP are recognised as being capable of rendering applicable services at the necessary level of expertise. This enhances their access to local and global markets.
- We provide an avenue/channel for unregistered persons to become registered professionals.
- We facilitate the development of a human resource pool of Registered Persons in the sector, available for recruitment by service providers.
- We give Voluntary Associations (VAs) recognition and partner with them in advancing mutual interests.
- We provide thought leadership for development of people and knowledge in our sector.

Government

- We fulfil our mandate in terms of the Act.
- We facilitate the development of a skills pipeline necessary to meet the infrastructure developmental needs of South Africa for professions under our jurisdiction.
- We provide support and/or advice to government and SOEs relevant to planning and accessing services provided by professionals under our jurisdiction.

7. LEGISLATIVE AND OTHER MANDATES



Constitutional Mandates

Section 22 of the Constitution of the Republic of South Africa, Act No. 108 of 1996, provides that *“every citizen has a right to choose their trade, occupation and profession freely. The practice of a trade, occupation or profession may be regulated by law”*.

This section gives the basis for the existence of the South African Council for the Project and Construction Management Professions (SACPCMP) through Act No. 48 of 2000.



Legislative Revision

No legislative revisions have been made to date. However, the Department of Public Works and Infrastructure (DPWI) has solicited comments and inputs on policy review and proposed amendments to the statutory regulatory framework of Councils for the Built Environment Professions (CBEPs) from the industry. It is recognised that the SACPCMP must comply with all national and provincial legislation and regulations, and all municipal by-laws, applicable to its functions.



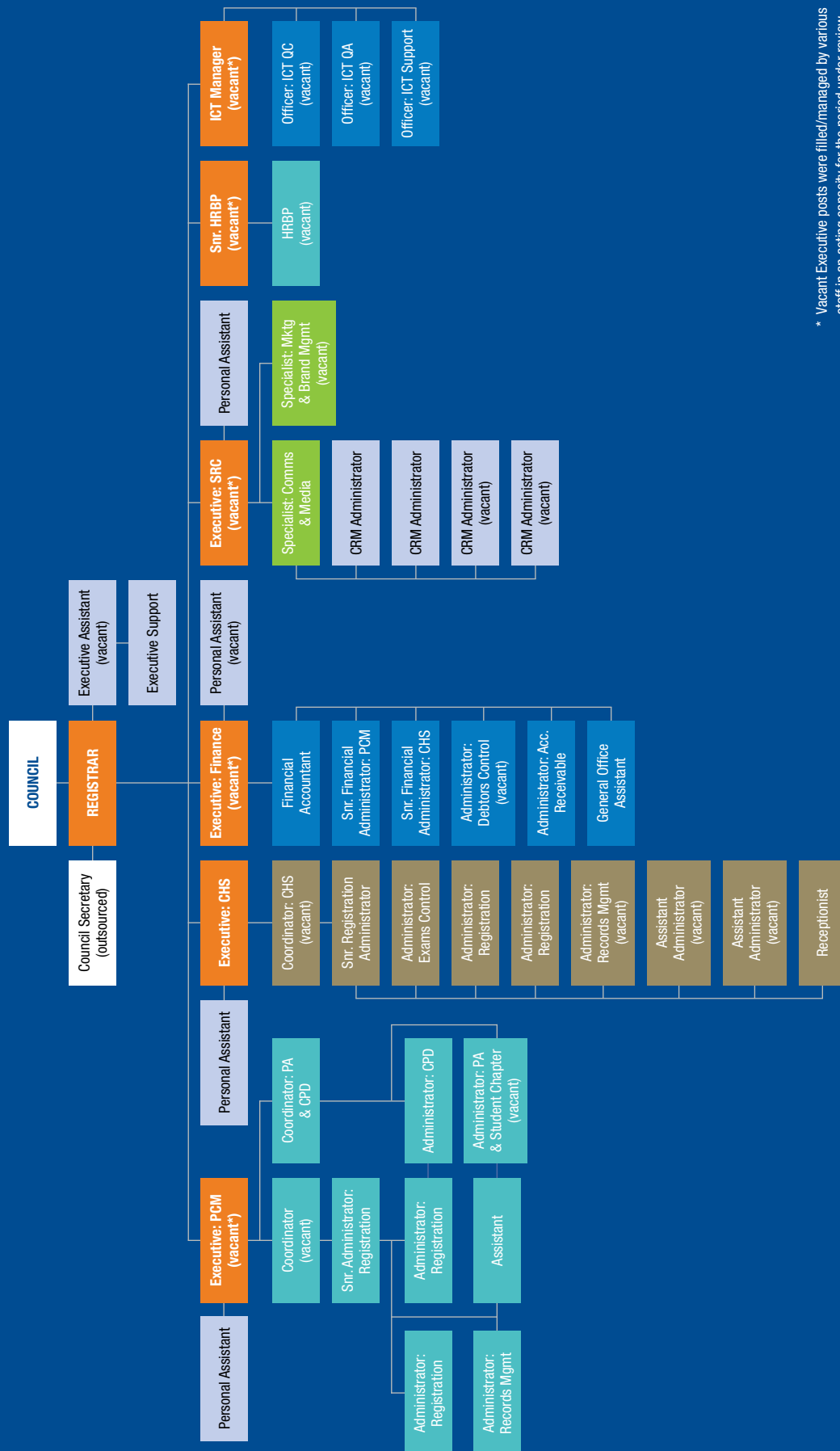
Legislative Mandate

The SACPCMP is a juristic person established by Section 2 of the Project and Construction Management Professions Act, No. 48 of 2000, “to regulate project and construction management professionals to protect the public.”

THE SACPCMP FULFILS THE FOLLOWING LEGISLATIVE MANDATES:

- | |
|--|
| 1. Identification of Work |
| 2. Guideline Professional Fees |
| 3. Continuing Professional Development |
| 4. Accreditation of Built Environment Programmes |
| 5. Code of Conduct for the Professions |
| 6. Professional Registration |
| 7. Recognition of Voluntary Associations |
| 8. Recognition of Specified Categories |
| 9. International Agreements |
| 10. Recognition of Prior Learning |
| 11. Standard Generation |
| 12. Appeals and Tribunals |
| 13. Competency Standards for Registration |

8. SACPCMP ORGANISATIONAL STRUCTURE



* Vacant Executive posts were filled/managed by various staff in an acting capacity for the period under review



PART B

PERFORMANCE INFORMATION

1. SITUATIONAL ANALYSIS

1.1 Service Delivery Environment

In the 2021/2022 financial year, mandate compliance was the focus of much of the work of the Council. COVID-19 notwithstanding, the SACPCMP reached several important milestones in the period under review, focusing on its duty of providing governance oversight to enable the delivery of the Council's core business and its strategy, while achieving institutional sustainability.

The Council recorded a surplus of R14 215 779 in the 2021/2022 financial year. The surplus comprised revenue totalling R41 621 920, other income of R6 236 722, which comprised income from a Construction Education and Training Authority (CETA) grant (R2.6 million) and the reversal in provision of bad debt (R3.5 million), investment income of R941 574 and an expenditure of R34 281 127. There was an increase in revenue of 10% compared to the 2020/2021 financial year. The increase was as a result of increases in applications and registrations in the current year as opposed to the 2020/2021 financial year. Furthermore, included in the revenue for the 2021/2022 financial year was deferred income which could not be recognised in the previous financial year.

The current year surplus of R14.2 million is an anomaly due to the reversal in provisions and the employee cost in the current year being low (for the duration of the period under review, the Council operated at just 59% of its staff capacity). Therefore, the remuneration for the past two years is not a true reflection of the salary bill required for the Council to fully operate. Critical vacant positions were filled by internal staff members in an acting capacity; this was a major contributor to the higher surplus that was recognised.

It must be noted that the SACPCMP does not receive funding from the fiscus, and 80% of its revenue is generated from annual registration fees, the payment of which has come under pressure owing to a challenging economic environment. Ever cognisant of challenges facing the Construction Industry, the Council reviewed the annual and registration fee increases, ensuring that these were kept to a minimum.

Audit and Risk Committee

The Audit and Risk Committee (ARC) completed its fourth year as a fully functional independent oversight structure and made several control improvement recommendations that were instrumental in the appointment of an outsourced internal audit function as well as the initiation of Council's second externally facilitated strategic risk assessment process. The ARC's recommendations included the review of skills and capacity, information and communication technology (ICT) governance and management, as well as a review of the financial policies of the Council.

The SACPCMP strengthened its efforts to align and comply with the broad principles of the Public Finance Management Act (PFMA), in response to the Executive Authority's request for PFMA compliance. The SACPCMP has enhanced its control environment through the

introduction and approval of a suite of finance policies, which form the backbone of all key finance processes.

The Council conducted a governance audit which highlighted some deficiencies and saw a need for the Council to reconstitute its committees.

The SACPCMP's performance regarding its core business of standard registration functions witnessed minimal disruption in 2021/2022. The number of candidates and Registered Persons increased with some consistency when compared to the previous financial period. However, issues of transformation still remain a challenge in terms of race and gender.

Council Achievements

Council achievements included the completion of business processes for mandate compliance, the first batch of mandate area policies and the organisational structure. The Council also adopted important institutional policies in response to prevailing priorities; these included a new policy on employee health and wellness, a new work from home policy, revised policies on asset management and several finance policies to improve the SACPCMP's control environment.

With regard to mandate compliance – previously it was assumed that it would be sufficient to base professional assessment on a system of peer evaluation without basing these assessments on performance standards embedded in a competency framework for the profession. However, this approach created subjectivity and inconsistency in assessment results. It was determined that a quality assurance system was required to validate assessment processes. Therefore, a criteria and process for the assessment of competency for the purpose of registration was approved and implemented.

Assessors were reappointed based on specified criteria, to ensure that they were suitably qualified to conduct assessments. A moderation system was established, and moderators were appointed to conduct moderation of Council assessments on a quarterly basis. The SACPCMP closed its 2021/2022 financial year having completed the process of developing competency standards frameworks for the Council's recognised professions – this will be followed by a review of the assessment instruments and processes in the following financial period.

Quality Assurance

Other developments included the Executive Committee's adoption of the criteria and process for the recognition of educational qualifications for the purpose of registration and the process of endorsement of new educational programmes. The adoption of these criteria and process documents laid the groundwork for a comprehensive ecosystem for the quality assurance of professional registration and to guarantee that only competent individuals are registered.

Continuing Professional Development (CPD) activity within the upgraded system commenced in the third financial quarter due to the development of an online CPD platform within the registration system. CPD noncompliance remains a persistent issue which the Council intends to address proactively going forward.

The Council continued to support its accredited institutions through its Head of Department (HOD) Forum. Institutions prepared for the third accreditation cycle through the compilation and submission of self evaluation reports. Several, Council-accredited institutions developed new Higher Education Qualifications Sub-Framework (HEQSF) aligned qualifications and new qualifications for some of the Council's registration categories which did not have Council-accredited qualifications as underlying qualifications.

Policy Development

The Council embarked on a process of reviewing and developing policy proposals for accreditation, CPD, recognition of prior learning (RPL), professional guideline fees, registration, international agreements and competency standards. This represented seven of the 13 administrative functions of the Council. The SACPCMP adopted the Council for the Built Environment (CBE) policy frameworks on the outstanding six administrative functions, whilst formalising its own policies on the outstanding areas. One of the key policy tenets that was incorporated throughout all policy proposals was the incorporation of the Promotion of Administrative Justice Act (PAJA) prescripts.

As at the end of March 2022, the number of Registered Persons decreased marginally (by approximately four percent) to 10 960 when compared to the previous year. The decrease was occasioned by deregistration, which occurred in the third quarter of the 2021/2022 financial year. The Council delayed the deregistration of Registered Persons (due to non-payment of annual fees) to allow them reasonable time to make payment.

Transformation efforts remained strained, however, young black Africans (aged between 20–39) constituted most young professionals registered, with 9%, compared with Whites who constituted 6% of young professionals. This gives hope but more needs to be done to include young people in the economy and professions. Whites constituted the majority of all registered professionals at 56%, while Blacks, Indians and Coloureds constituted 44% – this was not even half of the total number of registered professionals.

Organisational Design

To ensure the 2020–2025 Strategic Plan was adequately supported, the entity commenced with an Organisational Design Project. The current organisational structure was reviewed more than seven years ago, and the work undertaken on the entity's business processes for mandate adherence require a timeous review of the structure to enable strategy delivery. The key intent was to create an appropriate organisational design for a regulator, with the correct number of organisational layers, with well-defined accountabilities and authorities, to execute the SACPCMP mandate.

Draft appeals and tribunal policies were formulated and provided to the CBE to advise on whether these align with its framework. These were, in part, guided by Section 40(2) of the Project and Construction Management Act that allows the Council to delegate powers to its committees, but does not permit the power to hear an appeal to be delegated.

The 2021/2022 financial year saw further engagement with other CBEPs to ensure that the content of the SACPCMP's Identification of Work (IDoW) policy would be consistent with other councils. Several engagements were made between the CBE, CBEPs, Department of Public Works and Infrastructure (DPWI) and the Competition Commission of South Africa (CCSA) in the second and third quarters of the financial year. Amongst other items under discussion, the meetings examined the requirements for the development of the IDoW policy by respective councils, and the mapping of the jurisdiction and legislative parameters of each party in respect of IDoW. Progress in this regard, and the actioning of IDoW policy research and development, will commence during the new financial year. Pending the final promulgated IDoW framework, the SACPCMP is obligated to comply with legislative requirements in protecting the public by defining the work that each registration category of the construction project management (CPM) professions can undertake. The demarcation of work between categories of registration in the CPM professions is critical to the planned infrastructure roll out programme of government and other relevant Built Environment issues.

In terms of professional guideline fees, the Council resolved that a service provider be appointed to conduct a market analysis to determine the 2021 Guideline Tariff of Fees. This will commence early in the new financial year. The rebased fees were scheduled for gazetting in March 2022, but due to ongoing consultations and deliberations within the broader Built Environment Councils and the CCSA, in which SACPCMP has actively participated, an outcome is awaited from the DPWI on a way forward; the gazetting of fees was placed on hold.

Stakeholder Engagement

The Council commenced with monthly, online stakeholder engagement sessions to ensure regular contact and communication with its stakeholders. In addition, the Council took the decision to present a series of webinars instead of its annual conference until such time that it would be feasible to present an in-person conference. One webinar was presented in March 2022; the excellent reviews received as a result of the event will see at least two more webinars presented during the remainder of the 2022 calendar year.

The Council moved to new premises in Pretoria. The Council realised the benefits of working remotely and the decision to move to a smaller office space was a confirmation of the permanence of remote work arrangements for specific jobs. In alignment with this realisation, the SACPCMP completely digitised most of its processes; coupled to this, the Council, its committees and management conducted all of their meetings virtually, to increase efficiency and cost effectiveness.

The entity closed the 2021/2022 financial year in preparation for the nomination process for the sixth term Council of the SACPCMP. Guided by the founding Act of this Council, a call for nominations will be implemented in the new financial year.

1.2 Organisational Environment

The SACPCMP derives its mandate from Section 22 of the Constitution of the Republic of South Africa and was established to regulate

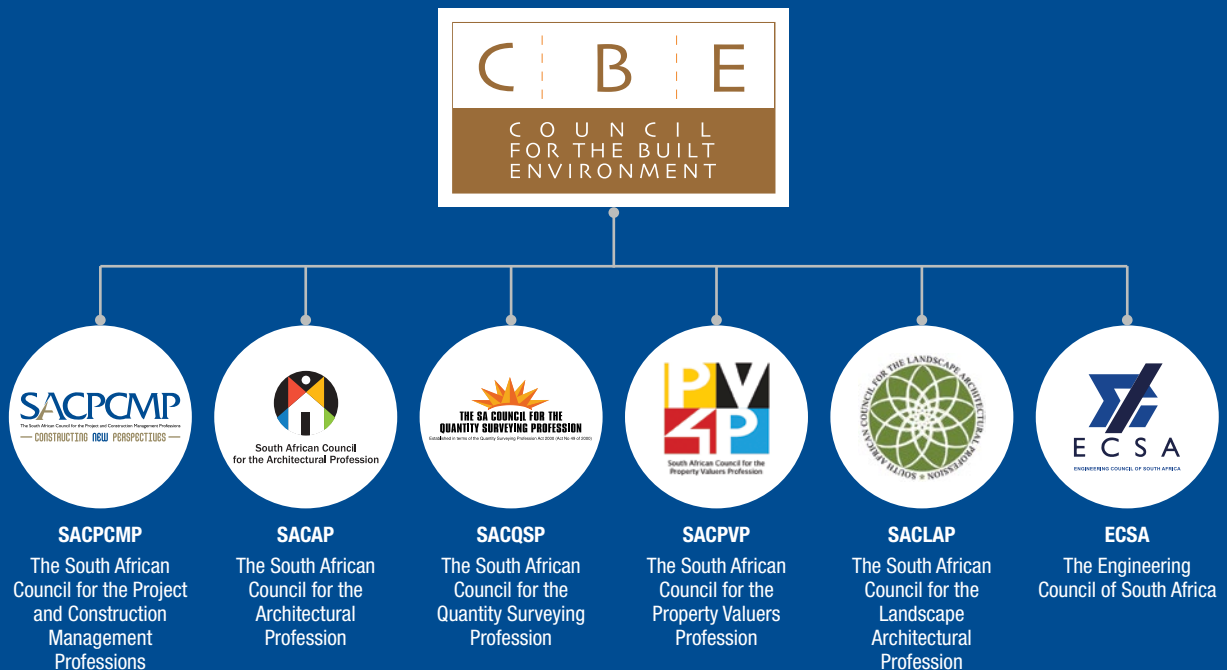
specific Built Environment Management Professions. It is further tasked with the protection of public interest, which is achieved by ensuring suitably qualified and registered professionals in specific Built Environment Management Professions in South Africa and promoting and enforcing high standards of professional ethics and conduct within the Built Environment.

The Minister of the Department of Public Works and Infrastructure is the Executive Authority of the SACPCMP and communicates with the Council through the Council for the Built Environment (CBE), which coordinates the activities of all the Councils for Built Environment Professions.

The Built Environment refers to the functional area within which Registered Persons practise and includes all structures that are planned and/or erected above or below ground, as well as the land utilised for the intended purpose and the supporting infrastructure.

The SACPCMP operates alongside five other CBEs, namely:

- SACAP: The South African Council for the Architectural Profession
- ECSA: The Engineering Council of South Africa
- SACLAP: The South African Council for the Landscape Architectural Profession
- SACQSP: The South African Council for the Quantity Surveying Profession
- SACPVP: The South African Council for the Property Valuers Profession



In terms of Section 3 of the SACPCMP Act No. 48 of 2000, the Council is appointed by the Minister of the Department of Public Works and Infrastructure. The Council consists of ten members, and its composition is as follows:

- Six Registered Persons as per the categories of the Act, excluding candidates, of whom at least four must actively practise in the profession and be nominated by Voluntary Associations (VAs) and any Registered Persons;
- Two professionals in the service of the State, nominated by any sphere of government, of whom at least one must be nominated by the DPWI; and
- Two members of the public, nominated through an open process of public participation.

The SACPCMP has working committees to provide capacity in order to achieve its mandate.

The organisational structure of the SACPCMP emphasised registration, accreditation and CPD, at the expense of the remaining mandates. Going forward, the strategic intent is to change from a transactional

structure to a functional structure fit for a regulatory body. This organisational re-design of the SACPCMP was complemented by a review of the Council Committees to ensure top-down alignment.

In addition, the organisational culture is another important success factor for the delivery of the SACPCMP strategy. The Council's current organisational culture, as assessed, is hierarchical and inward looking. The strategic intent is to move to a more innovative, people and customer-focused culture.

The market-environment analysis of the SACPCMP, reflected in the Council's 2015–2020 Strategic Plan, was reviewed and updated and focuses on the following three market segments:

- **Public:** Public Confidence and Assurance
- **Industry:** Professional Registration and Recognition
- **Government:** Effective Regulation and Thought Leadership

The review was guided by asking: *What should be prioritised in 2020–2025 planning for each of these markets?* The consolidated outcomes were as follows:

Public	
Stakeholder	What should be prioritised in 2020–2025 planning?
Students	<ul style="list-style-type: none"> • Provide students with assurance that accredited institutions offer qualifications that will sufficiently equip them to enter their chosen professions.
Registered Persons	<ul style="list-style-type: none"> • Be recognised as capable of rendering applicable services at the necessary level of expertise. This enhances their access to local and global markets. • Review existing interventions to determine if the objectives and outcomes thereof are being achieved. • Roadshows appear to be successful and should be intensified. More focus should be placed on breakfast session workshops and seminars.
Cross-Country	<ul style="list-style-type: none"> • Facilitate cross-country recognition of qualifications and registrations.
Dispute Resolutions	<ul style="list-style-type: none"> • Provide dispute resolution of non-commercial and contractual disputes between Registered Persons and members of the public.

Industry	
Stakeholder	What should be prioritised in 2020–2025 planning?
Registered Persons	<ul style="list-style-type: none"> • Professionals registered with us are recognised as capable of rendering applicable services at the necessary level of expertise. This enhances their access to local and global markets.
Unregistered Persons	<ul style="list-style-type: none"> • Provide an avenue/channel for unregistered persons to become Registered Persons.
Employers	<ul style="list-style-type: none"> • Facilitate the development of a human resource pool of registered professionals in the sector, available for recruitment by service providers.
Voluntary Associations	<ul style="list-style-type: none"> • Give Voluntary Associations recognition and partner with them in advancing mutual interests.

Government	
Stakeholder	What should be prioritised in 2020–2025 planning?
Department of Public Works and Infrastructure	<ul style="list-style-type: none"> • Fulfil our mandate in terms of the Act.
State-Owned Entities	<ul style="list-style-type: none"> • Provide support and/or advise government and SOEs relevant to planning and accessing services provided by professionals under our jurisdiction. • Engaging with SOEs to ensure that they utilise the services of registered professionals in appropriate categories.
Government Departments (Policy and Regulation)	<ul style="list-style-type: none"> • Engagement with all spheres of government to position the role, capability and value proposition of the SACPCMP, especially in the context of the Economic Stimulus Package and Recovery Plan, the operationalisation of the PMTE and implementation of the Government Immovable Asset Management Act and the Infrastructure Delivery Management System. • Engaging with government departments both provincial and national to ensure that they utilise the services of registered professionals in appropriate categories.

1.3 Legislative and Policy Mandates

The following Acts guide the SACPCMP's processes over and above the Constitution of the Republic of South Africa, Act No. 108 of 1996 and the Project and Construction Management Professions Act No. 48 of 2000.

Title of the Act	Purpose of the Act
Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)	The Constitution is the supreme law of the land. No other law or government action can supersede the provisions of the Constitution Republic of South Africa Constitution of 1996.
Project and Construction Management Professions Act (Act No. 48 of 2000)	To provide for the establishment of the Council for the Project and Construction Management Profession and matters incidental thereto.
Council for the Built Environment Act (Act No. 43 of 2000)	To provide for the establishment of the Council for the Built Environment and matters incidental thereto.
Public Finance Management Act (PFMA) (Act No. 1 of 1999)	To regulate financial management and to ensure that all revenue, expenditure, assets and liabilities of government departments or entities are managed efficiently and effectively.
Employment Equity Act (Act No. 55 of 1998)	Applies to all employers and workers and protects workers and job seekers from unfair discrimination, and also provides a framework for implementing affirmative action.
Promotion of Administrative Justice Act (PAJA) (Act No. 3 of 2000)	To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in Section 33 of the Constitution of the Republic of South Africa, 1996; and to provide for matters incidental thereto.
Occupational Health and Safety (OHS) Act (Act No. 85 of 1993) which has been further supplemented by the Construction Regulations of 2014	The Act aims to provide for the health and safety of persons at work and for the health and safety of persons in connection with the activities of persons at work and to establish an advisory Council for occupational health and safety. The Construction Regulations of 2014 brought to the fore the need for registration of the CHS practitioner.
National Archives of South Africa Act (Act No. 43 of 1996)	Provides for the proper management and care of the records of governmental bodies; and the preservation and use of a national archival heritage.
Promotion of Access to Information Act (PAIA) (Act No. 2 of 2000)	To give effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith.
Protection of Personal Information Act (POPIA) (Act No. 4 of 2013)	To promote the protection of personal information processed by public and private bodies; and to provide for matters connected therewith.
South African Qualifications Authority (SAQA) Act (Act No. 58 of 1995)	To provide for the development and implementation of a National Qualifications Framework and for this purpose to establish the South African Qualifications Authority; and to provide for matters connected therewith.
Higher Education Act (Act No. 101 of 1997)	To regulate higher education; to provide for the establishment, composition and functions of a Council for Higher Education; and to provide for matters connected therewith.
National Qualifications Framework (NQF) Act (Act No. 67 of 2008)	To provide for the National Qualifications Framework, the South African Qualifications Authority and Quality Councils; and to provide for matters connected therewith.
Basic Conditions of Employment Act (Act No. 75 of 1997)	To give effect to the right to fair labour practices and to provide for matters connected therewith.
Labour Relations Act (LRA) (Act No. 66 of 1995)	To promote the relations between employers, employees, unions and employer organisations.
Compensation for Occupational Injuries & Diseases Act (Act No. 130 of 1993)	To provide a framework whereby employees who have suffered occupational injuries and/or diseases could be compensated.
Skills Development Act (Act No. 97 of 1998)	To provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce; and to provide for matters connected therewith.
Skills Development Levies Act (Act No. 9 of 1999)	To expand the knowledge and competency of the labour force in order to improve on productivity and employability of employees.
Unemployment Insurance Act (Act No. 63 of 2001)	To provide temporary financial relief to employees following their unemployment, illness, maternity and other benefits that the fund provides to both employed and to those who have lost their jobs.
Employment Equity Act (Act No. 55 of 1998)	To achieve equity in the workplace by promoting equal opportunities and fair treatment in employment through the elimination of unfair discrimination and implementing affirmative action measures to redress the disadvantages in the workplace.

1.4 Strategic Outcome-oriented Goals

1.4.1 Overview

The SACPCMP continued to work towards the goals set out in its 2020–2025 Strategic Plan, which were adopted and approved by the Council in 2020, for implementation through the approved and aligned Annual Performance Plan (APP). The strategy was not only transformational, but responded to issues of sustainability of the SACPCMP, as well as addressing all 13 of the entity's mandates.

During the fourth quarter of the 2021/2022 financial year, SACPCMP Management performed an analysis of the 2020–2023 Internal Audit Plan, the 2020–2025 Strategy Imperatives (inclusive of 2020/2021 APP) and the 2020/2021 COVID-19 Budget (inclusive of the Sustainability Strategy Plan).

This identified the need to develop Standard Operating Procedures (SOP), and that Programme 2 of the SACPCMP Strategy was the common thread that held the “critical milestone” informing the strategy components of each programme.

The triangulation analysis identified the process of SOP development as the pivot that either triggered actions/enablers or enabled the trigger actions/enablers to obtain their stated key performance indicators (KPIs), thereby realising their respective objectives.

The management team also took a decision that the development of the SOPs be the resourcing focus of the limited budgeted funds and main deliverable of the strategy-enabling partner. This would be managed along a synchronised and prioritised set of milestones that would hold the four programmes together in a two-staged process of development and implementation. A service provider was appointed during the last quarter of the 2020/2021 financial year to focus on the development of SOPs and Institutional Governance.

Due to this prioritisation, the Council communicated its decision to defer the implementation of the ‘full’ 2020/2021 APP activities (as derived from the approved 2020–2025 strategic plan) to the 2021/2022 financial year. As a result, the SACPCMP focused on the implementation of the 2020/2021 APP in the 2021/2022 financial year to ensure completeness, continuity, and the successful achievement of the 2020–2025 strategic plan.

1.4.2 The SACPCMP Strategic Imperatives

To ensure that the strategic plan is performance orientated and responsive to the country's strategic priorities, the SACPCMP's approach is aligned to its strategic and annual performance planning with emphasis on the outcomes-oriented monitoring and evaluation approach. The imperatives are tabulated below:

Programmes	Goal statement
Administration (Organisation)	<ul style="list-style-type: none">• To create the appropriate organisational design for a regulator, with the correct number of organisational layers and well-defined accountabilities and authorities to execute the SACPCMP mandate.• To ensure that the SACPCMP has the right people in the right roles, to allow them to realise their full potential.• To develop effective working relationships through effective leadership and employee engagement.• To foster an organisational culture where employees work together to contribute to the SACPCMP achieving its objectives.
Mandate Compliance (Business Processes)	<ul style="list-style-type: none">• To ensure that the SACPCMP is capable of fulfilling its regulatory and social mandates by ensuring that the organisation follows a clearly defined set of processes, defined accountabilities and clear performance standards.• To grow the intellectual capital of SACPCMP through effective document and knowledge management systems.
Sustainability (Viable Funding Model)	<ul style="list-style-type: none">• To ensure long-term delivery of the SACPCMP value proposition by optimising the SACPCMP business model in order to reduce operating costs, improve productivity and diversify revenue streams.
Institutional Governance (Capability of administration)	<ul style="list-style-type: none">• To ensure that the SACPCMP has formal business decision-making frameworks in order to ensure effective governance and operational efficiency.

1.4.3 Strategic Objectives

Administration (organisation)

This programme is a key enabler of SACPCMP organisational transformation. It consists of the following projects:

- A1.** Change the organisational culture from a hierarchy focus to a more innovative, people and customer-focused culture.
- A2.** Design an organisational structure that is fit-for-purpose (for a regulator).
- A3.** Optimise employee contribution and productivity (skills utilisation).

Mandate compliance (business processes)

This programme consists of the following sub-programmes and projects:

- BP 1.** Implement “one version of the truth” regarding the SACPCMP’s mandates.
- BP 2.** Formalise business processes for mandate compliance.
- BP 3.** Implement a formal document management system.
- BP 4.** Implement a knowledge management system.

Sustainability (viable funding model)

The Sustainability Programme consists of the following sub-programmes and projects:

- S1.** Diversify revenue streams.
- S2.** Implement a pricing protocol that is cost reflective.
- S3.** Optimise the use of external service providers.

Institutional governance (capability of administration)

The Institutional Governance Programme consists of the following sub-programmes and projects:

- G1.** Formalise core business processes:
 - G1 a.** Planning
 - G1 b.** Performance management
 - G1 c.** Project management
 - G1 d.** Risk management
- G2.** Review decision-making processes and authority levels.



2. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The SACPCMP's five-year strategy horizon focus is on "making the SACPCMP work". The emphasis was directed towards sustainability via a resource-led strategy that would drive the Council's corporate objectives through its APP. Four fundamental focus areas serve as the foundational corners for the Council's strategy; these are:

- Administration
- Mandate Compliance
- Sustainability
- Institutional Governance

In terms of mandate compliance, the Council has renewed its focus to addressing all 13 of its mandates which inform the very reason for the entity's existence. To successfully address all of the mandates, these were grouped into the four key areas of legal, education, registration and professions governance.

2.1 Institutional Programme Performance Information

2.1.1 Programme 1: Administration

The purpose of the Administration Programme is to create the appropriate organisational design for a regulator with the correct number of organisational layers and well-defined accountabilities, and authorities to execute the SACPCMP mandate. The programme also aims to ensure that the SACPCMP has the right people in the right roles, to allow them to realise their full potential, both for their own satisfaction, and to contribute fully to the success of the Council. Lastly, the programme aims to develop effective working relationships through leadership and employee engagement, to foster an organisational culture where employees work together to contribute to the achievement of SACPCMP objectives.

This programme is a key enabler of the SACPCMP's organisational transformation. It consists of the following projects:

- A1.** Change the organisational culture from a hierarchy focused perspective to a more innovative, people and customer-focused culture.
- A2.** Design an organisational structure that is fit-for-purpose (for a regulator).
- A3.** Optimise employee contribution and productivity (skills utilisation).



2.1.1.1 Outcomes, Outputs, Indicators, Targets and Achievements

PROGRAMME 1- ADMINISTRATION							
Outcome	Output	Output indicators	Planned annual target 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement for 2021/2022	Comment on deviations	Reasons for revisions to the output/output indicators/annual targets
Culture Change the organisational culture from a hierarchy-focused perspective to a more innovative, people- and customer-focused culture.	Foster a culture of excellence, collaboration, inclusivity and flexibility. Improved customer focus. Culture change implementation plan. Conduct a culture survey. Achieve 25% overall improvement in the culture survey result.	100% improvement in the drive to achieve the desired culture, leading to increased customer focus. Present a culture campaign (communicate the 'as is' and 'to be' status).	25% improvement in culture survey – more customer focused.	No achievement – Project planning commenced and will move forward following the completion of the MARKOR scale.	The project was deferred to the 2022/2023 financial year following the finalisation of the MARKOR scale rating and completion of the organisational design project.	Project to commence following the completion of the MARKOR scale rating and organisational design projects.	The project will be completed in the new financial period.
			Have a MARKOR rating established.	In progress – Initial MARKOR scale has been developed and the project has commenced to determine the scale rating for the Council.	MARKOR scale rating to be finalised in the second quarter of the new financial period.	Project commenced but completion was affected by a lack of resources.	The project will be completed in the new financial period.
Organisation Design Design an organisational structure that is fit-for-purpose (for a regulator).	Organisational structure aligned to integrated business processes.	Draft organisational structure with defined role profiles and KPIs approved by management. Approved organisational structure by the Council. Develop an HR plan and have this approved by management. 25% Implementation of the HR plan.	Customer intervention plan developed and 25% implemented.	In progress – Stakeholder mapping project in progress.	Intervention planning dependent on the completion of the stakeholder mapping project.	Project commenced but completion was affected by a lack of resources.	The project will be completed in the new financial period.
			Approved and implemented the organisational structure with defined role profiles and KPIs aligned to business processes.	In progress	-	A 'Fit for Purpose' organisational structure has been designed and will be submitted for Council approval in 2022.	To be completed in the new financial period.
Employee Engagement Optimise employee contribution and productivity (skills utilisation).	Contributing productivity by employees. Optimal skills utilisation evident in culture survey results.	Percentage of project plan completed. To improve employee engagement, and the results of the culture survey.	50% of Skills Utilisation Plan.	No achievement	-	Project to commence upon approval of the organisational structure.	To be completed in the new financial period.

2.1.1.2 Comment on projects contributing to this programme

Organisational design and culture-change planning

To ensure the 2020–2025 Strategic Plan of the Council was adequately supported, the entity commenced with an Organisational Design Project as part of Programme 1. The key intent was to create an organisation design appropriate for a regulator, with the correct number of organisational layers and well-defined accountabilities and authorities.

The re-designing of the organisational structure (Organisational Design Project) was not achieved due to COVID-19 related issues, one of which was restricted budgets as part of the Council's sustainability planning. In addition, all activities to address a culture change within the organisation were also placed on hold until budgets were reviewed following a confirmation of financial stability of the organisation.

In early 2022 the Organisational Design (OD) project was finalised for Council consideration. Within the culture-change planning, it went through the implementation steps of diagnostics, organisational design which included design principle determination, identification of value drivers, mapping functional purpose alongside accountabilities, proposing role profiles and grading. Proposals will be implemented in the 2022/2023 financial year will be guided by the human resources (HR) implementation plan alongside organisational structure costing determinations.

Strategy to overcome areas of under performance

It is envisaged that the project of re-designing the structure of the SACPCMP will commence during the 2022/2023 financial year. All the necessary planning pertaining to the project has commenced although the appointment of the necessary service provider had yet to be finalised.

Stakeholder relations and communications

The SACPCMP embarked on a series of stakeholder engagement activities during the year under review, so as to reconnect with its

stakeholders following the trying times that resulted predominantly from the COVID-19 pandemic in 2020. While in-person events were still largely impacted by lockdown and social distancing restrictions, the Council took advantage of the use of online platforms as follows:

- *SACPCMP industry updates*

The Council continued to release regular 'industry updates' via its electronic media platforms. These provided information regarding the SACPCMP's CPD system improvements, registration news, gazetted fees, and more.

- *SACPCMP webinar and stakeholder engagement sessions*

The SACPCMP annual conferences are long-established congregations of our industries finest minds and leaders. Unfortunately, the Council was unable to host these due to COVID-19 health and safety restrictions which curtailed regular face-to-face events such as the annual conference, Student Chapter Roadshows and the quarterly VA Forum. However, as virtual communication platforms became the order of how the SACPCMP engaged with its stakeholders, the SACPCMP held its first virtual webinar in March 2022.

The event was a great success, and was later followed by a virtual VA Forum, Presidents' Forum and an HOD Forum, all of which were well-attended by the respective stakeholders. The Council also presented monthly online engagement sessions to both applicants and Registered Persons; these sessions presented registration application details, CPD processes and offered stakeholders the opportunity to pose their registration-related questions to Council representatives.

- *SACPCMP Shape Shifter*

The Council continued to communicate with its stakeholders via its magazine. The publication is produced on a quarterly basis. Editions included a focus on women working in the Construction Industry, and also featured articles that could be utilised to attain free CPD hours.



Strategy to overcome areas of under performance

The SACPCMP will continue to engage via online communication platforms to ensure that stakeholder engagement was not left by the wayside.

Budgets for the new financial year were again reviewed to ensure that Stakeholder Relations and Communications (SRC)-related projects going forward could proceed with the necessary funding. The OD project is expected to provide additional capacity for the division to support future stakeholder and communication activities that suffered in the previous financial year as a result of a deviation of the SRC Department focus.

2.1.2 Programme 2: Mandate Compliance (Business Processes)

The purpose of the Business Processes Programme is to firstly ensure that the SACPCMP is capable of fulfilling its regulatory and social mandates by ensuring that the organisation follows a clearly defined set of processes, defined accountabilities and clear performance standards.

Secondly, the programme aims to grow the intellectual capital of the SACPCMP through effective document and knowledge management systems. The SACPCMP will be able to play a leading role in the transformation of the Built Environment if its regulatory and social mandates are transparent and seen to advance social justice.

Programme 2 consists of the following sub-programmes and projects:

- BP 1.** Implement “one version of the truth” regarding the SACPCMP mandates.
- BP 2.** Formalise business processes for mandate compliance.
- BP 3.** Implement a formal document management system.
- BP 4.** Implement a knowledge management system.

In respect of the strategic objective for the formalisation of business processes for mandate compliance, the target was to have as an outcome: ‘documented, approved and implemented business processes for each mandate’. Programme 4 is closely related to BP 2 and outlines efforts supporting this sub-programme in more detail.

A critical component of achieving the objectives of Programme 2, towards business continuity, standardisation and compliance, was for each administrative function to:

- a) Have a policy that will shape organisational behaviour and entrench the values and principles that must govern the administration of the legislative mandate.
- b) Document business processes for the implementation of all 13 legislative mandates of the Council.

The proposed policies and business processes for the seven prioritised mandate areas for the operating period were:

- Registration
- Recognition of Prior Learning
- Continuing Professional Development
- Accreditation
- Competency Standards for Registration
- Recognition of Specified Categories
- Professional Guideline Fees



2.1.2.1 Outcomes, outputs, indicators, targets and achievements

PROGRAMME 2: MANDATE COMPLIANCE							
Outcome	Output	Output indicator	Planned annual target 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement for 2021/2022	Comment on deviations	Reasons for revisions to the output/output indicators/annual targets
SACPCMP Mandates Implement 'one version of the truth'.	Communicate SACPCMP mandates to all stakeholders. Deliver on our value proposition.	Visible and known statement document of confirmed 13 mandates.	One document outlining 13 endorsed by Council and management.	In progress – Unapproved design of mandate document completed.	Mandate document was not approved by the relevant stakeholders.	Target deferred to the 2022/2023 financial year.	Presentation and approval of finalised mandate document planned for the 2022/2023 financial year.
			Communication campaign to key stakeholders.	No achievement – Project to commence upon the finalisation of the stakeholder mapping exercise.	Intervention planning dependent on the completion of the stakeholder mapping project.	Project commenced but completion was affected by a lack of resources.	The project will be completed in the new financial period.
Mandate Business Process Formalise business processes for mandate compliance.	Ensure business continuity. Standardisation compliance.	Documented and approved business processes for each mandate.	Documented, approved and implemented business processes for each mandate.	In progress – Business processes have been documented to formalise business processes for mandate compliance.	Presentation and approval of business processes to take place in the next financial period.	Project commenced but completion is only pending in the next financial period.	The project will be completed in the new financial period.
			Functional specification for document management (approved by management). Implementation project plan complete.	No achievement – Project to commence upon the development of functional and technical specifications.	Functional and technical specifications for the document management system will be developed in the new financial period; development of the document management system is scheduled for the 2022/2023 financial year.	Development of the prerequisite, alternative ICT were implemented during this financial period, and were required prior to the development of a document management system.	Functional and technical specifications for the document management system will be developed in the new financial period.
Document Management Implement a formal document management system.	Secure, compliant and accessible document repository system for business continuity.	SACPCMP electronic document repository system.	NA: Interdependency with mandate business process/document management system.	No achievement – Project to commence upon the finalisation of business processes.	Dependent on mandate business process/document management system.	Development of the prerequisite, business processes and ICT environment necessities were implemented during this financial period, and were required prior to the development.	Functional and technical specifications for the document management system will be developed in the new financial period.
Knowledge Management Implement a knowledge management system.	Research and development. Organisational development.	SACPCMP Knowledge Hub.	NA: Interdependency with mandate business process/document management system.	No achievement – Project to commence upon the finalisation of business processes.	Dependent on mandate business process/document management system.	Development of the prerequisite, business processes and ICT environment necessities were implemented during this financial period, and were required prior to the development.	Functional and technical specifications for the document management system will be developed in the new financial period.

2.1.2.2 Comment on projects contributing to this programme

Professional registration

Management embarked on a process to improve the assessment process of registration and to establish a moderation system to quality assure these processes.

The Council further adopted procedures as malpractice guidelines amongst others to improve the quality of service and discourage unethical conduct in application stage.

The Council went on tender to procure proctoring and plagiarism software to protect the integrity of both the examinations and assessment processes. The review of the Registration Policy was completed and will be viewed by Council for approval in the first quarter of the 2022/2023 financial year. Upon approval it will be subjected to public consultation.

Breakdown of registration statistics for 2021/2022

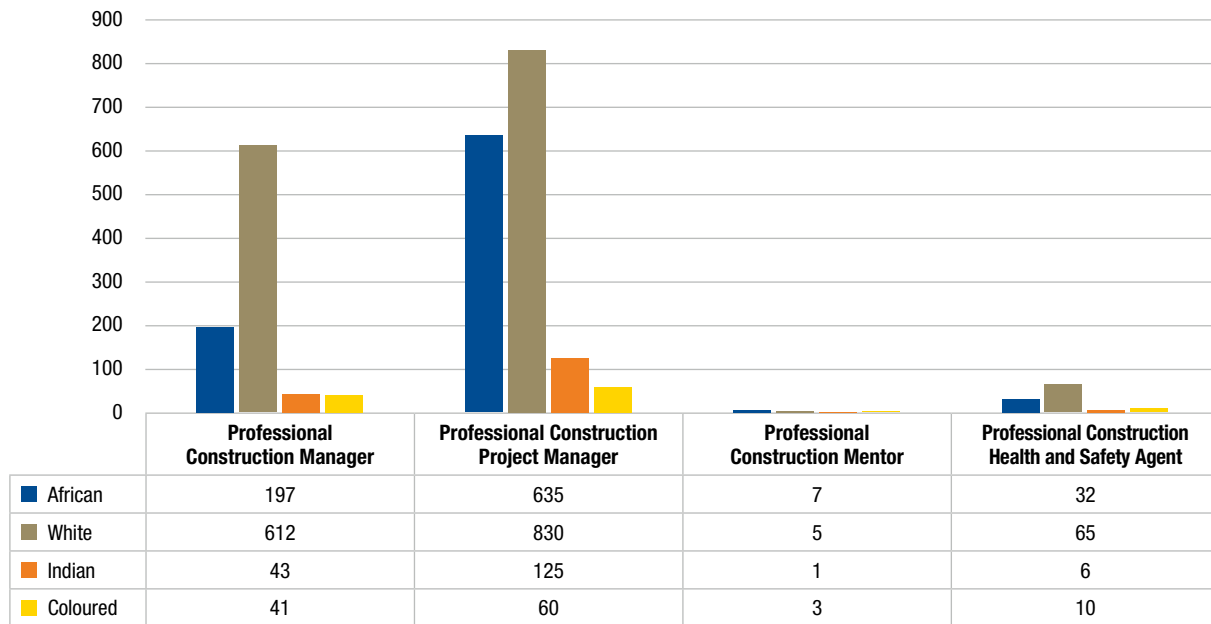
TOTAL NUMBER OF REGISTERED PROFESSIONALS BY RACE AND GENDER					
Gender	African	White	Indian	Coloured	Total
Male	737	1 468	165	105	2 475
Female	134	44	10	9	197
Total	871	1 512	175	114	2 672

TOTAL NUMBER OF CANDIDATES BY RACE AND GENDER					
Gender	African	White	Indian	Coloured	Total
Male	1 618	464	112	160	2 354
Female	1 139	104	33	64	1 340
Total	2 757	568	145	224	3 694

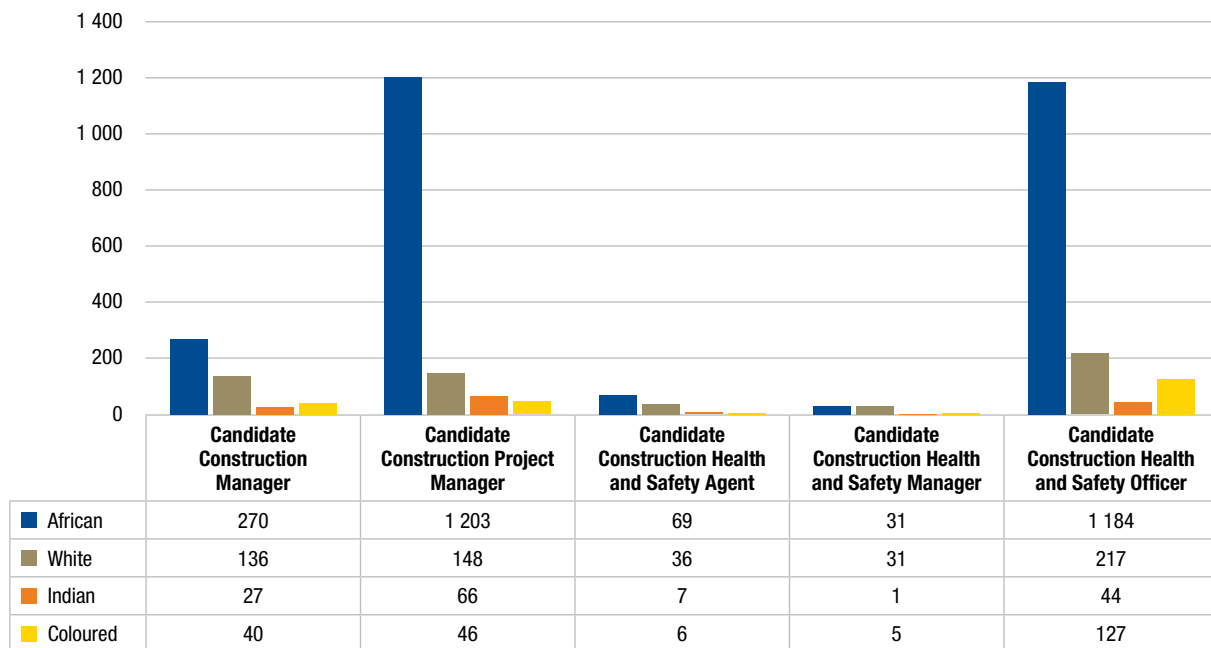
TOTAL NUMBER OF REGISTERED PERSONS BY CATEGORY						
Category	Gender	African	White	Indian	Coloured	Total
Professional Construction Manager	Male	182	609	42	40	873
	Female	15	3	1	1	20
	Total	197	612	43	41	893
Professional Construction Project Manager	Male	523	799	117	53	1 492
	Female	112	31	8	7	158
	Total	635	830	125	60	1 650
Professional Construction Mentor	Male	7	5	1	2	15
	Female	0	0	0	1	1
	Total	7	5	1	3	16
Professional Construction Health and Safety Agent	Male	25	55	5	10	95
	Female	7	10	1	0	18
	Total	32	65	6	10	113
Construction Health and Safety Manager	Male	191	410	40	54	695
	Female	100	78	3	10	191
	Total	291	488	43	64	886
Construction Health and Safety Officer	Male	1 467	775	96	305	2 643
	Female	733	215	37	71	1 056
	Total	2 240	990	133	376	3 699
Construction Mentor	Male	4	2	0	2	8
	Female	1	0	0	0	1
	Total	5	2	0	2	9

TOTAL NUMBER OF CANDIDATES BY CATEGORY						
Category	Gender	African	White	Indian	Coloured	Total
Candidate Construction Manager	Male	200	133	25	32	390
	Female	70	3	2	8	83
	Total	270	136	27	40	473
Candidate Construction Project Manager	Male	711	132	53	38	934
	Female	492	16	13	8	529
	Total	1 203	148	66	46	1 463
Candidate Construction Health and Safety Agent	Male	51	26	6	2	85
	Female	18	10	1	4	33
	Total	69	36	7	6	118
Candidate Construction Health and Safety Manager	Male	21	27	1	0	49
	Female	10	4	0	5	19
	Total	31	31	1	5	68
Candidate Construction Health and Safety Officer	Male	635	146	27	88	896
	Female	549	71	17	39	676
	Total	1 184	217	44	127	1 572

Professional registration by category and race



Candidate registration by category and race



REGISTRATION STATISTICS OVER THE PAST SEVEN YEARS

Professional category	2016	2017	2018	2019	2020	2021	2022
Professional Construction Manager	835	872	894	888	704	973	893
Professional Construction Project Manager	1 694	1 693	1 709	1 689	1 253	1 755	1 650
Professional Construction Mentor	22	26	27	28	10	17	16
Professional Construction Health and Safety Agent	54	77	93	100	105	112	113
Specified category/non-professionals							
Construction Mentor	2	6	5	8	6	10	9
Construction Health and Safety Officer	1 001	1 636	2 744	3 367	2 712	3 775	3 699
Construction Health and Safety Manager	328	508	778	921	697	944	886
Candidate category							
Candidate Construction Manager	394	447	533	417	330	585	473
Candidate Construction Project Manager	1 608	1 646	1 815	1 945	934	1 822	1 463
Candidate Construction Health and Safety Agent	53	112	143	139	106	125	118
Candidate Construction Health and Safety Manager	25	44	69	107	67	78	68
Candidate Construction Health and Safety Officer	387	718	1 560	2 054	1 178	2 011	1 572
Grand total	6 403	7 785	10 370	11 663	11 424	12 207	10 960

Transformation in registration

Transformation efforts remained strained. Young people (aged between 20–39) registered as professionals constituted only 17%, and middle-aged professionals (aged between 40–59) constituted 62%. Senior-aged persons (60 plus) constituted 21.3% of the total registered professionals. The youth continue to face serious challenges of migrating to professional status and this could be attributed to the lack of training or opportunities in the industry. It also takes a long time for the candidate to migrate to professional registration.

Young black Africans (aged between 20–39) constituted most young professionals registered, with 9%, compared with Whites who constituted 6% of young professionals. This gives hope but more needs to be done to include young people in the economy and professions.

Whites constituted the majority of all registered professionals at 56%, while Blacks, Indians and Coloureds constituted 44% of all registered professionals – this was not even half of the total number of registered professionals.

Structured candidate programme

The Council collaborated with the Construction Education and Training Authority (CETA) in a candidacy programme which offered mentorship to registered candidates who are employees of the DPWL. The programme paid the mentors as well as the registration fees of the candidates. This is the third year of the programme, where 58 candidates are enrolled. The duration of the programme is three years and candidates will be equipped to migrate to professional status after the end of the funded candidacy period.

To further support candidates the Council launched a mentor database which will assist candidates to access professionals to mentor them and will ensure that professionals who are part of the database are capacitated with basic mentorship skills.

Transformation targets

Transformation targets identified below were compiled by the then SACPCMP Transformation Committee in 2019. These targets will be reviewed in the 2022/2023 financial year.

Race	National ratios	Gender	Professional Construction Health and Safety Agent	Construction Health and Safety Manager	Construction Health and Safety Officer	Candidate Construction Health and Safety Agent	Candidate Construction Health and Safety Manager	Candidate Construction Health and Safety Officer	Totals							
Black	81%	F	7	28.3%	100	32.8%	733	59.5%	18	58.5%	10	45.6%	549	75.3%	1 029	54.8%
		M	25		191		1467		51		21		635		1 917	
Coloured	9%	F	0	8.8%	10	7.2%	71	10.2%	2	5.1%	5	7.4%	39	8.1%	1 14	10.2%
		M	10		54		305		4		0		88		432	
Indian	2%	F	1	5.3%	3	4.9%	37	3.6%	1	5.9%	0	1.5%	17	2.8%	42	3.9%
		M	5		40		96		6		1		27		166	
HDIs	92%		48	42.5%	398	44.9%	2 709	73.2%	82	69.5%	37	54.4%	1 355	86.2%	4 629	68.9%
White	8%	F	10	57.5%	78	55.1%	215	26.8%	10	30.5%	4	45.6%	71	13.8%	363	31.1%
		M	55		410		775		26		27		146		1 309	
White	8%		65	57.5%	488	55.1%	990	26.8%	36	30.5%	31	45.6%	217	13.8%	1 672	31.1%
Total	100%		113	100.0%	886	44.9%	3 699	73.2%	118	69.5%	68	54.4%	1 572	86.2%	5 372	68.9%
Percentage increase required to match the HDI percentage to the national percentage, over 20 years				2.5%		2.4%		0.9%		1.1%		1.9%		0.3%		1.2%

Race	National ratios	Gender	Professional Construction Project Manager	Professional Construction Manager	Professional Construction Mentor	Construction Mentor	Candidate Construction Project Manager	Candidate Construction Manager	Totals							
Black	81%	F	112	38.5%	15	22.1%	0	43.8%	1	55.6%	492	82.2%	70	57.1%	690	51.4%
		M	523		182		7			4		711		200		1 627
Coloured	9%	F	7	3.6%	1	4.6%	1	18.8%	0	22.2%	8	3.1%	8	8.5%	25	4.3%
		M	53		40		2			2		38		32		167
Indian	2%	F	8	7.6%	1	4.8%	0	6.3%	0	0.0%	13	4.5%	2	5.7%	24	5.8%
		M	117		42		1			0		53		25		238
HDIs	92%		820	49.7%	281	31.5%	11	68.8%	7	77.8%	1 315	89.9%	337	71.2%	2 771	61.5%
White	8%	F	31	50.3%	3	68.5%	0	31.3%	0	22.2%	16	10.1%	3	28.8%	53	38.5%
		M	799		609		5		2		132		133		1 680	
White	8%		830	50.3%	612	68.5%	5	31.3%	2	22.2%	148	10.1%	136	28.8%	1 733	38.5%
Total	100%		1 650	100.0%	893	100.0%	16	100.0%	9	100.0%	1 463	100.0%	473	100.0%	4 504	100.0%
Percentage increase required to match the HDI percentage to the national percentage, over 20 years				2.1%		3.0%		1.2%		0.7%		0.1%		1.0%		1.5%

Recognition of Prior Learning (RPL)

Recognition of Prior learning is currently implemented as an alternative registration route for those who do not have the recognised formal qualifications for registration. Currently, this only applies to the categories of Construction Project Manager and Construction Manager. It is based on the applicants' proven demonstration of competency which is accumulated from their experience, of no less than ten years, and knowledge.

RPL statistics for 2021/2022	Total
Number of professionals registered through RPL	One
Number of people who paid to pursue registration through RPL	27
Number of RPL applications in process	Six
Number of RPL applications that were rejected	One
Number of RPL applicants who passed the professional interview	Two
Number of RPL applicants scheduled for the professional interview	0

Continuing Professional Development

The aim of Continuing Professional Development (CPD) is safeguarding the public, employers, Registered Persons and their professional careers. It is for this reason that it is mandated by professional organisations as a personal responsibility of professionals to keep their knowledge and skills current so that they always deliver high quality service, thereby also ensuring public safety.

Through CPD, the knowledge base is kept current and improved in a systematic and continuous manner in response to changing trends, regulations and direction of the profession. During the financial year under review the Council strived to create awareness amongst Registered Persons of developing a deeper understanding of what it means to be a professional and having a greater appreciation of the implications and impact of their work. This will, in turn, increase public confidence in the profession.

CPD Compliance Cycles

In order to obtain CPD hours, Registered Persons must be engaged in the activities of the categories outlined under each knowledge/skills domain in the Council's CPD Policy. These hours must accumulate up to a total maximum of 50 CPD hours within a five-year cycle and should reflect a combination of the relevant CPD categories for a Registered Person to maintain his/her professional status. CPD compliance is linked to keeping a Registered Person's knowledge and skills up to date. It is also a requirement to remain registered. For the cycles ending in quarter four, as highlighted in the table below, compliance levels for Project and Construction Management categories were 73% and 9% for Construction Health and Safety categories.

Category	Cycle	Total number of Registered Persons	Registered Persons who submitted CPD	Registered Persons who have never submitted CPD	Compliant Registered Persons	Non-compliant Registered Persons	Compliance %
Project and Construction Management	1 April 2015–31 March 2020	145	29	116	8	137	5.52
	1 April 2016–31 March 2021	131	19	112	6	125	4.58
	1 April 2017–31 March 2022	1 119	920	199	827	292	73.91
	1 April 2018–31 March 2023	292	31	261	4	288	1.37
	1 April 2019–31 March 2024	268	37	231	5	263	1.87
	1 April 2020–31 March 2025	240	34	206	11	229	4.58
	1 April 2021–31 March 2026	202	17	185	4	198	1.98
	1 April 2022–31 March 2027	158	113	45	108	50	68.35
	1 April 2023–31 March 2028	10	3	7	2	8	20
Construction Health and Safety	1 April 2015–31 March 2020	151	39	112	8	143	5.30
	1 April 2016–31 March 2021	287	45	242	19	268	6.62
	1 April 2017–31 March 2022	815	194	621	75	740	9.20
	1 April 2018–31 March 2023	815	141	674	32	783	3.93
	1 April 2019–31 March 2024	1 458	212	1 246	50	1 408	3.43
	1 April 2020–31 March 2025	1 023	66	957	18	1 005	1.76
	1 April 2021–31 March 2026	272	32	240	13	259	4.78
	1 April 2022–31 March 2027	56	40	16	18	38	32.14
	1 April 2023–31 March 2028	7	7	0	2	5	28.57

This shows little improvement from the previous year's compliance levels. It is important to note however that compliance levels are still higher for the Project and Construction Management (PCM) professions than for the Construction Health and Safety (CHS) professions.

Recommended Guidelines for Professional Fees

In terms of Section 34(2) of the Project and Construction Management Professions Act, the Council must annually review and determine guideline professional fees and publish these fees in the Government Gazette. The Council approved the adoption of the Council for the Built Environment Policy Framework on Guideline Tariff of Fees in September 2020 in the interim until the SACPCMP develops its own policy on Guideline Tariff of Fees in 2022/2023. The use of the CBE Framework as a guiding document commenced immediately after its approval, and has guided work towards (a) rebasing the gazetted 2019 Guideline Tariff of Fees; and (b) an ongoing process of revising and redeveloping a methodology for Tariff of Fee determination.

In the last financial year, a service provider was engaged to conduct a market analysis for the determination of the 2022 Guideline Tariff of Fees, which was completed in March 2022. The service provider will also undertake a consultative process for the developing sound economic and scientific methodology for the determination of fee structures going forward. This work is expected to be completed in the early part of the 2023/2024 financial year.

Identification of Work (IDoW)

Currently the SACPCMP has adopted the Council for the Built Environment Policy Framework on the Identification of Work (IDoW) for all professions regulated by the SACPCMP. Towards ensuring the efficacy of IDoW in the PCM professions, engagements have

been undertaken between the Council for the Built Environment, CBEs, the Department of Public Works and Infrastructure and The Competition Commission South Africa (CCSA) on what are the fundamental requirements in the development of their scope of work under IDoW by Councils.

The Council for the Built Environment Policy Framework on IDoW requires that research be conducted on the skills, competencies and knowledge areas required for professionals to perform the scope of work under IDoW. It also requires that consultation with government, Built Environment stakeholders and the public in general, be undertaken as a component of the Council's stakeholder map in order to determine the extent to which IDoW will affect the legislation with regard to skills, competencies and knowledge areas required by professionals to perform the scope of work. This process will commence in consultation with the CBE during the 2022/2023 financial year. The exercise will also include testing the market efficiency and gaps in consumer information to meet the requirements of the CCSA.

International Agreements

In December 2021, the Council approved the interim adoption of the CBE's Policy Framework on International Agreements. In terms of Project and Construction Management Professions governance, work of the SACPCMP should be adequately benchmarked against international best practice. In doing so, the Council is encouraged to enter into mutual international agreements with other countries and organisations or governments to assist in developing, improving and regulating the governance of Project Construction Management Professions in South Africa through cooperation and collaboration.

The intent of such international agreements would be for the SACPCMP to promote the recognition of the registered professions' status outside South Africa. To this end, the SACPCMP continues to explore and revise its intended memorandum of agreement (MoA) with the Chartered Institute of Building (CIOB), in the United Kingdom which has since been revised to expand the areas of collaboration in light of the state of the industry and the urgency of growing a built environment skills pipeline. The MoA will be finalised in 2022/2023.

A second agreement entered into with the Australian Institute of Building (AIB), was concluded at the end of 2019, and ran its course in the period of the global COVID-19 pandemic. This meant none of its objectives were implemented or achieved, as it expired in September 2021. Both institutions are revisiting their cause to reset and renew the agreement which suffered the ills of the global pandemic.

Recognition of Voluntary Associations (VAs)

Notwithstanding the challenges of COVID-19, in the year under review, the Council continued to engage in its legislative mandatory consultations with VAs on key aspects of the Council, namely the development of Professional Guideline Fees. The VA Forum as a platform of technical engagements, and the Presidents' Forum, as a platform of strategic engagements, were also resuscitated in 2021/2022, with new Terms of Reference (TOR) to guide how engagements are conducted and outcomes yielded in line with the Act.

A VA Forum was hosted in March 2022. As business processes for each mandate area were underway, simultaneously, a Standard for the Recognition of Voluntary Associations, was developed, awaiting finalisation of other governance processes before it is subjected to consultation, adoption and approval. The year 2021/2022 closed with 14 Voluntary Associations being recognised by SACPCMP. Two Voluntary Association had applied for derecognition due to financial constraints, and name changes.

Recognition of New Professions

In the year under review, no new professions were introduced at the Council. Instead, the Council took a decision to adopt the CBE Policy Framework on the Recognition of New Professions, to guide and apply the test to Recognise New Professions. Similarly, in the same period a new policy to this effect for the SACPCMP was developed for completion in the first quarter of 2022/2023.

An Appeals and Tribunal Policy is essential to provide for a decision-making governance framework to ensure that integrity and fairness are adhered to when considering issues. As such, draft appeals and tribunal policies were formulated and provided to the CBE to advise on whether these align with their framework. These are, in part, guided by Section 40(2) of the Project and Construction Management Act that allows the Council to delegate powers to its committees, but does not permit the power to hear an appeal to be delegated.

Programme Accreditation

According to the Project and Construction Management Professions Act No. 48 of 2000, the SACPCMP is mandated to assess the quality and relevance of qualifications offered by institutions of higher learning through accrediting programmes that they offer in line with the stipulation of Section 18 of the Act. Accreditation is a mechanism by which mandated professional bodies assure the quality of the upstream supply of professionals; in this case, through the relevant educational programmes.

The SACPCMP is also mandated to conduct accreditation audits of all institutions of higher learning that offer these programmes. Therefore, the Council undertakes its own quality assurance primarily through monitoring and evaluation of programmes that it accredits. This is done through accreditation visits, the submission and assessment of annual reports and engagements with departmental leaders through the HOD Forum. These efforts serve to confirm that students do indeed have the requisite competencies for eventual registration and practice.

Review of the Programme Accreditation Policy

The review of the Programme Accreditation Policy was concluded and underwent the necessary consultation process internally during the fourth quarter; the policy will be finalised during the new financial year.

Accreditation Transition Plan

Institutions of Higher Learning (IHLs) have undergone several changes during the second accreditation cycle which is coming to an end in several months. These changes include the development of new educational programmes and the phasing out of other educational programmes. With the inception of the HEQSF, many institutions were required to create new qualifications which are HEQSF aligned. This meant the phasing out of qualifications which were previously accredited by the Council. The third accreditation cycle will commence on 1 April 2022. The Council required a procedure to ensure the smooth transition from the second to the third accreditation cycle which takes the current changes taking place into account.

A plan has been developed in preparations for the re-accreditation of existing programmes and accreditation of new programmes. The Accreditation Transition Plan was approved by the Council in December 2021. Implementation of this plan began soon after Council approval. Institutions are preparing for accreditation visits in the second and third quarters of the 2022/2023 financial year.

The implementation of the above plan is underway, with IHLs having submitted their self evaluation reports in preparation for accreditation visits.

Endorsement of New Educational Programmes

The Council has enhanced its endorsement; the Process of Endorsement of New Educational Programmes is a high-level appraisal of a programme which gives the Council on Higher Education the reassurance that the programme is relevant to the sector as a professional qualification before it is accredited by it and thereafter commencing with its comprehensive evaluation of the programme. The enhanced process will assist the Council to evaluate the potential that a new programme has to be successfully accredited by the Council and thus be endorsed. In the past Council has not had a sufficient process to adequately pre-assess a programme for high-level requirements connected to the accreditation criteria, in order to ensure that the programme is aligned to the Council's requirements and professions before it is considered for accreditation.

Heads of Department Forum

An HOD Forum meeting was held on 17 March 2022 via Microsoft Teams. The HOD's were apprised on recent developments in the Council concerning policy and strategy development. They were also apprised on the accreditation visits for the third accreditation cycle. The HOD's requested that the Council conduct the visits using a hybrid approach, due to the capacity and financial strains the institutions of higher learning had experienced and from which they were still recovering following the COVID-19 pandemic.



SACPCMP-accredited tertiary institutions

Institution	Accredited programmes	Accreditation status as at 31 March 2022
University of the Witwatersrand (WITS)	<ul style="list-style-type: none"> Bachelor of Science: Construction Studies Bachelor of Science: (Hons) Construction Management 	To maintain the full five (5) years of accreditation. (Provisionally approved)
	<ul style="list-style-type: none"> Master of Science: Building in Construction Project Management 	To maintain the full five (5) years of accreditation.
University of Johannesburg (UJ)	<ul style="list-style-type: none"> National Diploma: Building Bachelor of Technology: Construction Management 	To maintain the full five (5) years of accreditation.
University of Pretoria (UP)	<ul style="list-style-type: none"> Bachelor of Science: Construction Management Bachelor of Science: (Hons) Construction Management 	To maintain the full five (5) years of accreditation.
	<ul style="list-style-type: none"> Master of Science in Project Management 	To maintain the full five (5) years of accreditation.
Tshwane University of Technology (TUT)	<ul style="list-style-type: none"> National Diploma: Building Bachelor of Technology: Construction Management 	To maintain the full five (5) years of accreditation.
University of the Free State (UFS)	<ul style="list-style-type: none"> Bachelor of Science: Construction Management Bachelor of Science: (Hons) Construction Management Masters of Land and Property Management (MLPM) 	To maintain the full five (5) years of accreditation.
Nelson Mandela University (NMU)	Building and Human Settlement Development <ul style="list-style-type: none"> National Diploma: Building Bachelor of Technology: Construction Management 	To maintain the full five (5) years of accreditation.
	Construction Management <ul style="list-style-type: none"> Baccalaureus Scientiae in Construction Studies – BSc (Construction Studies) Baccalaureus Scientiae in Construction Management – BSc (Hons) (Construction Management) Magister Scientiae in Built Environment, Construction Management Specialisation Magister Scientiae in Built Environment, Construction Health and Safety Management Specialisation Magister Scientiae in Built Environment, Project Management Specialisation 	To maintain the full five (5) years of accreditation.
University of Cape Town (UCT)	<ul style="list-style-type: none"> Bachelor of Science: Construction Studies Bachelor of Science: (Hons) Construction Management 	To maintain the full five (5) years of accreditation.
Cape Peninsula University of Technology (CPUT)	<ul style="list-style-type: none"> National Diploma: Building Bachelor of Technology: Construction Management 	To maintain the full five (5) years of accreditation.
Durban University of Technology (DUT)	<ul style="list-style-type: none"> National Diploma: Building Bachelor of Technology: Construction Management 	To maintain the full five (5) years of accreditation.
Central University of Technology (CUT)	<ul style="list-style-type: none"> National Diploma Bachelor of Technology: Construction Management 	To maintain the full five (5) years of accreditation.
Walter Sisulu University of Technology (WSU)	<ul style="list-style-type: none"> National Diploma Building 	One (1) year conditional accreditation.

Code of Conduct for the professions

No complaints in terms of the Code of Conduct were received for the period under review.

Standard generating

There has been no performance in this area as the Competency Standards Development project was prioritised for the 2021/2022 financial year.

Appeals and tribunals

There were no judgements on tribunals; eight were completed in the 2021/2022 financial year.

DISCIPLINARY AND COMPLAINTS/APEALS ACTION (TRIBUNALS)			
Number of Complaints/Appeals received and their nature	Completed	What is the average time from date of lodgement to date of finalisation?	In progress
0	Eight	60 days	0
Number of Complaints/Appeals withdrawn	0		
Complaints/Appeals finalised within the stipulated period	0		
Eight appeals received, three applied for PrCHSA (two were not approved based on experience, one was rejected based on experience and qualification). Four applied for PrCPM and two were not approved from interview assessment and the other two from the application assessments. One applied for PrCM and was not recommended from application assessment based on experience.	Four	Two (One PrCHSA and One PrCM) could not be finalised. The appeal committee of the Council required additional information for CHSA appeal and the PrCM appellant requested his appeal hearing to be postponed. Both appeals will be completed in the next financial year.	
Appeals finalised within stipulated period	Four		
Number of Appeals withdrawn	Two		
Disciplinary and Appeals procedure	This is in accordance with the Appeals Policy as enshrined in the Registration Policy and Procedures		
Composition of the committee	It is comprised of Council Members (the appeals cannot be delegated to any committee)		

Competency standards for registration

The Council completed phase one of its Competency Standards Development Project. This saw the development of competency standards frameworks for all its registration categories which have been approved by the Council. The next phase, which will commence in the next financial year, is broad consultation and benchmarking of the competency standards before they are implemented by the Council.

Information and communication technology

The SACPCMP saw a stabilisation, and overall management improvement, of its ICT environment. The year's activities focused predominantly on the relocation of ICT infrastructure to the entity's new premises, the improvement of the ICT environment based on various audit outcomes and mitigation strategies against specific ICT risks.

The Council reviewed its ICT systems through two key audits and one follow-up audit; these were an ICT control review; a system vulnerability assessment and a follow up on the registration system audit that was done in 2020. While the audits noted improvement in the environment, additional focus was required on disaster recovery planning, back-ups, and ICT-related policies and procedures, which are expected to be remedied in the new financial period.

The 2021/2022 financial year also saw the Council achieve full use of its registration platform, which culminated with the activation of the system's new CPD section, which allowed for the digital uploading of CPD hours. The entity embarked on the development

of a digital platform to also facilitate online examinations and interviews, which is expected to launch towards the end of 2022.

The Council was exposed to a phishing attempt in the period under review, which resulted in the tightening of security measures, as well as the introduction of additional interventions and cyber security training for staff, to mitigate risk.

The monitoring of Council's online platforms coupled with an increase of malware attacks on the SACPCMP website, resulted in a full reconfiguration of the website. The reconfiguration was a success and not only improved security of the SACPCMP website but also improved the site/user-functionality.

The PABX/Communication system was also reconfigured to accommodate employees returning to the office following the lengthy lockdown periods. System challenges were exacerbated due to loadshedding, which affected system settings following longer periods of downtime.

2.1.2.3 Strategy to overcome areas of under performance

Registration

All applicants with positive outcomes other than those who applied for the candidate category are required to write the examinations or to attend professional interviews. The Council is in the process of developing a secure online interview and examination platform. The Council is also investigating feasible proctoring software which will secure the integrity of examinations, prevent online cheating and leaking of examination questions/papers.

The development of this software is scheduled to be completed in the 2022/2023 financial year. The development of online Council examinations and interviews will also mean that applicants can be tested from almost anywhere, this will be hugely beneficial to applicants.

Programme accreditation

The Council has in the past, focused on the accreditation of programmes offered by public traditional universities and universities of technology. However, educational programmes relevant to the SACPCMP which are offered at private institutions and Technical Vocational Education and Training (TVET) colleges will be targeted. This is to ensure that pathways to access transformation are created.

The Council is currently mapping its accreditation mandate to ensure that there are comprehensive processes in place, and the inclusion of all sectors in its accreditation programme. These will be reviewed and implemented in the second quarter of the 2023 financial year. The Accreditation Policy has also been reviewed to ensure that these issues will be adequately addressed in the future.

Continuing Professional Development (CPD)

The compliance levels remain low for the following reasons:

- a) There are CPD records that still need to be captured on the My Membership system. These are mostly for Construction Health and Safety Registered Persons. This is being done manually and there are thousands of records to be transferred, thus it is a long process.
- b) The CHS professions have recently been professionalised, whereas the PCM professions are well established. This means that in many cases there are more education and training activities which have been validated for PCM than for CHS, meaning that there are fewer opportunities for CHS Registered Persons to do CPD that will be recognised by the Council.
- c) The CHS professions are made up of lower living standards measurement groups who struggle to pay for CPD activities and training.
- d) There has been a more stringent application of the CPD policy. There has been a focus on ensuring that evidence provided by Registered Persons is acceptable according to the criteria outlined in the policy. In terms of further education and training, only activities validated by the Council are accepted for CPD under Category A as stipulated in the policy. This has resulted in many CPD records, which have been uploaded by Registered Persons on the system, being rejected or requiring remediation.

To address these issues the following has been undertaken:

- CPD workshops were undertaken for Registered Persons to improve understanding of CPD and CPD compliance;
- Development of quarterly communication material about CPD for Registered Persons, to improve understanding of CPD; and CPD compliance and increase awareness of CPD opportunities
- Creation of SACPCMP activities (i.e.: SACPCMP Webinar Series) to allow Registered Persons to gain CPD hours.

Recognition of Prior Learning (RPL)

The same challenges that generally impede applicants from registering through the RPL route persist. Some of these are:

- Inadequate support from employers;
- Lack of clarity on the knowledge areas to be covered;
- Lack of clarity on required registration competencies;
- Incomplete reporting and supporting documentation on experience as required through the toolkit; and
- Incorrect perception that the compilation of the required portfolio of evidence is cumbersome and demanding.

Target workshops will be held with RPL candidates to assist them with the compilation of the RPL portfolio of evidence and to assist them to prepare for their oral assessment. The RPL Policy has been unbundled from the Registration Policy and will be treated as a separate process. The Policy was developed during the period under review and will be put forward for committee review in the 2022/2023 financial year. A new RPL Policy will also ensure that applicants are better supported throughout the RPL process, and that the assessment take the particular needs of RPL candidates into consideration in the design and implementation.

Information communication technology

The development of requirements and TOR for the Council's Document Management System will be developed in the new financial year. This will be followed by project planning and execution. In addition, the appropriate manpower will be allocated to the ICT division as well as the document management system project.

Transformation

Following the implementation and gazetting of new policies that will support transformation efforts, a review of the Transformation Strategy will need to be undertaken. Strategic partnerships will need to be established or developed. Transformation needs to feature in every aspect of the Council as well as its VAs. Marketing and communication of all strategic planning will support projects and ensure better collaboration from stakeholders.

Work has been undertaken in the VA space which will look to contribute to the drafting of a new Transformation Strategy in the next financial period. The SACPCMP has undertaken to engage more closely with its VAs in promoting the transformation agenda in the built environment professions, recognising that, as vehicles of transformation, VAs would be best placed to select time-bound commitments to influencing the current demographic profile of the professions insofar as race and gender are concerned.

Secondly, the tenet of professions work plays a key role in inclusivity as a public policy priority that recognised VAs could promote in ensuring Registered Persons uphold environmental and economic sustainability principles as part of maintaining their registration status. The tools of CPD, Accreditation and Competency Standards Framework would drive this transformation approach.

2.1.3 Programme 3: Sustainability (Viable Funding Model)

The purpose of the Sustainability Programme is to ensure long-term delivery of the SACPCMP value proposition by optimising the SACPCMP business model in order to reduce operating costs, improve productivity and diversify revenue streams.

This programme comprises the following sub-programmes and projects:

- S1.** Diversify revenue streams.
- S2.** Implement a pricing protocol that is cost reflective.
- S3.** Optimise use of external service providers.

2.1.3.1 Outcomes, Outputs, Indicators, Targets and Achievements

PROGRAMME 3: SUSTAINABILITY							
Outcome	Output	Output indicator	Planned annual target 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement for 2021/2022	Comment on deviations	Reasons for revisions to the output/output indicators/annual targets
Revenue Diversify revenue streams.	Focus on revenue generating mandates, education, CPD and international programmes.	Documented SOPs – link cost and revenue per process where applicable.	Designed revenue strategy.	No achievement – The achievement of the target depended on the completion of Programme 2 (documented business processes).	Diversify revenue streams is dependent on the completion of the business process project (BP2).	MC2 will be completed in the first quarter of 2022/2023.	The target will be rolled over to the next financial year.
Pricing Protocol Implement a pricing protocol that is cost effective.	Increased profits. Self-funding projects. Reduce over-reliance on annual fees to cover Council overheads.	Cost report per revenue stream.	Diagnostic report produced. Draft implementation plan produced and signed off by management.	No achievement – The achievement of the target depended on the completion of Programme 2 (documented business processes).	Implement a pricing protocol that is cost effective is dependent on the completion of BP2 and organisational project (O2).	MC2 will be completed in the first quarter of 2022/2023.	The target will be rolled over to the next financial year.
External Service Providers Optimise the use of external service providers.	Review registration process life cycle. Mapped internal competencies. New nuggets to give intelligence of pipeline projects.	Outsourcing policy and procedures document.	Report aligning new business processes and organisation design.	No achievement – The achievement of the target depended on the completion of Programme 2 (documented business processes).	Optimise the use of external service providers. Cost effective is dependent on the completion of BP2 and O2.	MC2 will be completed in the first quarter of 2022/2023.	The target will be rolled over to the next financial year.

2.1.3.2 Comment on projects contributing to this programme

Diversification of revenue streams

The Council will look to provide financial stability and reduce over reliance on revenue from registration by ensuring that SOPs are documented and links cost and revenue per process where applicable. Furthermore, the Council aims to diversify revenue streams and focus on all seven revenue-generating streams: registration, CPD, international registration, appeals, programme accreditation, RPL and the registration of new professions.

Pricing protocol

The Council will look to implement a pricing protocol that is cost effective, to ensure that prices charged per services offered are reflective of the costs and that services/projects are self-funded.

This will ensure that:

- Profits are increased;
- Projects are self-funding;
- There is a reduction on the reliance on annual fees to cover Council overheads.

External service providers

The Council will look to optimise the use of external service providers and map out internal competencies and ensure:

- Efficiencies are realised;
- Areas for outsourcing are identified;
- The creation of a development plan to align with critical resources;
- The development of a communication plan to highlight the SACPCMP's relevance.

2.1.4 Programme 4: Institutional Governance (Capability of Administration)

The purpose of the Institutional Governance Programme is to ensure that the SACPCMP has formal business decision-making frameworks in order to ensure the effective governance and operational efficiency. It consists of the following sub-programmes and projects:

- G1.** Formalise core business processes:
 - G1 a.** Planning
 - G1 b.** Performance management
 - G1 c.** Project management
 - G1 d.** Risk management
- G2.** Review of the delegations of authority (DOA).

2.1.4.1 Outcomes, Outputs, Indicators, Targets and Achievements

PROGRAMME/SUB-PROGRAMME							
Outcome	Output	Output indicator	Planned annual target 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement for 2021/2022	Comment on deviations	Reasons for revisions to the output/output indicators/annual targets
Formalise core business processes Planning performance, projects, risk.	Documented policies and procedures approved by Council.	Adherence to core business process framework.	Revised policy and procedure documents. Approved implementation plan.	In progress – Core Business Processes under development: four business process and Governance Plan under development. Implementation Plan under development.	No documented and approved mandates existed for process modelling.	Operations were disrupted during the COVID-19 lockdown restrictions.	Due to the outbreak of COVID-19, most of the planned targets were not achieved.
	Approved delegations of authority. Streamlined and automated decision process. Compliance to DOA cost reduction.	Revised Council governance process document.	Report on review of current Council governance processes. Approved governance framework. Implementation project plan.	No achievement – current Delegation of Authority in use.	Council still utilising current Delegation of Authority.	Operations were disrupted during the COVID-19 lockdown restrictions.	Due to the outbreak of COVID-19, most of the planned targets were not achieved.

2.1.4.2 Comment on projects contributing to this programme

Work on the documentation of business processes duly commenced for core business processes at the end of the 2021/2022 operating period, whilst the delegation of authority (DOA) review was scheduled

to commence in 2022/2023. The Council intends to implement the institutional governance framework by 2024/2025, which will empower management and employees to take effective and timeous decisions. The stated projects will achieve a well-defined core business process and delegation of authority.

2.2 Linking Performance with Budget

2.2.1 Programme 1: Administration

	2020/2021			2021/2022		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1: Administration						
Compensation of employees	3 428	3 229	199	2 560	1 943	617
Goods and services including Capex	0	0	0	0	0	0
Culture	50	0	50	150	0	150
Organisational design	100	0	100	215	273	(58)
Employee engagement	50	0	50	0	0	0
Other goods and services	3 182	2 504	678	7 229	3 051	4 178
Total	6 810	5 733	1 077	10 154	5 067	5 087

2.2.2 Programme 2: Mandate Compliance

	2020/2021			2021/2022		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 2: Mandate Compliance						
Compensation of employees	4 672	4 731	(59)	4 520	4 463	57
Goods and services including Capex	0	0	0	0	0	0
Implement one version of the truth	50	0	50	0	0	0
Formalise business processes for mandate compliance	100	650	(550)	150	0	0
Implement a formal document management system	50	0	50	0	0	0
Implement a knowledge management system	0	0	0	0	0	0
Other goods and services	3 736	3 203	533	6 141	5 479	662
Total	8 608	8 584	24	10 811	9 942	869

2.2.3 Programme 3: Sustainability

	2020/2021			2021/2022		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 3: Sustainability						
Compensation of employees	3 123	3 105	(18)	3 534	2 043	1 491
Goods and services including Capex	0	0	0	0	0	0
Diversify revenue streams	50	0	50	100	0	0
Pricing protocol implementation	50	0	50	100	0	0
External service provider optimisation	50	0	50	50	0	0
Other goods and services	9 489	14 985	(5 496)	10 687	9 104	1 583
Total	12 762	18 090	(5 328)	14 471	11 147	3 324

2.2.4 Programme 4: Institutional Governance

	2020/2021			2021/2022		
Programme 4: Institutional Governance	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	0	0	0	6 472	6 613	(141)
Goods and services including Capex	0	0	0	0	0	0
Formalise core business processes	0	0	0	136	136	0
Review decision levels	0	0	0	100	100	0
Other goods and services	0	0	0	911	879	32
Total	0	0	0	7 619	7 728	109

2.3 Revenue Collection

	2020/2021			2021/2022		
Sources of revenue	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Fee revenue	33 241	36 779	(3 538)	39 210	40 623	(1 413)
Penalty income	921	862	53	754	574	180
Recognition of prior learning	104	117	(13)	627	13	614
Continuing professional development	20	207	(187)	369	410	(41)
Total revenue from fees	34 286	37 984	(3 698)	40 960	41 620	(660)
Investment income	510	476	34	924	941	(17)
Other operating income						
Webinar income	0	0	0	140	28	112
Reversal of provisions	0	0	0	0	3 534	(3 534)
Grant revenue	0	862	(862)	2 733	2 673	60
Proceeds from insurance claims	0	38	(38)	0	0	0
CBE levy waiver	0	218	(218)	0	0	0
Total	34 796	39 658	(4 428)	44 759	48 796	(4 037)

The SACPCMP'S operations are sustained by annual fees, paid by Registered Persons. Council does not receive any form of funding from the fiscus. The SACPCMP raises its revenue in terms of Section 15(1), (2)(a) of Act No. 48 of 2000, its founding legislation. The Council has included in their APP a programme of "sustainability" in which comprehensive efforts are made to diversify revenue streams.

The fee increase in the financial year has taken into consideration the current economic challenges facing the country.

The revenue for the year ending 31 March 2022 amounts to R41.6 million which is 9.58% higher than the 2020/2021 reported revenue of R37.8 million.

Other income for the year amounts to R6.2 million which comprises income from a Construction Education and Training Authority (CETA) grant (R2.6 million) and the reversal in provision of bad debt (R3.5 million).

The fees revenue of R41.6 million is 2% higher than the budgeted revenue for the financial year which amounted to R40.9 million.

Revenue 2021/2022

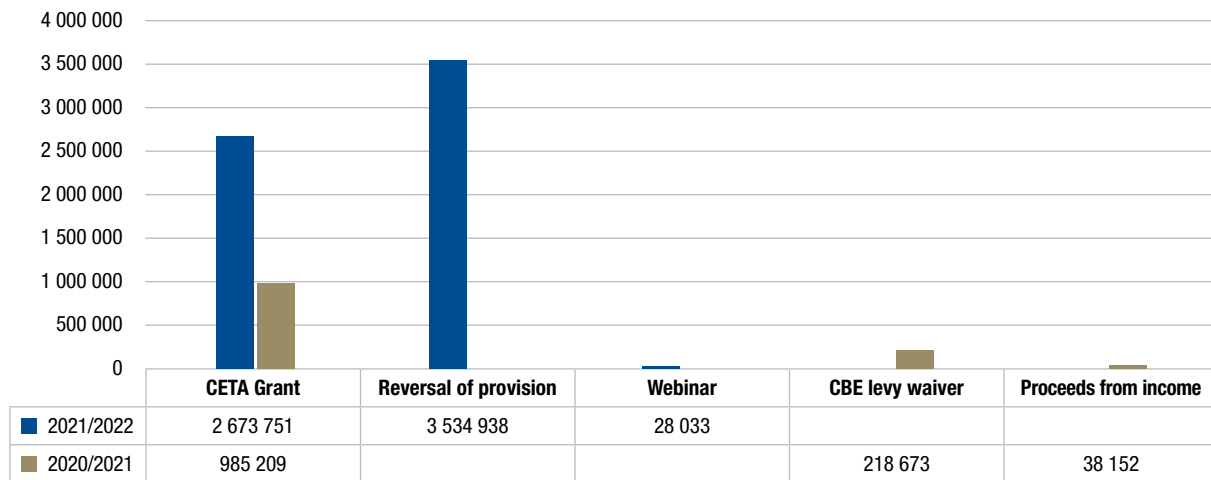


The increase in revenue can be attributed to the following factors:

- The increase in fees revenue is a result of increases in applications and registrations in the current year as opposed to the 2020/2021 financial year. Furthermore, included in the revenue for the 2021/2022 financial year is deferred income which could not be recognised in the previous financial year as the Council had not performed on its obligation by March 2021.
- The decrease in penalty fees revenue is due to an increase in Registered Persons who settled their annual fee invoices in 2021/2022. The Council debtor's collection rate was 78.87% in the 2020/2021 financial year and is at 100.92% in 2021/2022 financial year. The current year collection rate exceeds the national treasury norm which is set at 95%.
- The decrease in RPL revenue is a result of the Council not performing on its obligation; several RPL invoices were issued and paid but by the end of March 2022, the applications were not assessed and therefore revenue could not be recognised. The backlog in processing RPL applications will be resolved by the third quarter of the 2022/2023 financial period. The backlog is due to the reallocation of the RPL function from the Registration Department to the Education Department.

An increase in CPD revenue is a result of Registered Persons purchasing CPD bundles. The CPD section of the MM portal only went live later in the 2020/2021 financial year which resulted in less bundles being purchased. However, there was less revenue realised from CPD validation. This was based on the process for CPD validations for online CPD being stopped due to there not being an Online Education Policy.

Other operating income 2021/2022



Other operating income comprises:

- CETA Grant – a discretionary grant application by the SACPCMP to the CETA. The Council collaborated with the Construction Education and Training Authority (CETA) in a candidacy programme which offered mentorship to registered Candidates who were employees of DPWI. The project was halted for years and resumed in the 2020/2021 financial year.
- Reversal of provision – this is attributed to several Registered Persons settling their annual fee invoices. The approval by Council to defer deregistration to November 2022 resulted in a reduction of Registered Persons who were due for deregistration. This resulted in an improvement in the collection rate. The Council debtor's collection rate was 78.87% in the 2020/2021 financial and is at 100.92% in the 2021/2022 financial year. The current year collection rate exceeds the national treasury norm which is set at 95%.
- The SACPCMP webinar events offer CPD opportunities for Registered Persons, and although the actual revenue is below the budgeted amount, revenue from the second event is still pending. In addition, the main objective of the webinars is to ensure that Council continually engages with its stakeholders.

2.4 Capital Investment

Assets	2020/2021			2021/2022		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Furniture and fittings	0	-	0	500	380	200
Office equipment	0	7	(7)	0	0	0
IT equipment	0	85	(85)	200	381	181
Intangible assets	0	0	0	1 000	6	1 000
Lease hold improvements				311	311	0





PART C

GOVERNANCE

1. INTRODUCTION

The SACPCMP remains committed to the highest standards of corporate governance that add value to the mandate of the Council. Transparency and accountability are the core principles on which all business-related activities are conducted. Governance extends beyond regulatory compliance, since the Executive Management team aims to create and maintain a culture of good governance.

The Council acknowledges that it is responsible for the strategy, direction, leadership, governance and performance of the SACPCMP. The scope and functioning of the organisation and its committees are governed by a Council Charter that is reviewed and updated regularly. This Charter succinctly outlines the relevant authority, responsibilities, and powers of the Council and its committees. It is a requirement of the Charter that an annual evaluation of the Council and its committees is undertaken. This process provides the opportunity to improve the SACPCMP's effectiveness in a meaningful way.

The Audit and Risk Committee (ARC) of the SACPCMP is a fully functional, independent oversight structure and has significantly improved the risk management, control and governance aspects of the Council. A number of control and improvement recommendations have been made by the committee over the years and these have consequently resulted in the appointment of an outsourced external audit function as well as the continuation of the Council's externally facilitated strategic risk assessment process.

The ARC continues to collaborate with the SACPCMP's Finance Committee in reviewing the status of the organisation's financial management and providing recommendations for enhancement. To align with good corporate governance, the Council continuously strives to improve its compliance and reporting frameworks. The SACPCMP, in its effort to align with the King V Report, approved the formation and operation of the ARC as of June 2015.

2. PORTFOLIO COMMITTEES

The SACPCMP engages with the Council for the Built Environment (CBE), which in turn accounts to the Department of Public Works and Infrastructure (DPWI) and the Portfolio Committee on Public Works and Infrastructure.

3. EXECUTIVE AUTHORITY

The Executive Authority of the Council is ultimately the Minister of Public Works and Infrastructure. The SACPCMP submits its quarterly performance reports to the Executive Authority through the Council for the Built Environment.

4. THE COUNCIL

The Council is constituted in terms of Section 3 of the Project and Construction Management Professions Act No. 48 of 2000. The Council is led by a President, who is assisted by a Vice President, both of whom are elected into office. The term of office of all councillors is four years, but members continue in office until the succeeding Council is duly constituted. The Council carries out its oversight responsibilities through various committees that are constituted to oversee the business of the Council as per their respective approved TOR.

The committees form an integral part of the Council's corporate governance framework and play a pivotal role in achieving and maintaining expected standards in terms of governance and ethical standards. The committees ensure that the Council's activities are subjected, at all times, to in-depth scrutiny to ensure that high standards of governance are maintained. During the period under review, the Council conducted a governance audit which highlighted a few deficiencies and saw a need for the Council to reconstitute its committees. This resulted in a reduction from 12 to five committees.

The Act makes provision for co-opting Registered Persons to serve on the various committees. These persons need not necessarily be members of Council. The individuals' expertise and aptness for the task at hand are taken into account when making committee appointments.

4.1 Responsibilities of the Council

- Informing themselves, on an annual basis, about the Council's business and any issue that may affect its purpose or performance;
- Appointment of staff;
- General oversight of all aspects of the SACPCMP;
- Determining the SACPCMP's purpose, policies and values, and monitoring compliance with these;
- Determining, appraising and approving the SACPCMP corporate strategy and monitoring its implementation;
- Appraising and approving major management initiatives, resource allocations, capital investments and disinvestments;
- Ensuring that risk management systems and procedures are in place to protect the SACPCMP's assets and reputation;
- Approving the staff compensation strategy;

- Awareness and understanding of, and compliance with, the underlying principles of good governance;
- Ensuring ethical behaviour and compliance with relevant laws and regulations, audit and accounting principles, and the SACPCMP's own governing documents and codes of conduct;
- Reporting annually to the Minister and Parliament on all aspects of the SACPCMP's performance; and
- Reporting to the Council for the Built Environment as required by the Act.

4.2 The Role of Council Members

Council members are required to:

- Apply themselves individually, to the best of their ability, to the affairs of the SACPCMP at all times, and act diligently and in good faith;
- Declare any interest in respect of any dealings they may have with the SACPCMP, or any entity or person where such interest may conflict with the member's responsibility as a member of the Council of SACPCMP;
- Attend meetings of the Council and any of its committees to which they have been appointed, and notify either the chairperson or secretariat in the event of being unable to attend any meeting;
- Keep secret and confidential any matters to which they are privy by virtue of their membership of the Council of SACPCMP and, in particular, desist from making any commercial or other use of information derived by virtue of Council membership;
- Refrain from being involved in operational matters, where possible; and
- Accept personal and fiduciary accountability for the acts and omissions of the Council.

4.3 Council Charter

The SACPCMP carries out the prescripts of its Charter, which requires it to evaluate its performance as well as that of its committees on an annual basis. Over and above this, the Council, on an annual basis, carries out an introspection for the purposes of ensuring that it complies with the Charter.



SACPCMP Council Composition

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board directorships	Other committees or task teams	No. of meetings attended
Mr Isaac Nkosi (President)	Section 3A of the Act: Registered Persons	01 June 2018	N/A	<ul style="list-style-type: none"> MSc Project Management BSc Construction Management National Diploma Civil Engineering 	<ul style="list-style-type: none"> PrCPM 	<ul style="list-style-type: none"> President of the SACPCMP (fifth term) Former Chairperson of the CBE Former Vice President of the SACPCMP Former Assessor: SACPCMP Managing Director of IN-TPM Project Managers (Pty) Ltd Board positions in Property development and investment companies 	<ul style="list-style-type: none"> SACPCMP Presidential Forum CBE/CBEPS Presidents Forum SACPCMP Human Resources, Nominations and Remuneration Committee SACPCMP Social and Ethics Committee 	Six
Mr Bafikile Bonke Simelane (Vice President)		01 June 2018	N/A	<ul style="list-style-type: none"> Construction Management Programme P-G Certificate in Project Management for Built Environment Professionals 	<ul style="list-style-type: none"> Construction Project Management Programme Infrastructure Procurement and Delivery Management 	<ul style="list-style-type: none"> Council for the Built Environment Bongulwazi Foundation 	<ul style="list-style-type: none"> Finance Committee SACPCMP Social and Ethics Committee SACPCMP Regulatory Matters Committee CBE - Built Environment Matters Committee CBE - Transformation Collaborative Committee: Built Environment Skills and Capacity Development Western Cape Property Development Forum: Procurement Work Group Master Builders Western Cape: Joint Practice Committee. CIDB National Stakeholder Forum - Procurement Task Team Contractor Development Task Team 	Six
Mr Eric Manchidi		01 June 2018	N/A	<ul style="list-style-type: none"> MSc (Building) BSc (Building) 	<ul style="list-style-type: none"> PrCPM 	<ul style="list-style-type: none"> President: SACPCMP Council (fourth term) CIDB Board member 	<ul style="list-style-type: none"> SACPCMP Regulatory Matters Committee 	Five
Dr Claire Deacon		01 June 2018	08 November 2021	<ul style="list-style-type: none"> PhD Construction Management Magister Curatoris BSc Medicine (Honours) Biomedical Engineering BTech Occupational Health Certificate: Occupational Health Diploma: General Nursing 	<ul style="list-style-type: none"> PrCHSA Ergonomics Occupational health Occupational health and safety 	<ul style="list-style-type: none"> Council for the Built Environment 		Three
Mr Indrasen Siven Naidoo		01 June 2018	N/A	<ul style="list-style-type: none"> Risk Management Certificate SAMTRAC 	<ul style="list-style-type: none"> CHSM 	<ul style="list-style-type: none"> Council member: SAOSH 	<ul style="list-style-type: none"> Audit and Risk Committee Finance Committee SACPCMP Human Resources, Nominations and Remuneration Committee SAOSH 	Six

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board directorships	Other committees or task teams	No. of meetings attended
Ms Noluthando Molao	Section 3A of the Act: Registered Persons	01 June 2018	N/A	<ul style="list-style-type: none">BSc Quantity Surveying (Honours)Post Graduate Diploma in Property Development ManagementMaster of Business AdministrationProject Management Programme for Built EnvironmentConstruction Management Programme	<ul style="list-style-type: none">PrCPM	<ul style="list-style-type: none">CBE Board memberNHBRC Board memberIndependent Trustee: Arup Education TrustPOWA Board member	<ul style="list-style-type: none">Finance CommitteeCBE AssessorBuilt Environment MentorCIDB five-year Review Panellist	One
Mr Itumeleng Molosi	Section 3B of the Act: State appointed directly by the Minister of DPWI	01 June 2018	N/A	<ul style="list-style-type: none">National Higher Diploma: Building SurveyingContract Law and InsuranceManagement Development Programme	<ul style="list-style-type: none">PrCPM		<ul style="list-style-type: none">SACPCMP Human Resources, Nominations and Remuneration Committee	Six
Ms Gugulethu Komane		01 June 2018	N/A	<ul style="list-style-type: none">National Diploma: Building ScienceBTech: Construction ManagementManagement Development ProgrammeSAMTRAC	<ul style="list-style-type: none">CHSM		<ul style="list-style-type: none">SACPCMP Social and Ethics CommitteeSACPCMP Human Resources, Nominations and Remuneration Committee	Three
Mr George Mbuthia	Section 3C of the Act: Appointed by the public	01 June 2018	N/A	<ul style="list-style-type: none">Master of Business AdministrationMSc: Construction ManagementBA Building Economics (Hons)	<ul style="list-style-type: none">Construction Project Management, Policy Analysis and Formulation, Construction Industry Development	<ul style="list-style-type: none">Chairperson: CMDC	<ul style="list-style-type: none">Audit and Risk CommitteeFinance CommitteeSACPCMP Regulatory Matters Committee	Six
Advocate Roshan Rai Dehal		01 June 2018	06 May 2021	<ul style="list-style-type: none">BProcLLBInternational Commercial ArbitrationCertificate in Constitutional LitigationCertificate in Maritime Law	<ul style="list-style-type: none">Attorney of the High Court of SAConveyancerCommissioner of the High CourtAdvocate of the High Court	<ul style="list-style-type: none">Chairperson: Legislation and Legal Matters and Consumer Protection Task TeamCouncil Member: NFVFBoard Member: SACAAChairperson: SARSCouncil Member: AISAVice President: Estate Agency Affairs BoardChairperson: Estate Agency Affairs BoardChairperson: Medical and Dental Council of South Africa	<ul style="list-style-type: none">DCC Committee	None

4.4 Remuneration of Council Members

On an annual basis, the Council reviews its proposed budget and allocates remuneration to its members and committees in line with available funding. Due to the current budget constraints, the Council relies on the volunteerism of its members and related committees. In light of the above, the SACPCMP caters for cost of travel by its Council and committee members to address Council matters. The approved fee for the Council allowance was R1 620.

Fifth-term Council remuneration

Name	Council meeting allowance	Honorarium	Other reimbursements (telephone)	Life cover	Total
Mr IM Nkosi	R103 390.00	R50 400.00	R5 100.00	R1 050.96	R159 940.00
Mr BB Simelane	R56 141.68			R1 050.96	R57 192.00
Dr C Deacon	R6 680.00			R1 050.96	R7 730.00
Ms N Molao	-			R1 050.96	R1 050.96
Mr E Manchidi	R13 130.00			R1 050.96	R14 180.00
Adv. R Dehal	-			R514.00	R514.00
Mr G Mbuthia	R24 220.00			R1 050.96	R25 270.00
Mr I Molosi	-			-	-
Mr IS Naidoo	R40 430.00			R1 050.96	R41 480.00
Ms G Komane	-			R1 050.96	R985.00

4.5 SACPCMP Committees

The Council made significant steps in respect of improving governance aspects of the Council and its operations. As part of this, a governance audit resulted in the Council undergoing a process of reconstituting its committees, from 12 to five committees, namely the:

- Regulatory Matters Committee
- Human Resources, Remuneration and Nominations Committee
- Social and Ethics Committee
- Finance Committee
- Audit and Risk Committee

SACPCMP committees meeting details

Committee	No. of meetings held in the period under review	No. of members	Names of members
Regulatory Matters Committee	Three	Five	Mr Bafikile Bonke Simelane (Chairperson) Mr Eric Manchidi Mr George Mbuthia Mr Thando Z Magabuko Mr Yandile Galada
Social and Ethics Committee	Three	Five	Mr Xolisa Vela Swana (Chairperson) Mr Isaac Nkosi Mr Bafikile Bonke Simelane Ms Gugulethu Komane Prof. Itumeleng Mosala
Human Resources, Remuneration and Nominations Committee	Three	Six	Mr Itumeleng Molosi (Chairperson) Mr Isaac Nkosi Ms Gugulethu Komane Mr Indrasen Siven Naidoo Mr Thando C Miti Ms Ursula Ntsubane
Finance Committee	Five	Five	Ms Khumo Mzozoyana (Chairperson) Mr Bafikile Bonke Simelane Mr George Mbuthia Mr Indrasen Siven Naidoo Mr Tshepo Phaka
Audit and Risk Committee	Six	Five	Ms Seipati Boulton (Chairperson) Mr George Mbuthia Mr Indrasen Siven Naidoo Mr Khulekani Buthelezi Ms Noluthando Majola

4.6 VA Forum and Presidents' Forum

The South African Council for the Project and Construction Management Professions, as the registration body for the projects and construction management professions, recognises that Voluntary Associations (VAs) have an important role to play in promoting and growing the project and construction management professions (PCMP) within the built environment.

In terms of the Project and Construction Management Professions Act of 2000, the following sections of the Act make it mandatory for the SACPCMP to engage and/or consult with Voluntary Associations:

- a) *Section 3(a)(i) and Section 4(1): Nominations by VAs to Council*
- b) *Section 13(d): Competency Standards for purposes of Registration*
- c) *Section 13(i): Collaborative training and development for purposes of Registration*
- d) *Section 13(k): Continuing Professional Development*
- e) *Section 14(d) and Transitional provisions Section 42(2): Recognition of Voluntary Associations*

The SACPCMP has a well-established tradition of hosting a Voluntary Association (VA) Forum and a Presidents Forum. The VA Forum was established for the sole purpose of engaging VAs on matters of statutory and mutual interest concerning the professions, the industry at large and other strategic and transformational issues that characterise professional growth and development in construction and project management professions.

In the case of the former, the VA Forum brings together the Chief Executive Officers (CEOs) and/or its nominated representatives of its recognised VAs to engage with the SACPCMP. In the case of the Presidents Forum, this brings together Board Chairpersons (or their equivalents) and/or nominated representatives to engage with the President of Council of the SACPCMP.

Both forums present a platform to discuss a broad range of issues of strategic priority, cooperation, and consultation in the sector, as well as information-sharing; and industry related issues that influence the effective discharge of the broad mandate of the SACPCMP in promoting the growth of the PCMP in South Africa.

Accredited and non-accredited Voluntary Associations as at 31 March 2022

Accredited Voluntary Associations	Abbreviation
Association for Construction Health and Safety Management	ACHASM
Association of Construction Project Managers	ACPM
Association of South African Quantity Surveyors	ASAQS
Consulting Engineers of South Africa	CESA
HSE Connection Point (Resigned in November 2021)	HSECP
Master Builders KwaZulu-Natal	MBA KZN
Master Builders North (Resigned in October 2021)	MBA North
Master Builders South Africa	MBA SA
Master Builders Western Cape	MBA WC
South African Forum of Civil Engineering Contractors	SAFCEC
South African Institution of Civil Engineering	SAICE
South African Institute of Occupational Safety and Health	SAIOSH
South African Road Federation	SARF
Non-accredited Voluntary Associations as at 31 March 2022	Abbreviation
The Chartered Institute of Building	CIOB
South African Institute of Architects	SAIA
Royal Institute of Chartered Surveyors	RICS

VA Forum and Presidents' Forum meetings as at 31 March 2022

Performance indicator	Planned target 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement for 2021/2022	Comment on deviations
VA Forum Meeting	Four	One	Three	Meetings were suspended in the first three quarters of 2021/2022 as the SACPCMP sought to respond to the findings of the Governance Audit Report that also required substantive changes in the governance parameters of Recognised VAs. The VA Forum, as a platform of engagement, was resumed in March 2022.
Presidents' Forum Meeting	Four	None	Four	Presidents' Forum meetings were suspended for the period under review. No Presidents' Forum took place following the resumption of VA Forums because a Presidents' Forum must be preceded by a VA Forum. The VA Forum, as an engagement platform, was only held end of quarter four of 2021/2022.

5. RISK MANAGEMENT

The SACPCMP continues to align its risk management with the Code of Corporate Governance practices as outlined in the King IV Report. The ARC has been delegated by the Council to advise on the matters relating to the management of risk as well as the overall prevention of fraud within the SACPCMP.

The SACPCMP Strategic Review includes the review of the risk associated with the implementation of the planned strategy. Best practice recommends that the Council should ensure that a strategic risk assessment is performed at least annually and should set specific limits for the levels of risk the organisation is able to tolerate in the pursuit of its objectives. The SACPCMP continues to implement its Risk Management Policy and Framework as approved by the Council.

5.1 Emerging risks

Consideration by management was on the strategic risks and opportunities as King IV characterisation for risk consists of the likelihood of events occurring and their effect both positive and negative.

The facilitation of the strategic risk assessment considered the following:

- Identification and prioritisation of the strategic risks that have the highest potential to impact on the achievement of the objectives;
- The evaluation and assessment of identified strategic risks;
- The identification of current and future strategies and controls to mitigate risk exposure, and improve the management of the risks;
- The generation of a strategic risk register and risk profile; and
- Recommendation of possible actions and control measures that can be implemented.

The documents used for preparation of the assessment included the following:

- SACPCMP APP 2021/2022;
- SACPCMP ERM framework and policy;
- A SWOT analysis was used as a basis to identify the organisation's risks, coupled by inputs sourced from the subject matter experts; and
- 2020/2021 Strategic Risk Register.

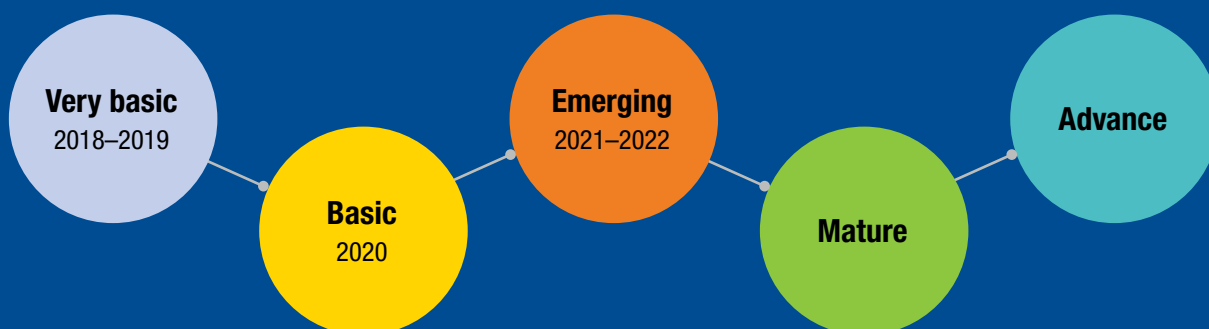
There were no major risks noted during the review of the 2021/2022 Strategic Risk Register.

5.2 Risk maturity model

The illustration below depicts the evolution of the risk management capacity, due to the actions of management and investment in the enterprise risk management frameworks, systems, people and processes.

For the past two years, the SACPCMP has been between emerging and mature levels, however risk management was still not embedded in the Council's processes and culture. Although there has been an improvement in the Council's risk management over the years, Management will continue to prioritise the embedding of the risk culture throughout the Council. The following are some of the initiatives to be undertaken:

- Formalising and documenting risk management process;
- Refinement, review and approval of the current ERM policy and framework by the Council;
- Standardisation of the risk registers / strategic and operational risk registered;
- ERM workshops and training for all staff;
- Development and implementation of the Risk Appetite and Tolerance Framework.



SACPCMP Enterprise Risk Management Frameworks journey

6. INTERNAL CONTROL UNIT

The Internal Control Unit promotes efficiency and reduces the impact and likelihood of identified risks. Significant strides continue to be made in ensuring compliance with laws and regulations by introducing preventative and corrective internal control measures to address and report non-compliance. Further, the SACPCMP has maintained an Audit Findings Register as a tool to monitor progress and updates the ARC on the status of these findings on a regular basis.

There has been significant improvement in the Council's control environment over the past years.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

The ARC is a fully functional independent oversight structure and has provided quarterly oversight on the review of the Council's strategic risk assessment process as well the continuation of an outsourced internal audit function. The ARC also continued to oversee the outputs of the external audit process and ensured that Council's integrated report presented the state of affairs of Council appropriately and was of good quality. The committee continued to support the Council in fulfilling the management its ICT risk exposure and optimising the benefits of technology.

The Internal Audit Function (IAF) plays a key role in providing an objective view and continuous assessment of the adequacy and effectiveness of the internal control systems. This is based on the testing of controls observed from completing a selection of audit reviews as documented in the Annual Audit Plan. The IAF is currently outsourced to Nexia SAB-T which is responsible for:

- Assisting management in maintaining an effective internal control environment by evaluating those controls continuously to determine whether they are adequately designed and operating efficiently and effectively, and recommending improvements; and
- Assisting the ARC and management in monitoring the adequacy and effectiveness of the SACPCMP's risk management process.

Internal controls reviewed consist of strategic, operating, financial reporting and compliance controls relating to:

- The information management environment;
- The reliability and integrity of financial and operating information;
- The safeguarding of assets; and
- The effective and efficient use of the SACPCMP's resources.

Management remains responsible for the establishment and maintenance of an effective system of internal control, risk management and governance processes.

Corporate governance best practice requires that the IAF reports functionally to the ARC. Such reporting is ensured by the ARC mandate to:

- Review and approve the Internal Audit Charter;
- Review and approve the Internal Audit Plans;
- Evaluate the effectiveness of internal controls;
- Review significant internal audit findings and the adequacy of corrective action taken;
- Assess the performance of the IAF and the adequacy of available internal audit resources;
- Review significant differences of opinion between management and the IAF; and
- Consider the appointment, dismissal or reassignment of the internal audit service provider.

The Charter of the IAF provides that it reports administratively to the Registrar and functionally to the ARC. The IAF has been actively operational during the 2020/2021 financial year.

Audit and Risk Committee Meetings

Name	Date appointed	Date resigned	No. of meetings attended
Ms Seipati Boulton	July 2018	N/A	Six
Ms Mmemeng Tsehla	December 2018	November 2021	Three
Ms Gratitude Ramphaka (Co-opted Member)	May 2019	November 2021	Three
Ms Ulandi Exner (Co-opted Member)	May 2019	November 2021	Three
Ms Nomathemba Majola	November 2021	N/A	Three
Mr Khulekani Buthelezi	November 2021	N/A	Three
Mr George Mbuthia	November 2021	N/A	Three
Mr Indrasen Naidoo	November 2021	N/A	Three

8. COMPLIANCE WITH LAWS AND REGULATIONS

The SACPCMP exists as a regulatory body for the project and construction management professions, as well as for those other specified categories it deems appropriate to introduce from time to time. It is also empowered to render advice to government and other relevant stakeholders on the necessary steps to be taken for the protection of the public interest, health and safety, continuous improvement on the standards of the professions it regulates, protection of the environment. With this in mind, the Act requires and mandates the SACPCMP to perform the following legislative and regulatory functions.

- Accreditation of programmes offered by educational institutions leading to the awarding of construction management and project management qualifications (Section 13);
- General matters including public health and safety, research, protection of the public in their dealing with Registered Persons, protection of the environment and improving the standards of services rendered by Registered Persons (Section 14);

- Financial matters (Section 15);
- Reporting to the Council for the Built Environment (Section 16);
- Appointment of committees (Section 17);
- Enacting of rules through notices in the Government Gazette (Section 36);
- Registration of persons (Sections 11, 18, 19, 20, 21, 22, 23, 24 and 37);
- Recognition of Voluntary Associations (Sections 14(d) and 25);
- Identification of work to be performed by Registered Persons;
- Professional conduct and disciplinary hearings (Sections 27, 28, 29, 30, 31, 32, 33, 35 and 41); and
- Recommendation of fees for professional services (Section 34).

The organisation endeavours at all times to comply with applicable laws and regulations that are enforced. In addition, it encourages all its Registered Persons to abide by and adhere to applicable laws and regulations during the course of executing their work.

9. FRAUD AND CORRUPTION

The SACPCMP has an approved a Risk Management Framework, Policy and Strategy, which includes a Fraud and Corruption Prevention Strategy. The framework lays the foundation for integrating effective risk management into the organisation and establishes an organisation-wide approach to risk management oversight, accountability and process execution.

The SACPCMP continues to uphold its stance on zero tolerance for fraud and corruption. This is aligned with the approved fraud and corruption frameworks and strategies.

In implementing the above policy frameworks, the SACPCMP still ensures alignment with the fraud hotline hosted by the Council for the Built Environment. No cases of fraud were brought to the Council for the period under review.

The appointment of an independent SACPCMP hotline was finalised in February 2022 and no cases were reported.

Ethics and fraud hotline reporting channels

Hotline details

Hotline name:	SACPCMP Ethics and Fraud Hotline
Contact number:	0800 745 746
WhatsApp number:	0860 004 004
Dedicated email address:	sacpcmp@behonest.co.za
SMS number:	48691
Free post:	BNT165, Brooklyn Square, 0075
Website link:	www.behonest.co.za
Chat:	www.behonest.co.za



10. MINIMISING CONFLICT OF INTEREST

The SACPCMP ensures that conflicts of interest are declared as protocol for all Council committee meetings. Each of the attending committee meeting members are required to declare any conflicts of interest. A record of this is maintained by the Finance Department.

11. CODE OF CONDUCT

This regulatory function, performed in accordance with the Act, is guided by adherence to and conformance with the prescribed Code of Professional Conduct for Registered Persons. The code requires that Registered Persons carry out their work with due care, skill, competency and integrity. This ensures the protection of the public from Registered Persons who contravene the Code of Conduct as well as the Act, thus maintaining the integrity, standing, reputation and the status of Registered Persons.

The Disciplinary and Code of Conduct Committee is tasked by the Council to investigate and make recommendations when complaints of improper conduct are lodged against Registered Persons. These would emanate from members of the public through an affidavit under oath or by affirmation. In addition to this, the Committee is empowered to investigate any incidence of project and construction-related work activities that may indicate improper conduct on the part of a Registered Person. Essentially, the decision to take disciplinary action therefore determines a Registered Person's ability to practise, and more importantly, to present themselves with pride as a Registered Person.

To reduce the number of appeals which are mostly registration related albeit with some being frivolous, the Council has deemed it necessary to allow for a debriefing to be given to aggrieved applicants. It deems the debriefing process to play a pivotal role in ensuring openness, fairness, and transparency in enhancing the Assessments of Professional Competency.

This is based on allowing the aggrieved applicants on the outcome of their application for registration to request for a formal debriefing session. This will be on the understanding that the debriefing session is not an appeal hearing per se but rather to give further insight into the reasoning behind the outcome. As such, if an aggrieved applicant, following the debriefing session, is still dissatisfied with what he/she construes as relevant and adequate feedback they desired, they will still have recourse to lodge a formal appeal.

In April 2021, the Council heard appeals and appellants were allowed to be represented by their legal representative.

12. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The SACPCMP strives to comply with the Occupational Health and Safety Act. The entity continued to create a safe and conducive working environment by moving to a new premises which fully complied with OHS requirements.

The SACPCMP, being a statutory body, whose main function is registration, has a high risk (especially for frontline staff) of COVID-19 exposure. Although the restriction levels were reduced and ultimately lifted within the 2021/2022 financial year, management investigated how operations at the SACPCMP could continue with minimal risk of exposure. All of the SACPCMP's client facing functions were fully digitised, meaning that stakeholders

would not need to come to the office to submit applications, make payments or receive their certificates. This also applied to CPD validations as no hardcopy applications were permitted. All meetings were conducted virtually for the period, although the offices were available.

To ensure the wellbeing of staff, the Council also developed a Wellness Policy; in the new financial year, the Council will look to appointing a service provider to assist in developing employee wellbeing. Enhancing occupational health and safety measures pertaining to the new office space will also be something that the Council looks at in the new financial year.

13. COMPANY SECRETARY

IKB Secretaries was appointed to manage the portfolio of Company Secretary for the period under review.

14. SOCIAL RESPONSIBILITY

Again, as with the previous year, most of the Council's corporate social responsibility (CSR) events were put on hold owing to the budgetary restrictions. While the plans for the previous financial year were affected by the SACPCMP's Sustainability Strategy in response to the COVID-19 pandemic, most of the 2021/2022 budget items that had been allocated to CSR were redirected to ICT and

stakeholder projects and requirements. As such, the Council had more of a strengthened focus on engaging with its stakeholders for registration and application support, as well as taking up the platform of thought leadership within the Construction Industry via the SACPCMP webinars.

15. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Has the Public entity applied any relevant Code of Good Practice (B-BBEE Certificate 1-8) with regard to the following		
Criteria	Response Yes/No	Discussion
Determining qualifications criteria for issuing of licenses, concessions or other authorisations in respect of economic activity in terms of any law?	Yes	The Council has an approved Supply Chain Management (SCM) Policy, which sets out relevant criteria.
Developing and implementing a preferential procurement policy.	Yes	This is included within the SCM Policy.
Determining qualification criteria for the sale of state-owned enterprises?	No	The SCM and Asset Management Policy do not include a provision for qualification criteria for the sale of state-owned enterprises. The policies, however, do make provision for the sale of state-owned assets.
Determining criteria for entering into partnerships with the private sector?	No	The SCM and Asset Management policies do not include a provision for criteria for entering into partnerships with the private sector.
Determining criteria for awarding incentives, grants and investment schemes in support of broad-based black empowerment.	Yes	This is included in the SCM Policy.

16. REPORT OF THE AUDIT AND RISK COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2022.

Background

The Audit and Risk Committee (“the Committee”) as established by Section 17 of the Professional Construct Management Act, No. 48 of 2000 reports that it has complied with its responsibilities arising from the Council approved terms of reference and as an entity that aspires to be PFMA compliant with Section 51(1)(a)(ii) of the Public Finance Management Act, No.1 of 1999 (as amended) and Treasury Regulation 27.1.

Membership and Attendance

- The Committee comprises three independent non-executive members with extensive experience and two Council members.
- The Committee met six times during the year. There were two special meetings and four ordinary meetings.
- The special meetings dealt with the review and approval of financial statements and the appointment of new external auditors.
- The ARC was reconstituted in response to the governance audit conducted.
- The reconstituted committee reviewed new terms of reference in November 2021.
- The names and attendance of the members serving on the Committee are detailed on page 53 under the internal audit and audit committee section of the Annual Report. One Committee member resigned during the last month of the financial year.

Audit and Risk Committee Responsibility

The Committee is satisfied that it has discharged its responsibilities in assisting the accounting authority with the following activities:

- The safeguarding of assets, the operation of adequate systems, control and reporting processes, and the review of financial statements in compliance with the applicable legal requirements and accounting standards.
- Overseeing the activities of, and ensuring coordination between, the activities of internal and external audit.
- Providing a forum for discussing enterprise-wide risks relating to financial, performance and regulatory exposures; and monitoring controls designed to minimise these risks.
- Reviewing the Council’s quarterly financial performance information, annual report, including Annual Financial Statements, and any other public reports or announcements containing financial and non-financial information.
- Receiving and dealing with any complaints concerning the accounting practices, internal and external audit or the content and audit of its financial statements and performance reports, or related matters; and

- Annually reviewing the Committee’s work and charter; and making recommendations to the accounting authority to ensure the Committee’s effectiveness.

Effectiveness of Internal Control

- The Committee considered all the reports issued by the various assurance providers e.g. internal and external auditors which identified a number of moderate weaknesses.
- Management’s actions were noted in addressing identified control weaknesses. The Committee wishes to express appreciation on the commitment demonstrated by Management in treating all the reports with urgency and the speed with which remediation was implemented.
- The Committee reports tremendous improvement noted in the system of internal control for the period under review.

The Effectiveness of Internal Audit

The Committee approved a three-year risk based Strategic Internal Audit Plan and an Annual Audit Plan for the period 1 April 2021 to 31 March 2022.

The table below depicts the auditable areas considered with their resultant ratings:

Auditable Area	Opinion
Information Technology (applications control)	Some improvement needed
Human Resource Management	Major improvement needed
Management of Operations – Accreditation Process	Some improvement needed
Procurement and Contract Management	Some improvement needed
Financial Management	Some improvement needed

The Committee approved an internal audit plan to review compliance and internal control effectiveness across different areas within the Council including the management of operations (Registration) in particular the category Construction of Health and Safety Agents. Management has developed an implementation plan to enhance current processes and to address some material deficiencies noted by internal auditors. Management has developed an audit matrix for all areas audited during the 2021/2022 financial and quarterly monitoring is done by the ARC on the progress with implementation.

The Committee reviewed all the internal audit reports and is satisfied with the activities of the internal audit function, including its annual work programme, co-ordination with the external auditors and the responses of Management to specific recommendations.

The Committee also acknowledges the internal auditors ability to complete the audit coverage for 2021/2022 financial period as planned.

On an overall basis, the internal audit rated the Council's control environment as **"Some Improvement Needed"** from **"Major Improvement Needed"** in the prior year.

Based on the above assessment by the internal auditor, neither material nor significant matters have come to our attention indicating any material breakdown in the functioning of controls, procedures and systems.

The Committee is therefore of the opinion that internal audit is independent, and provided objective assurance activities that were designed to add value and improve the organisation's operations. Through the internal audit, the Committee intends to drive combined assurance to ensure an effective coordinated approach is applied in obtaining assurance that risks are managed effectively.

Risk Management

- Management is responsible for the establishment and maintenance of an effective system of governance, risk management, the prevention and detection of fraud, and internal controls.
- The Council's risk management activity reports its function to the Audit and Risk Committee.
- A risk assessment is performed annually and subsequently the risk register is updated to ensure that all the major risks including emerging risks facing the entity are effectively managed.
- The risk appetite and tolerance levels were set and monitored throughout the year.

The Committee also reports that the risk management function (as was previously outsourced) has now been taken fully as a responsibility by Management. In their endeavour to manage the risk, Management has identified 13 strategic risk imperatives, 52 risk drivers and 54 mitigation plans of which 14 (26%) have been fully implemented.

Risk Management matters flagged for the Council and Management

- Formalising business processes for mandate compliance and designing an organisational structure that is fit-for-purpose (for a Regulator) are two strategies that require urgent attention by the Council.
- The seven major risks that have a major impact on the organisation's objectives should be prioritised by the SACPCMP and be monitored monthly.

Failure by Management in implementing and monitoring the mitigation plans might impact the future success of the organisation.



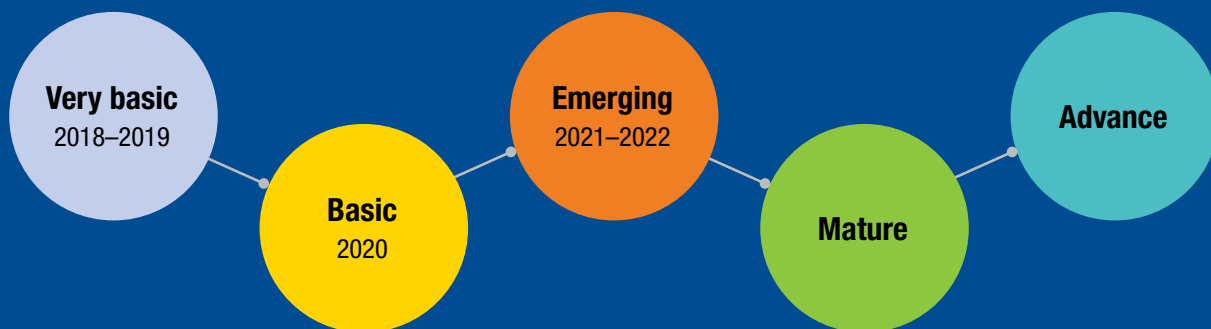
Risk Management Evolution

The Committee is proud to share with the Council stakeholders its observation on the evolution of risk management capacity resulting from the actions of management and investment in enterprise risk management frameworks, systems, people and processes over their four years of oversight.

Although there has been an improvement in the Council's risk management over the years, Management will continue to prioritise embedding the risk culture across the entity. For the past two years, the SACPCMP has been situated between emerging and

mature levels, however risk management is still not embedded in the Council's processes and culture. The following are some of the initiatives to be undertaken:

- Formalising and documenting a risk management process;
- Refinement, review and approval of the current ERM Policy and framework by the Council;
- Standardisation of the risk register/strategic and operational risk registered;
- ERM workshops and training for all staff; and
- Development and implementation of the Risk Appetite and Tolerance Framework.



SACPCMP Enterprise Risk Management Frameworks journey

Fraud and Corruption

The Committee also provides oversight on the fraud and corruption prevention controls and mechanisms within the Council. A toll-free whistle-blowing hotline operated by Advance Call (through the CBE) has since been replaced by “Behonest” and is currently operational. All Council stakeholders and employees are encouraged to report any suspected corrupt, fraudulent, criminal or unethical practices.

Good Governance

A governance audit on SACPCMP governance, which formed part of the approved internal audit plan, was undertaken. The Council of the SACPCMP developed an implementation plan that provided key pointers on the way forward in terms of the Council instituting remedial action towards good governance. The ARC provided oversight on the implementation of these remedial actions which were all implemented by 31 March 2022.

Management of Quarterly Financial and Performance Information

The Committee is satisfied with the content of the finance reports that have been prepared and issued during the year. The management reports are supported by a financial viability assessment which allows for the Committee to note areas of concerns around the following:

- Revenue and debtors’ management;
- Expenditure and credit management;
- Asset and liability management; and
- Cash management.

In response to the continued threats posed by the COVID-19 pandemic, Management was resilient in monitoring the developed sustainability plan that saw efficiencies in its implementation with improved results in operational spending and viability.

Nonetheless, Management has demonstrated diligence in the management of the Councils’ finances and the continuous monitoring of financial viability and sustainability.

External Audit

- The Committee reviewed the independence and objectivity of the external auditors and nothing untoward was noted.
- The external auditors attended six statutory meetings of the Committee.
- The Committee had two virtual meetings with the external auditors, and was satisfied that there are no unresolved issues of concern.
- The Committee notes and brings to the attention of the stakeholders that the 2021/2022 external audit review was the first review conducted by the current external auditors.

Evaluation of Financial Statements

The Committee has reviewed the Annual Financial Statements and performance information for the year ended 31 March 2022 and duly approved them for the auditors to carry out the yearly review. Subsequent to the finalised audited financial statement, the Committee presented the Audited Financial Statement to the accounting authority for approval prior to being submitted to the Executive Authority.

The Committee reviewed the Auditors’ Management and Audit Reports and concurs with their conclusions and recommendations. The Committee therefore accepts the audit opinion and conclusion expressed.

Our appreciation is conveyed to the entire Executive Management, Internal Audit, External Audit and the Council’s accounting authority for the relentless energy and commitment shown in addressing all matters put to their attention.



Seipati Boulton

Chairperson: Audit and Risk Committee

The South African Council for the Project and Construction Management Professions (SACPCMP)

Date: 25 July 2022



PART D HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The SACPCMP's ability to deliver on its strategy and 13 legislative mandates depends on effective hiring, skills development and the retention of high-performing employees. The Council's human capital initiatives are overseen by the Human Resources, Remuneration and Nomination Committee, and implemented by the HR function.

The management of human capital is critical within the SACPCMP. In the past year, talent management became a central feature in the Council's efforts to ensure effective and efficient people management practices. Economic conditions, high staffing costs and other challenges contributed to the SACPCMP having to review its plans.

Set HR priorities and their Impact

During the period under review, the Council approved the key personnel priorities that were necessary to bring immediate change and improvement in the area of management of human capital.

These set priorities were:

Change organisational culture from hierarchy to adhocracy

- Foster a culture of excellence, collaboration, inclusivity, and flexibility
- Customer focus
- Diversity management

Organisational design

- Design an organisational structure that is fit-for-purpose (for a regulator)
- Review current structure
- Establish interdependency – strategy imperatives = business processes
- Design and approve a new structure
- Profile and define roles and responsibilities

Employee engagement

Optimise employee contribution and productivity (skills utilisation) through:

- Skills audit
- Staff development
- Role mapping and placement
- Performance management

These priorities were approved and implemented; they will however be finalised in the 2022/2023 financial year.

SACPCMP Organisational Design process

The SACPCMP underwent an organisational design process; the business structure and organisational architecture were aligned to Levels of Work and the Mental Models (i.e., a simplistic explanation on how work gets done at each level). The organisation's structure proposal was designed with key stakeholders with the intent to establish an effective structure to meet business objectives whilst enabling the SACPCMP's strategy.

1.1 Human Resources Priorities

The re-designing of the organisational structure proposal was completed and submitted to the Council for review. This will be followed by a skills audit which has been rescheduled to commence in the 2022/2023 financial year.

1.2 Workforce Planning Framework and Key Strategies

The strategic framework for human resource planning within the SACPCMP seeks to give assurance that with the current human capital in the organisation is dynamic and capable to deliver on its legislative mandate.

During the period under review, the following key strategies aimed at attracting and acquiring a skilled and capable workforce were undertaken:

- Key roles were reprofiled to address the identified gaps that were caused by the transfer of functions and responsibilities.
- While jobs were reprofiled, the specifications for the reprofiled jobs were also adjusted accordingly with the aim of attracting suitably qualified and experienced persons.
- Reassignment of roles to ensure effectiveness of operations.

Remote Working Arrangements

The SACPCMP's remote working guidelines proved to be effective and all HR policies related to the new normal were finalised. The SACPCMP's business operations continue to be digitally enabled. The Council adopted a hybrid approach to its operating model that combined remote work and working from the physical SACPCMP offices. A work from home policy was adopted, taking into account the "new normal" and the inevitable hybrid model that the pandemic made the Council consider – from the traditional office setting to a combination of office based and remote working depending on job function.

1.3 Employee Performance Management Framework

The SACPCMP employee performance management framework is crafted in a way that allows its Strategic Plans as well as the Annual Performance Plans to link with the performance targets for employees.

The SACPCMP philosophy in which its performance management framework is embedded is one that encourages and rewards excellent performance as well as assisting poor performers to improve. The components of the SACPCMP performance management framework include planning and goal setting, performance monitoring and evaluation as well as communication.

The Council approved an interim performance management process to be implemented in the 2022/2023 financial year.

Employee Wellness Programmes

The employee wellness and employee assistance programmes are at an exploratory phase, with more work to be done in the next financial year.

After concerns raised by the Council in 2021 (in which it was highlighted that scaling down on human resources and other resources, during the pandemic, was likely to lead to increased levels of stress and burnout of staff), it was requested that Management develop a wellness strategy.

The Wellness Strategy, which has been developed as a draft by Management, seeks to provide acceptable models which will work in harmony with staff wellness programmes. The Employee Wellness Strategy focuses on the two key areas: employee physical health and employee mental health. Furthermore, there are five priorities for the Wellness Strategy, namely:

- Creation of an organisational culture that promotes health and wellness;
- Ensuring that there are policies to enhance employee health and productivity;

- Create wellness programmes that include customised employee-based health programmes;
- Incentivise the programmes to motivate employee engagement in health practices;
- Integration of HR functions with employee wellness and quality work-life balance initiatives.

1.4 Policy Development

New HR management policies that were developed during the period under review are yet to receive final approval by the Council. The development of the policies is guided by the need to close any identified policy vacuum in the human resource management systems. People management policies continue to be developed and revised. The following policies were developed and reviewed during the period under review:

- Staff tools of Trade Policy
- Work from Home Policy
- Staff Wellness Policy.

Protection of Personal Information Act (POPIA) Compliance

The Council also finalised its POPIA compliance in 2021, especially related to its ICT environment. The Council identified various levels of stakeholders affected by the processing of personal information and, as such, developed a POPIA manual as well as the requisite data protection declaration, privacy policies and consent forms for the identified stakeholder groups. By the deadline of 1 July 2021, the Council had all of its compliance requirements in place. A review of all compliance actions will be done in the fourth quarter of the 2022/2023.





1.5 Key Human Resources Highlights and Achievements

SACPCMP Organisational Design Project

The Organisational Design proposes an operating model that is structured around service delivery to operations from the functions, viz Strategy, Finance, HR, Business Services and Business Development. Its tenets are informed by a consistency principle and a simple operating model, clear accountability, and authority, with the correct number of organisational layers, the right work at the right levels which empowers people to deliver on the SACPCMP purpose. It locates the Executive Committee and Audit Manager in the Office of the Registrar, and the Council Secretary as the key pillars in governance and assurance leadership to support the SACPCMP.

The business structure and organisational architecture were aligned to Levels of Work and the Mental Models. This was utilised in the OD process and building of the design principles to ensure work and decision making occurred at the right place and was executed at the right level. It is the unique blend of structure, culture, systems, processes, practices, and people that aligns to deliver the strategy.

The organisational structure proposal was designed with the key stakeholders with the intent to establish an effective structure to meet business objectives whilst enabling the SACPCMP strategy,

leveraging people, containing cost, operating within constraints, clarifying responsibilities, strengthening accountability and improving innovation and flexibility.

SACPCMP Office Move

The Council downsized its office space and moved to new premises in the east of Pretoria. The space design was to ensure that the workspace facilitates organisational culture change, optimises employee contributions and productivity, and is conducive to intellectual work.

The space design caters for flexibility between onsite and remote work. The Council moved into its new premises in January 2022.

The new address of the Council's offices is Rigel Office Park, 446 Rigel Avenue South, Erasmusrand, Pretoria.

1.6 Challenges Experienced by the SACPCMP

The relocation of the Council did not come without its challenges, predominantly caused by the various adjusted levels of lockdown restrictions which had a bearing on the availability of materials, which delayed the commencement on partitioning work and ultimately almost derailed the furniture budget and construction due to sudden steel price increases based on import complications and a possible shortage caused by the pandemic. All vacant positions had to be left open until the Council was in a position to fill them. However, this was deferred until the Organisational Design project was completed.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

2.1 Personnel Cost by Programme/Activity/Objective

Programme/activity/objective	Total expenditure	Percentage of personnel expenditure to total cost	No. of employees	Average personnel cost per employee
Registrar's office	6 767 518.89	44%	4	1 691 880
Registration	3 231 126.42	21%	9	359 014
Finance	2 180 524.57	14%	6	363 421
Education	971 163.17	6%	2	485 582
Customer relationship management	717 132.91	5%	5	143 427
Stakeholder relations and communications	1 033 075.92	7%	2	516 538
Corporate shared services	311 059.62	2%	1	311 060
ICT	56 853.05	0.37%	1	56 853
Total	15 268 455	100%	30	508 948

2.2 Personnel Cost by Salary Band

Level	Total expenditure	Percentage of personnel expenditure to total cost	No. of employees	Average personnel cost per employee
Top Management and Senior Management	4 236 100.20	14%	2	2 118 050.10
Professional Management	6 252 331.02	15%	8	781 541.38
Skilled	1 222 472.00	12%	5	244 494.40
Semi-skilled	3 422 594.55	33%	14	244 471.04
Unskilled	134 957.23	1%	1	134 957.23
Total	15 268 455.00	100%	30	508 948.50

2.3 Performance Rewards

The SACPCMP issued no performance rewards for the 2020/2021 financial year.

2.4 Training Costs

There was an ICT phishing awareness course conducted for staff and Council members during the 2021/2022 financial year. The one (1) day training was to provide greater phishing awareness amongst employees and help prevent phishing attacks. The related costs were R30 187.00.

2.5 Employment and Vacancies

Programme/activity/objective	2020/2021 Approved posts	2021/2022 Approved posts	2021/2022 Vacancies	Percentage of vacancies
Registrar's office	4	4	1	25%
Registration	22	19	3	15%
Finance	8	8	4	50%
Education	3	3	1	33.3%
Customer relationship management	4	4	1	25%
Stakeholder relations and communications	3	4	2	50%
Corporate shared services	2	2	2	100%
ICT	3	3	0	100%
Total	47	47	17	36%

Programme/activity/objective	2020/2021 Approved posts	2021/2022 Approved posts	2021/2022 Vacancies	Percentage of vacancies
Top Management	1	1	0	0%
Senior Management	3	3	2	4.26%
Professional Management	3	3	1	33%
Skilled	18	18	10	33%
Semi-skilled	21	21	4	55%
Unskilled	1	1	0	0
Total	47	47	17	36%

2.6 Employment Changes

Salary band	Employment at the beginning of the period	Appointments	Terminations	Employment at the end of the period
Top Management	1	0	0	1
Senior Management	1	0	0	1
Professional Management	7	2	1	8
Skilled	6	2	3	5
Semi-skilled	15	0	1	14
Unskilled	1	0	0	1
Total	31	4	5	30

2.7 Reasons for Staff Leaving

Reasons	Number	Percentage of total no. of staff leaving
Death	0	0%
Resignation	4	80%
Dismissal	0	0%
Retirement	0	0%
Ill-health	0	0%
Expiry of contract	1	20%
Other	0	0%
Total	5	100%

All the employees who resigned cited personal circumstances and/or career advancement reasons as justification.

2.8 Labour Relations: Misconduct and Disciplinary Actions

Nature of disciplinary action	Number
Verbal warning	0
Written warning	0
Final written warning	0
Dismissal	0
Total	0

2.9 Dismissals

There were no dismissals during the period under review.

2.10 Expiry of Contracts

Department	Number
Registrations	0
Finance	0
Human Resource	1
Customer Relation Management (Interns)	0
Total	0

2.11 Equity Target and Employment Equity Status

Level	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	0	0	0	0	0
Senior Management	1	3	0	0	0	0	0	0
Professional Management	1	4	0	0	0	0	0	1
Skilled	2	2	0	1	0	1	0	0
Semi-skilled	1	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
Total	6	9	0	1	0	1	0	1

Level	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	0	2	0	0	0	0	0	1
Professional Management	4	4	0	0	0	0	1	1
Skilled	3	4	0	0	0	0	2	2
Semi-skilled	12	18	0	1	0	0	1	0
Unskilled	1	1	0	0	0	0	0	0
Total	21	29	0	1	0	0	4	4

Level	Disabled			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional Management	0	0	0	0
Skilled	0	0	0	1
Semi-skilled	0	0	0	0
Total	0	0	0	1



PART E

FINANCIAL INFORMATION

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Regulatory body incorporated under the PCMP Act No. 48 of 2000 for Project and Construction Management Professions
Councillors	<p>Mr IM Nkosi (President)</p> <p>Mr BB Simelane (Vice-President)</p> <p>Dr C Deacon (Council Member)</p> <p>Ms N Molao (Council Member)</p> <p>Mr E Manchidi (Council Member)</p> <p>Adv. R Dehal (Council Member)</p> <p>Mr G Mbuthia (Council Member)</p> <p>Mr I Molosi (Council Member)</p> <p>Mr IS Naidoo (Council Member)</p> <p>Ms G Komane (Council Member)</p> <p>Mr MIB Matutle (Registrar)</p>
Registered office	<p>Rigel Office Park</p> <p>446 Rigel Avenue South</p> <p>Erasmusrand</p> <p>Pretoria</p> <p>0181</p>
Business address	<p>Rigel Office Park</p> <p>446 Rigel Avenue South</p> <p>Erasmusrand</p> <p>Pretoria</p> <p>0181</p>
Postal address	<p>PO Box 6286</p> <p>Halfway House</p> <p>Midrand</p> <p>Gauteng</p> <p>1685</p>
Bankers	<p>Nedbank</p> <p>Investec</p>
Secretary	A Company Secretary is not required in terms of the Project and Construction Management Professions Act No. 48 of 2000, however IKB Company Secretaries has been contracted to offer secretarial services.
Preparer	<p>The financial statements were internally compiled by:</p> <p>Tshidiso Lekgetho</p> <p>Acting Finance Executive</p>

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INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE SOUTH AFRICAN COUNCIL FOR THE PROJECT AND CONSTRUCTION MANAGEMENT PROFESSIONS

Opinion

We have audited the financial statements of SACPCMP for the year ended 31 March 2022 which comprise the statement of financial position as at 31 March 2022 statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of SACPCMP as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Project and Construction Management Professions Act No. 48 of 2000.

Basis for opinion

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

Other information

The Councillors are responsible for the other information. The other information comprises the information included in the document titled Annual Report and the South African Council for the Project and Construction Management Professions annual financial statements for the year ended 31 March 2022, which includes the Councillors Report as required by the Project and Construction Management Professions Act No. 48 of 2000. The other information does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Councillors for the financial statements

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Project and Construction Management Professions Act No. 48 of 2000, and for such internal control as the Councillors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on legal and regulatory requirements

The statement of responsibility by the Councillors describes instances of all known non-compliance with laws and regulations whose effect should be considered when preparing the financial statements as well as those that could be fundamental to the operational aspects of the entity.



PSTM Auditors Inc.
Phuthanang Motsielwa
Registered Auditor

27 July 2022

7 Naivasha Road
Sunninghill
Sandton
2191

COUNCILLORS' RESPONSIBILITIES AND APPROVAL

The Councillors are required, in terms of the Project and Construction Management Professions (PCMP) Act No. 48 of 2000, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Council as at the end of the financial year and the results of its operations and cash flows for the period then ended.

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

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

The Councillors are of the opinion, based on the information and explanations given by Management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Councillors have reviewed the Council's cash flow for the year to 31 March 2022 and in light of the review and the current financial position, they are satisfied that the SACPCMP has or will have access to adequate resources to continue in operational existence for the foreseeable future.

The independent auditor is responsible for independently auditing and reporting on the Council's financial statements. The financial statements have been examined by the Council's independent auditors and their report is presented on pages 75 to 76.

The financial statements set out on pages 80 to 100, which have been prepared on the going concern basis, were approved by the Councillors and were signed on their behalf by:

Approval of financial statements



Mr IM Nkosi

President: The South African Council for the Project and Construction Management Professions (SACPCMP)



Mr BB Simelane

Vice President: The South African Council for the Project and Construction Management Professions (SACPCMP)



Mr MIB Matutle

Registrar: The South African Council for the Project and Construction Management Professions (SACPCMP)

COUNCILLORS' REPORT

The Councillors are pleased to submit their report on the financial statements of The South African Council for the Project and Construction Management Professions (SACPCMP) for the year ended 31 March 2022.

1. Nature of business

The SACPCMP was established under the PCMP Act No. 48 of 2000. The principal activities of the Council are to provide for the registration of professionals, candidates and specified categories in the project and construction management professions.

There have been no material changes to the nature of the Council's business from the prior year.

2. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the PCMP Act. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Council are set out in these financial statements.

3. Councillors

The Councillors in office at the date of this report are as follows:

Councillors	Office	Designation
Mr IM Nkosi	President	Non-executive
Mr BB Simelane	Vice-President	Non-executive
Dr C Deacon	Council Member	Non-executive
Ms N Molao	Council Member	Non-executive
Mr E Manchidi	Council Member	Non-executive
Adv. R Dehal	Council Member	Non-executive
Mr G Mbuthia	Council Member	Non-executive
Mr I Molosi	Council Member	Non-executive
Mr IS Naidoo	Council Member	Non-executive
Ms G Komane	Council Member	Non-executive
Mr MIB Matutle	Registrar	Executive

Resignations/deaths/retirement/removal of director

Councillors	Cause of change	Office	Designation	Date
Dr C Deacon	Resignation	Council Member	Non-executive	08 November 2021
Adv. R Dehal	Resignation	Council Member	Non-executive	06 May 2021

4. Property, plant and equipment

There was no change in the nature of the property and equipment of the Council or in the policy regarding their use.

At 31 March 2022, the Council's investment in property, plant and equipment amounted to R1 248 456 (2021: R559 713) of which R1 074 489 (2021: R93 310) was added in the current year through additions.

5. Events after the reporting period

The Councillors are not aware of any material event which occurred after the reporting date and up to the date of this report that may materially impact these financial statements. The 5th term Council's tenure comes to an end on 31 July 2022 and as such the nomination of the 6th term Council is currently underway.

6. Going concern

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

The Councillors believe that the SACPCMP has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The Councillors have satisfied themselves that the SACPCMP is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Councillors are not aware of any new material changes that may adversely impact the SACPCMP. The Councillors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the SACPCMP.

7. Auditors

Ngubane and Co (Johannesburg) Inc.'s contract expired in December 2021 and PSTM Auditors Inc. were appointed as the independent external auditors of the Council for the next three (3) financial years.

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

Figures in Rand	Note(s)	2022	2021
Assets			
Non-current assets			
Property, plant and equipment	2	1 248 456	559 713
Right-of-use assets	3	7 223 451	317 503
Intangible assets	4	384 919	383 236
		8 856 826	1 260 452
Current assets			
Trade and other receivables	5	264 950	276 591
Cash and cash equivalents	6	38 398 036	20 401 254
		38 662 986	20 677 845
Total assets		47 519 812	21 938 297
Equity and liabilities			
Equity			
Retained income		17 349 048	3 133 269
Liabilities			
Non-current liabilities			
Lease liabilities	3	7 399 592	146 459
Current liabilities			
Trade and other payables	8	6 806 837	5 794 541
Finance lease liabilities	3	419 009	443 020
Income received in advance	7	15 545 326	12 421 008
		22 771 172	18 658 569
Total liabilities		30 170 764	18 805 028
Total equity and liabilities		47 519 812	21 938 297

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

Figures in Rand	Note(s)	2022	2021
Revenue	9	41 621 920	37 978 191
Other operating income	10	6 236 722	1 242 034
Other operating expenses		(34 281 127)	(38 160 603)
Operating surplus		13 577 515	1 059 622
Investment income		941 574	476 017
Finance costs		(303 310)	(233 050)
Surplus for the year		14 215 779	1 302 589

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

Figures in Rand	Retained income
Balance at 01 April 2020	1 830 680
Surplus for the year	1 302 589
Balance at 01 April 2021	3 133 269
Surplus for the year	14 215 779
Balance at 31 March 2022	17 349 048

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

Figures in Rand	Note(s)	2022	2021
Cash flows from operating activities			
Cash generated from operations	11	18 952 593	6 195 827
Interest income		941 574	476 017
Finance costs		(303 310)	(233 050)
Net cash from operating activities		19 590 857	6 438 795
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(1 074 489)	(93 310)
Purchase of other intangible assets	4	(6 322)	-
Net cash from investing activities		(1 080 811)	(93 310)
Cash flows from financing activities			
Payment on lease liabilities		(513 266)	(1 789 853)
Total cash movement for the year		17 996 782	4 555 631
Cash at the beginning of the year		20 401 254	15 845 623
Total cash at the end of the year	6	38 398 036	20 401 254

ACCOUNTING POLICIES

1. Significant accounting policies

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

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with and in compliance with International Financial Reporting Standards (IFRS) and the PCMP Act No. 48 of 2000 of South Africa including any interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to the Council.

The financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention.

These accounting policies are consistent with the previous period.

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

1.2 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The judgements applied are included in the accounting policy notes.

1.3 Property and equipment

Property and equipment owned by the Council comprise leasehold improvements, furniture and fittings, office equipment and computer equipment.

Property and equipment of the Council are measured at cost less accumulated depreciation and any accumulated impairment. Depreciation is determined using the straight-line method over the useful life.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Council.

Property and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

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

Item	Depreciation method	Useful life
Furniture and fixtures	Straight-line	5 to 10 years
Office equipment	Straight-line	5 to 10 years
IT equipment	Straight-line	3 to 8 years
Leasehold improvements	Straight-line	Based on lease term

The Council assesses, at the end of reporting period, whether there is any indication that its expectation of the residual value and useful life of an asset has changed since the preceding reporting date. If any such indication exists, the Council will revise the expected useful life and/or residual value accordingly. The change will be accounted for as a change in an accounting estimate.

ACCOUNTING POLICIES (CONTINUED)

1.3 Property and equipment (continued)

Useful lives of property and equipment

The Council reviews the useful lives, residual values and depreciation methods of its property and equipment at the end of the reporting period. The useful life of assets is based on management's estimates. Management considers the impact of technology and the required return on assets to determine the optimum useful life expectation, where appropriate. The estimated residual value of assets is also based on management's judgment, which takes into account the condition of assets at the end of their useful lives.

The Council reviewed the useful lives and depreciation methods of its property and equipment at the end of this reporting period and concluded that no adjustments were deemed necessary.

Impairment of property and equipment

The Council assesses at the end of reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount is calculated at the higher of value in use and fair value less cost to sell and impairment, which is the difference between the carrying amount and the recoverable amount. Impairment losses are recognised in profit and loss.

The Council assessed property and equipment at the end of the reporting period to determine whether there was an indication that an item of property and equipment was impaired. No impairment was noted.

The gain or loss arising from the disposal or retirement of an item of property and equipment is the difference between the sales proceeds and the carrying value and is recognised in the statement of profit or loss and other comprehensive income.

1.4 Intangible assets

Intangible assets owned by the Council comprise computer software and licences.

Intangible assets of the Council are measured at cost less accumulated amortisation and accumulated impairment.

Licences and software acquired separately are measured at historical cost. Licenses and computer software have a finite useful life and are measured at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost of acquired software and licences over their estimated useful lives of three years.

An intangible asset is regarded by the Council as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Intangible assets with an indefinite useful life are not amortised but are tested for impairment annually and whenever there is an indication the intangible asset may be impaired. The intangible asset's determination as having an indefinite useful life is also reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment. Reassessing the useful life of an intangible asset as finite rather than indefinite is an indicator that the asset may be impaired.

The Council reviewed the useful lives of its intangible assets at the end of this reporting period and concluded that no adjustment was deemed necessary.

The amortisation period and the amortisation method for intangible assets are reviewed annually at year-end. Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Useful life
Computer software licence	3 years
Membership Portal licence	Indefinite

ACCOUNTING POLICIES (CONTINUED)

1.5 Financial instruments and contract liabilities

Financial assets held by the Council comprise trade and other receivables, and cash and cash equivalents.

Contract liabilities comprising income received in advance is recognised when a Registered Person pays consideration or has an unconditional right to consideration before the Council recognises the related revenue.

Trade receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

Finance income and expected credit losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income. Any gain or loss on derecognition is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Trade and other receivables

Trade receivables are initially recognised when the Council becomes a party to the contractual provisions of the instrument. Trade receivables are initially measured at transaction price. The carrying amount of the receivable is reduced through the use of an allowance account, and the amount of the deficit is recognised in the Statement of Profit or Loss and Other Comprehensive income under operating expenses. When receivables are uncollectible, it is written off against the allowance account once Council approval is obtained. Subsequent recoveries of amounts previously written off are credited in the Statement of Profit or Loss and Other Comprehensive Income.

The Council's business model for realising the assets is collecting through cash flows, at the end of each reporting period. The Council assesses whether there is any objective evidence that a receivable or group of receivables is impaired. Impairment losses on trade and other receivables are recognised in profit or loss when there is objective evidence that an impairment loss has been incurred and are measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at its original effective interest rate, i.e. the effective interest rate computed at initial recognition. The impairment loss is reversed if, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised.

Expected credit loss

The expected credit loss represents loss allowances of trade receivables at an amount equal to lifetime expected credit losses, which is calculated using a provision matrix. The Council has adopted the simplified model. As the Council's historical credit loss experience does not indicate significantly different loss patterns for different segments, the loss allowance is based on future expected losses. This is performed for debtors (registered persons and prospective applicants).

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, which are highly liquid investments and are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Trade and other payables

Trade payables are obligations for goods and services that have been acquired in the ordinary course of business from suppliers.

Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are initially measured at fair value and, after initial recognition, at amortised cost, except for payables with no stated interest rate and the effect of discounting being immaterial that are measured at their original invoice amount.

1.6 Leases

Council as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Council is a lessee, except for short-term leases of 12 months or less, or leases of low value assets which are R5 000 or less and have a useful life of one year or less. For these leases, the Council recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

ACCOUNTING POLICIES (CONTINUED)

1.6 Leases (continued)

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lessee components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Council uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

Right-of-use assets

Lease payments included in the measurement of right-of-use comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Council incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Council expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

Item	Depreciation method	Useful life
Buildings	Straight-line	10 years (lower of lease term and expected useful life)
Office equipment	Straight-line	3 to 5 years (lower of lease term and expected useful life)
IT equipment	Straight-line	3 to 5 years (lower of lease term and expected useful life)

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The gain or loss arising from the disposal or retirement of an item is the difference between the sales proceeds and the carrying value and is recognised in the Statement of Profit or Loss and Other Comprehensive Income

IT right-of-use items were disposed of during this reporting period when the lease contract expired. The items disposed of were derecognised and the loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

1.7 Revenue from contracts with Registered Persons

The Council generates revenue from rendering of services from; webinars, annual fees, registration fees, application fees, CPD and CPD validation. Revenue is measured based on the consideration specified in a contract with a Registered Person and excludes amounts received on behalf of third parties, like value-added tax.

The following is a description of principal activities from which the entity generates its revenue. The entity principally generates revenue from providing professional affiliation certificates to its Registered Persons. The typical length of the certificate is 12 months, with a shorter period prorated to the start of first-time registration. The entity also provides other services in the form of interviews, exams as well as assessment of log books to name a few.

ACCOUNTING POLICIES (CONTINUED)

1.7 Revenue from contracts with Registered Persons (continued)

Annual fees

The entity recognises revenue from annual fees on a straight-line basis over the period of the validity of certificate when services are rendered. The certificates are valid for a period of 12 months ending in March every year. The annual fees are for a period of 12 months.

Determining performance obligations over a period of time, the Council has concluded that annual fees are to be recognised over time as the Registered Persons simultaneously receive and consume the benefits that the Council provides by utilising the certificate for 12 months.

Application fees

The Council recognises revenue when application process requirements have been met. The Council's obligations are met when the application is assessed.

Exam fees

The Council recognises revenue upon providing the service relating to exams. Exams are scheduled throughout the year on the basis of demand.

Registration fees

Registration fees are recognised upon acceptance of the Registered Person to be a Registered Person. Registrations are performed throughout the year upon completion of the relevant professional requirements.

Continuing Professional Development (CPD)

Revenue is recognised when the Registered Person purchases CPD bundles from the membership portal. CPD bundles are available throughout the year on the basis of demand.

CPD validation

Training service providers are expected to apply for CPD validation by submitting training material to be assessed. The service provider is invoiced and pays the amount invoiced prior to any service being rendered. Revenue is recognised upon the Council fulfilling its obligation by assessing the training material.

Webinars

The Council hosts webinars. Revenue is recognised at a point in time when the service is delivered to the Registered Person and delegates, such as the date of the event.

1.8 Grants

Grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the Council,
- the amount of the revenue can be measured reliably, and to the extent that there has been compliance with any restrictions associated with the grant.

1.9 Investment income

Investment income is recognised as other income as it accrues using the effective interest method.

1.10 Related parties

Management is considered a related party, and comprises President, Vice President, Council members and the Registrar.

1.11 Income tax

The Council is exempted from income tax in terms of Section 10(1)(cA)(i)(bb) of the Income Tax Act No. 58 of 1962.

NOTES TO THE FINANCIAL STATEMENTS

2. Property and equipment

Figures in Rand	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	838 879	(464 731)	374 148	457 897	(431 008)	26 889
Office equipment	308 245	(295 889)	12 356	308 245	(276 847)	31 398
IT equipment	1 957 237	(1 405 596)	551 641	1 575 557	(1 074 131)	501 426
Leasehold improvements	311 826	(1 515)	310 311	-	-	-
Total	3 416 187	(2 167 731)	1 248 456	2 341 699	(1 781 986)	559 713

Reconciliation of property and equipment – 2022

Figures in Rand	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	26 889	380 984	(33 725)	374 148
Office equipment	31 398	-	(19 042)	12 356
IT equipment	501 426	381 679	(331 464)	551 641
Leasehold improvements	-	311 826	(1 515)	310 311
	559 713	1 074 489	(385 746)	1 248 456

Reconciliation of property and equipment – 2021

Figures in Rand	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	72 515	-	-	(45 626)	26 889
Office equipment	71 790	7 648	-	(48 040)	31 398
IT equipment	774 823	85 662	(6 452)	(352 607)	501 426
Leasehold improvements	31 674	-	(2)	(31 672)	-
	950 802	93 310	(6 454)	(477 945)	559 713

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. Leases (Council as lessee)

The Council leases several assets including buildings and IT equipment. The lease term is three to ten years. Details pertaining to leasing arrangements, where the Council is a lessee are presented below:

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are included in the following line items:

Right-of-use assets

Figures in Rand	2022			2021		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Buildings	7 742 387	(580 679)	7 161 708	-	-	-
Office equipment	591 201	(532 081)	59 120	983 985	(902 962)	81 023
IT equipment	616 283	(613 660)	2 623	-	(354 720)	236 480
	8 949 871	(1 726 420)	7 223 451	983 985	(1 257 682)	317 503

Reconciliation of right-of-use assets – 2022

Figures in Rand	Opening balance	Additions	Termination	Depreciation	Total
Buildings	-	7 742 387	-	(580 679)	7 161 708
Office equipment	81 023	-	-	(78 400)	2 623
IT equipment	236 480	-	(1)	(177 360)	59 120
	317 503	7 742 387	(1)	(836 439)	7 223 451

Reconciliation of right-of-use assets – 2021

Figures in Rand	Opening balance	Additions	Termination	Depreciation	Total
Buildings	1 118 534	-	(2)	(1 118 532)	-
Office equipment	409 314	-	(38)	(328 246)	81 023
IT equipment	413 840	-	-	(177 360)	236 480
	1 941 688	-	(40)	(1 624 138)	317 503

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. Leases (Council as lessee) (continued)

Finance lease liabilities

The maturity analysis of lease liabilities is as follows:

Figures in Rand	2022	2021
Within one year	1 105 058	514 844
Two to five years	5 861 733	152 451
More than five years	5 012 090	-
	11 978 881	667 295
Less finance charges component	(4 160 280)	(77 816)
	7 818 601	589 479
Non-current liabilities	7 399 592	146 459
Current liabilities	419 009	443 020
	7 818 601	589 479

4. Intangible assets

Figures in Rand	2022			2021		
	Cost/ Valuation	Accumulated amortisation	Carrying value	Cost/ Valuation	Accumulated amortisation	Carrying value
Computer software	89 684	(84 765)	4 919	83 362	(80 126)	3 236
Computer licence – Indefinite life	380 000	-	380 000	380 000	-	380 000
Total	469 684	(84 765)	384 919	463 362	(80 126)	383 236

Reconciliation of intangible assets – 2022

Figures in Rand	Opening balance	Additions	Amortisation	Total
Computer software	3 236	6 322	(4 639)	4 919
Computer licence – Indefinite life	380 000	-	-	380 000
	383 236	6 322	(4 639)	384 919

Reconciliation of intangible assets – 2021

Figures in Rand	Opening balance	Disposals	Amortisation	Total
Computer software	66 026	(35 003)	(27 787)	3 236
Computer licence – Indefinite life	380 000	-	-	380 000
	446 026	(35 003)	(27 787)	383 236

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

4. Intangible assets (continued)

Assets with indefinite lives

Figures in Rand	2022	2021
My Membership licence	380 000	380 000

The useful life of the My Membership licence is considered indefinite. It is not bound by any expiry period as there is no foreseeable limit to the period over which the asset is expected to generate net cash flows for the Council.

5. Trade and other receivables

Figures in Rand	2022	2021
Financial instruments:		
Trade receivables	2 666 903	7 608 932
Allowance for impairment	(2 515 817)	(7 407 425)
Trade receivables at amortised cost	151 086	201 507
Other debtors	36 678	16 559
Consultants/Allowances	6 146	2 850
Non-financial instruments:		
Stipend advance	10 000	10 000
Salary advance	61 040	45 675
Total trade and other receivables	264 950	276 591

Trade and other receivable expected credit loss

As at 31 March 2022, trade and other receivables of R2 666 903 were assessed for credit loss. The amount for the assessed loss was R2 515 817.

Exposure to credit risk

Trade receivables inherently expose the Council to credit risk, being the risk that the Council will incur financial losses if a Registered Person fails to make payments as they fall due.

Trade receivables consist of Registered Persons. Credit evaluations are performed on the financial condition of trade and other receivables on an ongoing basis. There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

The carrying amount of financial assets recognised in the financial statements, which are net of impairment losses, represent the Council's maximum exposure to credit risk. A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor is deregistered. Trade receivables which have been written off are not subject to enforcement activities.

The Council applies a simplified approach when assessing credit losses as our assets do not contain a significant financing component. Under the simplified approach there is no need to monitor significant increases in credit risk and the Council will be required to measure lifetime expected credit losses at all times. However, impairments will still be higher because historical provision rates will need to be adjusted to reflect relevant, reasonable and supportable information about future expectations.

The Council's historical credit loss experience does not show significant loss pattern differences for Registered Persons. The provision for credit losses is therefore based on future expected losses without disaggregating.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

6. Cash and cash equivalents

Cash and cash equivalents at fair value consist of:

Figures in Rand	2022	2021
Cash on hand	6 671	1 440
Bank balances	4 685 636	1 834 201
Short-term deposits	33 705 729	18 565 613
	38 398 036	20 401 254

7. Income received in advance

The Council recognises revenue from annual fees on a straight-line basis over the period of the validity of certificates. The fees are billed on an annual basis for a period of 12 months which is aligned to the financial year.

A contract liability is recognised when a Registered Person pays consideration or has an unconditional right to consideration before Council recognises the related revenue.

Figures in Rand	2022	2021
Income received in advance	15 545 326	12 421 008

8. Trade and other payables

Financial instruments:

Trade payables	1 674 174	1 402 413
Honorarium	3 575	-
Debtors with credit balances	2 999 333	3 105 215

Non-financial instruments:

PAYE, SDL and UIF	345 901	-
Leave provision	788 608	601 670
VAT	995 246	685 242
	6 806 837	5 794 541

9. Revenue

Revenue from contracts with Registered Persons

Fee revenue	40 623 579	36 778 882
Penalty income	574 485	862 995
Recognition of prior learning fees	13 078	117 704
Continuing Professional Development	410 778	218 610
	41 621 920	37 978 191

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

10. Other operating income

Figures in Rand	2022	2021
Proceeds from insurance claim	-	38 152
Reversal of provisions	3 534 938	-
CBE levy waiver	-	218 673
Webinar	28 033	-
Government grants	2 673 751	985 209
	6 236 722	1 242 034

Government grant

The government grant recognised in the current financial year relates to a discretionary grant application by the SACPCMP to the Construction Education and Training Authority (CETA). The Council collaborated with the Department of Public Works and Infrastructure (DPWI) in a Candidacy programme which offer mentorship to registered Candidates who are employees of DPWI.

CBE levy waiver

The Council for the Built Environment waived 100% of the CBE levies payable by the Council to CBE for the 2020/2021 financial year.

11. Cash generated from operations

Figures in Rand	2022	2021
Surplus	14 215 779	1 302 589
Adjustments for:		
Depreciation and amortisation	1 226 819	2 129 915
Loss on disposal of assets	4	41 446
Interest income	(941 574)	(476 017)
Finance costs	303 310	233 050
Changes in working capital:		
Trade and other receivables	11 641	909 137
Trade and other payables	1 012 296	2 594 820
Income received in advance	3 124 318	(547 412)
	18 952 593	6 195 827

12. Contingencies

There are no material contingencies that require disclosure.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

13. Related parties

Relationships

Members of Council	Mr IM Nkosi (President)
	Mr BB Simelane (Vice-President)
	Dr C Deacon
	Ms N Molao
	Mr E Manchidi
	Adv. R Dehal
	Mr G Mbuthia
	Mr I Molosi
	Ms G Komane
	Mr S Naidoo

Related party transactions

Figures in Rand	2022	2021
Honorarium and telephone allowance paid to the President of Council		
Mr IM Nkosi	50 400	48 600
Mr IM Nkosi – Telephone allowance	5 400	4 935
Council Members		
Mr IM Nkosi (President)	104 441	42 985
Mr BB Simelane (Vice-President)	57 193	21 595
Dr C Deacon	7 731	5 155
Ms N Molao	1 051	7 255
Mr E Manchidi	14 181	2 485
Adv. R Dehal	514	958
Mr G Mbuthia	25 271	5 845
Mr S Naidoo	41 481	8 028
Ms G Komane	1 051	958
Compensation to directors and other key management		
Honorarium paid to Mr IM Nkosi (President)	50 400	48 600

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

14. Registrar's emoluments

Executive – 2022

Figures in Rand	Emoluments	Subsistence and travel allowance	Other benefits	Total
Registrar's emoluments	2 052 396	150 000	70 703	2 273 099

Other benefits relates to the risk premiums and the token of appreciation payment paid to all SACPCMP staff member.

Executive – 2021

Figures in Rand	Emoluments	Subsistence and travel allowance	Other benefits	Total
Registrar's emoluments	1 986 281	150 000	8 059	2 144 340

15. Financial instruments and risk management

Financial risk management

Overview

Effective financial risk management is imperative to the Council. The realisation of the Council's objectives depends on the sound management of financial risks which enable the Council to anticipate and respond to changes in the market environment and make informed decisions under conditions of uncertainty.

Credit risk

Credit risk consists mainly of cash deposits, cash and cash equivalents and trade debtors. The Council only deposits cash with major banks with high quality credit standing. Trade receivables comprise amounts owed by Registered Persons. Credit loss allowances for expected credit losses are recognised for all financial instruments, excluding those measured at fair value through profit or loss.

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

Figures in Rand	2022			2021		
	Gross carrying amount	Credit loss allowance	Amortised cost	Gross carrying amount	Credit loss allowance	Amortised cost
Trade and other receivables (Note 5)	2 774 621	(2 509 671)	264 950	7 681 166	(7 404 575)	276 591

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

15. Financial instruments and risk management (continued)

Figures in Rand	2022			2021		
	Gross carrying amount	Credit loss allowance	Fair value	Gross carrying amount	Credit loss allowance	Fair value
Financial assets at fair value						
Cash and cash equivalents (Note 6)	38 398 036	-	38 398 036	20 401 254	-	20 401 254

Liquidity risk

The Council is exposed to liquidity risk, which is the risk that the Council will encounter difficulties in meeting its obligations as they become due.

The Council manages its liquidity risk by effectively managing its working capital, capital and cash flows.

Figures in Rand	2022				
	Less than one year	One to two years	Two to five years	Over five years	Total
Current liabilities					
Trade and other payables (Note 8)	(6 806 837)	-	-	-	(6 806 837)
Lease liabilities (Note 3)	(419 009)	(844 250)	(1 342 933)	(5 212 409)	(7 818 601)

Figures in Rand	2022				
	Less than one year	One to two years	Two to five years	Over five years	Total
Current liabilities					
Trade and other payables (Note 8)	(6 800 646)	-	-	-	(6 800 646)
Lease liabilities (Note 3)	(419 009)	(844 250)	(1 342 933)	(5 212 409)	(7 818 601)

Interest rate risk

Fluctuations in interest rates impact the value of investments and financing activities, giving rise to interest rate risk. The Council policy with regards to financial assets is to invest cash at fixed rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

16. Going concern

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

The Councillors believe that the SACPCMP has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The Councillors have satisfied themselves that the SACPCMP is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

17. Events after the reporting period

There were no events after the reporting date which may materially impact these financial statements. The 5th term Council's tenure comes to an end on 31 July 2022, and as such Council nominations for the 6th term Council are currently underway.

DETAILED INCOME STATEMENT

Figures in Rand	Note(s)	2022	2021
Revenue	9	41 621 920	37 978 191
Other operating income	10	6 236 722	1 242 034
Expenses (Refer to page 100)		(34 281 127)	(38 160 603)
Operating surplus		13 577 515	1 059 622
Investment income		941 574	476 017
Finance costs		(303 310)	(233 050)
Surplus for the year		14 215 779	1 302 589

DETAILED INCOME STATEMENT (CONTINUED)

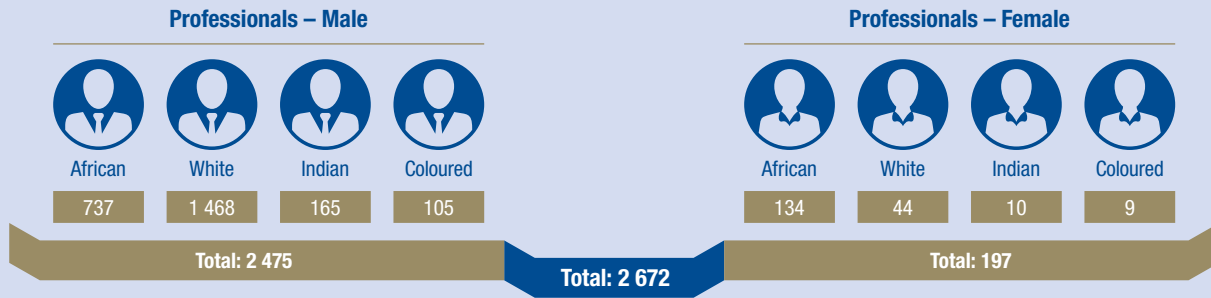
Figures in Rand	Note(s)	2022	2021
Other operating expenses			
SARS interest and penalty fees		-	(8 953)
Amortisation		(4 639)	(27 787)
Auditor's remuneration – External audit		(280 407)	(314 645)
Auditor's remuneration – Internal audit		(326 706)	(462 527)
Bad debts written off		(4 548 192)	(3 675 465)
Bank charges		(437 844)	(247 853)
Cleaning		(6 104)	(22 225)
Consulting fees – Other		(441 893)	(1 768 857)
Investigation of complaints		(75 000)	(1 122)
Refreshments		(6 316)	(3 196)
Depreciation		(1 222 180)	(2 102 128)
Employee costs		(15 300 677)	(16 453 573)
Entertainment		-	(1 000)
Council allowance and expenses		(463 044)	(303 959)
Design and printing		(83 477)	(97 580)
Assessment of applications		(1 135 214)	(1 110 887)
Interviews		(627 402)	(459 157)
Examinations		(174 600)	(707 207)
Grant expenditure (CETA)		(2 354 750)	(848 750)
Meetings and workshops		(9 350)	(77 573)
Marketing and communication		(34 080)	(27 000)
Insurance		(302 937)	(384 430)
IT expenses		(2 000 728)	(1 725 750)
Lease rentals		(562 005)	(21 256)
Provision for bad debt and cancellation		-	(5 698 973)
Water and electricity		(231 903)	(340 746)
General expenses		(169 433)	(25 576)
Legal		(304 888)	-
Recruitment costs		(35 153)	-
Postage		(7 853)	-
Printing and stationery		(82 497)	(138 956)
Registry expenses		(184 806)	(60 547)
Webinar costs		(63 870)	-
Policy development costs		(499 100)	-
Company secretarial fees		(232 012)	-
Security		(270 121)	(308 398)
Staff welfare		(38 266)	(1 640)
Government gazette publications		(57 895)	(15 790)
Research and development		(1 114 025)	-
Telecommunication		(435 212)	(629 930)
Training		(26 250)	-
Travel – Local		(130 294)	(45 721)
Loss on disposal of assets		(4)	(41 446)
		(34 281 127)	(38 160 603)



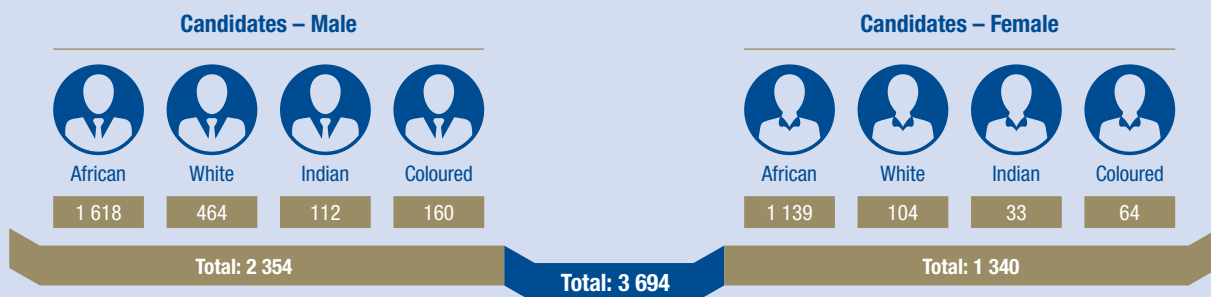
PART F

BREAKDOWN OF STATISTICS

TOTAL NUMBER OF REGISTERED PROFESSIONALS BY RACE AND GENDER



TOTAL NUMBER OF CANDIDATES BY RACE AND GENDER



TOTAL NUMBER OF REGISTERED PERSONS BY CATEGORY

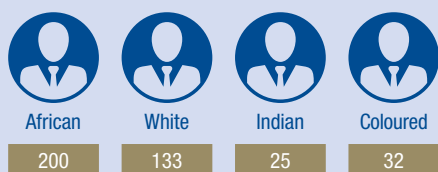


TOTAL NUMBER OF REGISTERED PERSONS BY CATEGORY (CONTINUED)



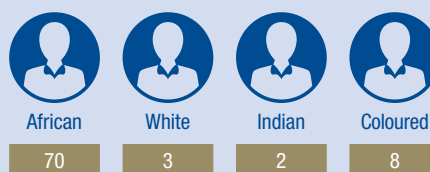
TOTAL NUMBER OF CANDIDATES BY CATEGORY

Candidate Construction Manager – Male



Total: 390

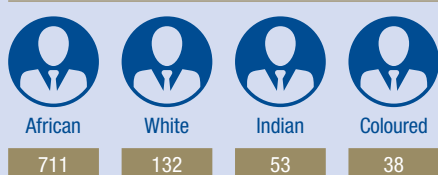
Candidate Construction Manager – Female



Total: 83

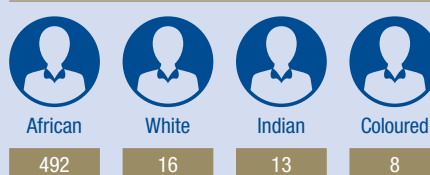
Total: 473

Candidate Construction Project Manager – Male



Total: 934

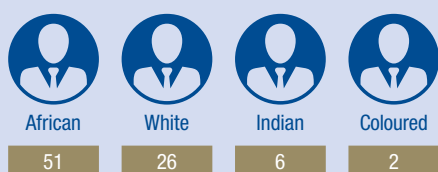
Candidate Construction Project Manager – Female



Total: 529

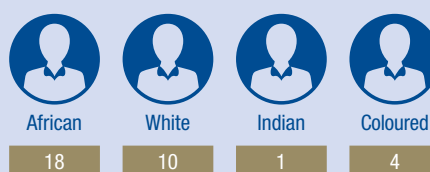
Total: 1 463

Candidate Construction Health and Safety Agent – Male



Total: 85

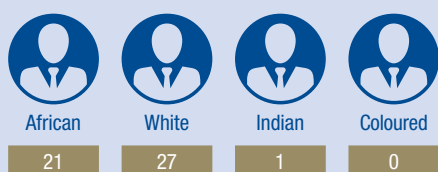
Candidate Construction Health and Safety Agent – Female



Total: 33

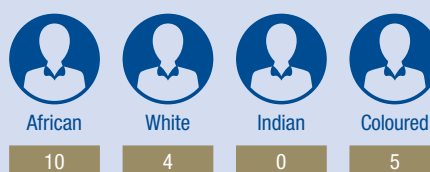
Total: 118

Candidate Construction Health and Safety Manager – Male



Total: 49

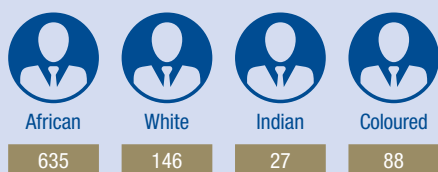
Candidate Construction Health and Safety Manager – Female



Total: 19

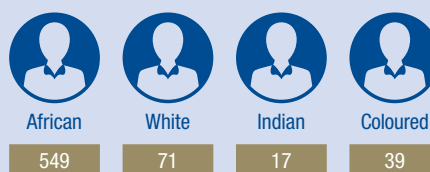
Total: 68

Candidate Construction Health and Safety Officer – Male



Total: 896

Candidate Construction Health and Safety Officer – Female



Total: 676

Total: 1 572



SACPCMP

The South African Council for the Project and Construction Management Professions

— CONSTRUCTING NEW PERSPECTIVES —

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