SACPCMP

The South African Council for the Project and Construction Management Professions

— CONSTRUCTING NEW PERSPECTIVES —

ANNUAL REPORT
2023|24

Contents

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	admin@sacpcmp.org.za
WEBSITE ADDRESS	www.sacpcmp.org.za
EXTERNAL AUDITORS	RAiN Chartered Accountants
BANKERS	Nedbank Limited Investec Bank
COUNCIL SECRETARY	IKB Secretaries

ACHASM	Association of Construction Health and Safety Management
ACPM	Association of Construction Project Managers
APP	Annual Performance Plan
ARC	Audit and Risk Committee
ASAQS	Association of South African Quantity Surveyors
B-BBEE	Broad-Based Black Economic Empowerment
BCP	Business Continuity Plan
BE	Built Environment
BI	Building Inspectors
CanCHSA	Candidate Construction Health and Safety Agent
CanCHSM	Candidate Construction Health and Safety Manager
CanCHSO	Candidate Construction Health and Safety Officer
CBE	Council for the Built Environment
CBEP	Council for the Built Environment Professions
CCSA	Competition Commission South Africa
CBInsp	Certified Building Inspector
CCM	Candidate Construction Manager
CCPM	Candidate Construction Project Manager
CPM	Construction Project Management
CESA	Consulting Engineers South Africa
CETA	Construction Education and Training Authority
CHE	Council on Higher Education
CHS	Construction Health and Safety
CHSM	Construction Health and Safety Manager
CHSO	Construction Health and Safety Officer
CIDB	Construction Industry Development Board
CIOB	Chartered Institute of Building
CMentor	Construction Mentor
CPD	Continuing Professional Development
CPM	Construction Project Management
DoEL	Department of Employment and Labour
DPWI	Department of Public Works and Infrastructure
ECSA	Engineering Council of South Africa
EDMS	Electronic Document Management System
EPWP	Expanded Public Works Programme
EXCO	Executive Committee
GIAMA	Government Immovable Asset Management Act
HDI	Historically Disadvantaged Individuals
HR	Human Resources
HRDC	Human Resources Development Council
ICT	Information and Communication Technology
IDoW	Identification of Work
IHL	Institutions of Higher Learning
IoSM	The Institute of Safety Management
ITIL	Information Technology Infrastructure Library
LGSETA	Local Government Sector Education Training Authority

MANCO	Management Committee
MARKOR	Market Orientation (scale)
MBA KZN	Master Builders Association KwaZulu-Natal
MBA North	Master Builders Association North
MBA WC	Master Builders Western Cape
MBSA	Master Builders South Africa
MM	My Management (system)
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MTEF	Medium-Term Expenditure Framework
NCPD	National Council of People of/with Disabilities
NHBRC	National Home Builders Registration Council
NQF	National Qualifications Framework
PCM	Project and Construction Management
PFMA	Public Finance Management Act
PMI	Project Management Institute
PMSA	Project Management South Africa
PPPFA	Preferential Procurement Policy Framework Act
PR	Public Relations
PrBInsp	Professional Building Inspectors
PrCHSA	Professional Construction Health and Safety Agent
PrCM	Professional Construction Manager
PrCMentor	Professional Construction Mentor
PrCPM	Professional Construction Project Manager
QCTO	Quality Council for Trades and Occupations
RICS	Royal Institution of Chartered Surveyors
RP	Registered Person
RPL	Recognition of Prior Learning
SACAP	South African Council for the Architectural Profession
SACLAP	South African Council for the Landscape Architectural Profession
SACPCMP	The South African Council for the Project and Construction Management Professions
SACPVP	South African Council for the Property Valuers Profession
SACQSP	South African Council for the Quantity Surveying Profession
SAFCEC	South African Forum of Civil Engineering Contractors
SAIA	South African Institute of Architects
SAICE	South African Institution of Civil Engineering
SAIOSH	South African Institute for Occupational Safety and Health
SARF	South African Road Federation
SCM	Supply Chain Management
SETA	Sector Education and Training Authority
SGB	Standards Generating Body
SLA	Service Level Agreement
SOEs	State-Owned Entities
SRC	Stakeholder Relations and Communications
VA	Voluntary Association

3. FOREWORD BY THE PRESIDENT

Mr Lufuno Ratsiku, SACPCMP President

On behalf of the South African Council for the Project and Construction Management Professions (SACPCMP) and officials, I present this Annual Report for the 2023/24 financial year. Herein, we provide our stakeholders within the industry, public, and government with an account that outlines the Council's performance on the targets set for the period under review.

As South Africa celebrates 30 years of democracy in 2024, the SACPCMP has taken time to reflect on how far the Built Environment has come and what can be done to pass the baton on to a competent and capable younger generation that will see South Africa through its next few decades of democracy.

The SACPCMP has steadily worked as the regulatory authority for the Project and Construction Management Professions through its five-year strategy to ensure that it remains a sustainable and transformative entity within the Built Environment.

Despite headwinds from the COVID-19 pandemic that battered all industries, including the construction industry, the Council is encouraged that the industry is slowly returning to an even keel. Specific industries, including the construction industry, experienced an increase in part-time employment, with year-on-year part-time employment witnessing a rise of 86 000 jobs compared to earlier in 2023. According to Statistics South Africa, total gross earnings paid to employees increased by 5.8%, totalling R995,6 billion at the end of 2023 compared to R941,3 billion just three months prior. This upswing was primarily driven by the growth in earnings within trade (R15,1 billion), manufacturing (R12,6 billion), and construction (R7,3 billion).

The financial year ended with real gross domestic product (GDP) measured by production, increasing by 0.1%, following a decrease of 0.2% in the third quarter of 2023/24. This was coupled with austerity measures being introduced towards the third quarter of the year as the government needed to claw back from concerns of budgetary overspending. Consequently, dismal statistics in relation to the value of buildings completed (buildings completed as reported by large municipalities) recorded a -27% change year-on-year at the end of the fourth quarter, with many major projects nationally being put on hold. Unemployment figures at the end of the quarter looked grave at 32.1%.

The sector's contribution to GDP is not what it should be. While six industries recorded positive growth between the third and fourth quarters of 2023/24, the construction industry was not included. The sector was set to lead the Economic Reconstruction and Recovery Plan (ERRP), but all indications of the year that has passed point to major declines and serious regressions. Construction contributed 0.0% to GDP, indicating strongly that the industry has yet to fully recover. Although there have been positive movements with regard to temporary work, much must still be done to achieve its full potential.

These are sobering statistics for the Council, which must prepare to weather the economic climate supported by its Sustainability Project. The prevailing floods in KwaZulu-Natal continue to be indicative of a greater need for us to address climate change issues and sustainable building materials. In addition, there is a greater need for the upscaling of green skills in the industry and to ensure that women, youth, and people living with disabilities have the capacity and the requisite skills base for effective participation in the economy. On the other hand, the water scarcity recently witnessed in South Africa is yet to tell a tale of its impact on infrastructural project delivery.

In witnessing the continued devastation caused by climate change, the Council is confident in its efforts to move towards an outward focus.

With time, we aim to establish a responsive research unit as part of a drive to establish the SACPCMP as an industry thought leader, utilising its research and knowledge

"…there is a greater need for the upscaling of green skills in the industry and to ensure that women, youth, and people living with disabilities have the capacity and the requisite skills base for effective participation in the economy."

management to test such scenarios. Also, to strengthen the sector so as not to be caught unaware in managing the risks that confront and influence the work of our registered professionals. Our own research and knowledge management must aid in identifying sustainable solutions to address the country's aging and incapacitated infrastructure. We must also look to embrace this digital era, where it is easier to access reliable, accurate, and uncontaminated information, and utilise the tools at our disposal to work differently and undertake evidence-based planning and decision-making.

As we enter the penultimate year of the Council's 2020/25 Strategic Plan, our performance should be viewed via two avenues: the Annual Performance Plan (APP), which gives thrust to the Strategic Plan, and the SACPCMP's Change Project and implementation of the Council's legislative mandates through its operations, which is its core business. The mandate of the SACPCMP brings forth the task of protecting and upholding the public interest, which is derived from Section 22 of the Constitution, directed by the Project and Construction Management Professions Act (No 48 of 2000), in giving practical expression to the right of every citizen to choose their trade, occupation, or profession that may be regulated by law.

The past financial period witnessed the implementation of several new and updated policies, as well as meeting its responsibilities through activating the delivery of all 13 mandates, as opposed to a handful in previous years. In addition, the Council strengthened its financial resources to the point that the 'dry months' have been fully eliminated. This is a result of the implementation and successful management of the SACPCMP Sustainability Strategy.

Efforts are now directed towards completing the five-year strategy. The SACPCMP moves into the 2024/25 financial year with a focus on finalising the term as well as continuing with its community and stakeholder engagement. This is to make the Council more visible and cement its presence in the industry and relevance in the sector for sustainable growth. This 'final push' is also in support of the government's efforts to professionalise the public sector and the Built Environment in particular, towards the realisation of the goals of the National Development Plan 2030 and improved service and infrastructure delivery to

the people of this great nation.

In this financial period, the SACPCMP switches gears to steer the entity towards significant progress in improving its operating environment. It will also look to the ushering in of a new dispensation, achieving the culmination of what was envisaged for the Council in its five-year Strategic Plan and critical-change path for the entity.

It is important that we establish the importance and value of Registered Persons in the industry and renew their duty to protect the public and professionals alike. Also ensuring that only competent and ethical individuals perform the work under the Council's various scopes of services. The Sustainability Project, which is in full swing and aims to harness diversified opportunities and, through understanding the Council's core business and legislative environment, cushion the Council from the worst of the impact of the slowing economy. Furthermore, over the past year, we have successfully leveraged several partnerships for the successful hosting of several events and initiatives throughout the year and have consolidated all the groundwork required to usher the Council into a new dispensation of compliance.

In closing, I am honoured to note that the strategic direction set forth by the previous Fifth-Term Council and Executive Management Team, supported by the new energy and focus of the Sixth-Term Council, is actively moving the SACPCMP along a positive trajectory that will drive the entity into a new five-year strategy. This is expected to support the full potential of the construction industry towards economic stimulation and, thus, further transformative development that is needed to drive South Africa's Built Environment growth.

Lufuno Ratsiku
President: SACPCMP

4. MESSAGE FROM THE
REGISTRAR

Mr Butcher Matutle, SACPCMP Registrar

When considering the organisational performance of the South African Council for the Project and Construction Management Professions (SACPCMP) over this past financial year, it should be in the context of the ushering in of a new dispensation of the Council. Also, what was envisaged for the Council in the five-year Strategic Plan, which charted a critical change path for the entity. The Council's previous financial year and activity, in working to achieve its Strategic Plan, bedded several major milestones in its preparation to launch a new Annual Performance Plan (APP) and saw major work concluded to establish the next strategic shifts for the new strategic period.

These included but were not limited to, the design, approval, and implementation of a new organisational design as well as the operationalisation of all 13 mandates, supported by the approval of business processes to cater to all 13 mandates as well as the approval of 10 mandate policies that come into effect in the new financial year. In addition, the SACPCMP approved six mandate standards to operationalise the entity's core mandate policies, as well as developed a review, report, and framework for an ideal governance structure, one that would be fit for a regulator.

The Council reviewed and developed policies and criteria for nine mandate areas as well as finalised its public consultation process for the New Rules for Registration. The approved amendments to the rules will launch them as a new dispensation of the Council, fully aligned with all SAQA and other legislative requirements, in the 2023/24 financial period. This will be followed by ministerial approval of the related exemptions and the Special Dispensation for Registration Framework. These well-structured mechanisms provide for transitioning the industry into full compliance and remove any unwarranted barriers to entry as the industry develops towards full professionalisation. To support these efforts, new interview assessments rolled out in the 2023/24 financial year, along with the implementation of the New Rules for Registration.

Through the moderation process, the SACPCMP greatly reduced the number of appeals and complaints it received regarding assessment outcomes. Furthermore, all of the Council's interviews and assessments were moved to being conducted online, thus progressing the entity firmly into the Fourth Industrial Revolution (4IR) and improving accessibility for all applicants.

While continuing professional development (CPD) proved to be an 'uphill battle', in the 2023/24 financial year, the SACPCMP again instituted measures that assisted in improving compliance levels and registrants who struggled with compliance requirements. This was also done in preparation for the institution's new CPD cycle under the new approved policy.

Despite all these attempts, which extended some CPD cycles from five to nine years, the Council had to consider a large group of registrants for deregistration in the new financial year due to CPD non-compliance. The Council approved the suspension of non-compliant registrants for one more year before deregistration and offered one last opportunity to prepare for re-registration in the 2025/26 financial year instead of losing their registration completely and having to re-register. afresh.

An increased interest in compliance has been noted since the commencement of the remedial efforts and the SACPCMP hopes that this will result in improvements in CPD.

Although the year ended with the impasse on the identification of work (IDOW) and Guideline Tariff of Fees between the Councils for the Built Environment Professions (CBEPs) and the Competition Commission South Africa (CCSA) still unresolved, positive engagements between the Council and CCSA commenced in earnest;

"The major changes the Council introduced in the past year, through its new policies, provide more mechanisms to support candidates and engage professionals in giving back to the next generation."

it is expected that the work towards a Memorandum of Understanding (MoU) with the CCSA will be forthcoming, accelerating the progress towards a resolution. This is positive!

On the registration front, the SACPCMP's registration database closed with 12 496 Registered Persons at the end of the final year under review, realising an annual increase of 9.38%. We noted, over the years, a particularly steep increase in registrations of Construction Health and Safety Officers (CHSO), followed by its candidate category. The Council's core professions of PrCPM and PrCM had a steady growth trajectory, although bumpy at times. Overall, the SACPCMP database has experienced an average increase of 369% in the last 11 years (since 2013).

All of the Council's registration categories suffered major losses in 2020/21 due to the effects of the COVID-19 pandemic, and between the 2021/23 financial years, due to the deregistration of annual fee defaulters. However, a steady recovery was noted in the 2023/24 financial year. Women in all categories constituted 29% of the total number of RP, while men constituted 71%. Within all candidate categories, registered females constituted 40.41%, while males constituted 59.6%. When considering the race and age analysis of the database of registered professionals and specified categories, it is noted that 49% of RP are black, 38% are white, 8% are coloured, and 5% Indian. According to the last census (2022), the South African population is 82% black, 8.2% coloured, 2.7% Indian, and 7.3% white.

"This improvement of the operating environment, controls, and governance will buttress our efforts towards sustainability and maintain our well-established concern."

Thus, the Council has noted that demographic representativity has improved, although it still has a long way to go. What is key to note is that when looking at the pipeline of candidate categories, the trajectory is looking upward, with an encouraging 77% of candidates being black and only 12% being white.

Notwithstanding, this points to a more serious challenge that the Council faces in shifting the needle for the bona fide transformation of the professions. Racial demographics have seen an improvement, but this has been slow at best, and many are still frustratingly stuck in candidature. The major changes the Council introduced in the past year through its new policies introduce more mechanisms to support candidates and engage professionals in advancing and giving back to the next generation of professionals. Coupled with a new transformation strategy, it is hoped that the Council will take a more holistic approach to transformation to see improved and sustained representation. This strategy is critical as demographics lag in terms of age, gender, and race, as well as those with or affected by disabilities.

The decision to develop a Transformation Policy, which is accompanied by the Council's Transformation Strategy, elevates transformation to a priority, confirming that stakeholders across the institution are increasingly taking ownership of transformation at and through the SACPCMP. As such, the strategy emanates from institutional transformation processes.

On the financial front, the Council developed and approved several initiatives to increase and diversify revenue. In addition, the entity developed and approved its pricing policy and outsourcing policy and procedures to ensure the Council's sustainability.

These milestones have created the necessary momentum for the remaining strategy for the final year of implementation of the 2020/2025 Strategic Plan. This improvement of the operating environment, controls, and governance will buttress our efforts towards sustainability and maintain our well-established concern.

As we move towards closing our work on the SACPCMP's 2020/25 Strategic Plan, the foundational work put into place over the past few years will now enable the entity to step into its next five-year Strategic Plan with confidence in its confirmed sustainability and development. This can be done, not only in the areas of financial performance and improved governance but also through its operational efforts, which have enabled the entity for the first time in years to effectively address and deliver on all of its 13 mandates.

Through this, we continue to ensure that the SACPCMP is a fully sustainable entity for the purpose of public protection, and its resource-led strategy drives the promotion of transformation within the Built Environment and infrastructure-led delivery and growth through professional competence and excellence.

Butcher Matutle
Registrar: SACPCMP

5. STATEMENT OF RESPONSIBILITY

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 RAiN Chartered Accountants.

The Annual Report is complete, accurate and free from any omissions.

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

The AFS (Part F) 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 AFS 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 AFS.

The external auditors are engaged to express an independent opinion on the AFS.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information, and the financial affairs of the public entity for the financial year ended 31 March 2024.

Yours faithfully

Butcher Matutle
Registrar: SACPCMP

Lufuno Ratsiku
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

Value Proposition

Our Value Proposition describes the benefits stakeholders can expect from our products and 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 students to enter their chosen professions within the Built Environment.
- We provide the public with guidelines for the 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 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 the 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 for professions under our jurisdiction to meet the infrastructure development needs of South Africa
- We provide support and/or advice to government and SOEs with regards to planning and accessing the services provided by professionals under our jurisdiction.

7. LEGISLATIVE AND OTHER MANDATES

CONSTITUTIONAL MANDATE

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 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:

- Identification of Work
- Guideline Professional Fees
- Continuing Professional Development
- Accreditation of Built Environment Programmes
- Code of Conduct for the Professions
- Professional Registration
- Recognition of Voluntary Associations
- Recognition of New Specified Categories
- International Agreements
- Recognition of Prior Learning
- Standard Generating Body
- Appeals and Tribunals
- Competency Standards for Registration

The design of the previous organisational structure of the SACPCMP accentuated registration, accreditation, and CPD to the detriment of other equally important mandates of the Council. Furthermore, the former structure also overemphasised the administrator function, which involved executives in day-to-day operational issues, impairing the strategic management function in the process.

As a result, a process of organisational redesign was implemented to transform the previous organisational structure from a transactional alignment to a more suitable functional alignment that would better fit the operations and management of a regulatory body. In doing so, the new structure also incorporated specialists and coordinators to enhance organisational redesign.

The new organisational design structure, informed by the SACPCMP's strategy and business processes, was complemented by a five-year Human Capital Resourcing Plan to address capacity constraints and deficits. This was approved by the Council and is being implemented.

OPERATIONS EXECUTIVE	STRATEGY EXECUTIVE	BUSINESS DEVELOPMENT EXECUTIVE	BUSINESS SERVICES EXECUTIVE
REGISTRATION MANAGER	STRATEGY SPECIALIST	PROJECT MANAGEMENT SPECIALIST	BS ADMINISTRATOR (PA)
EDUCATION MANAGER		RESEARCH & POLICY SPECIALIST	MANAGEMENT & COMMUNICATIONS
PROFESSIONS GOVERNANCE MANAGER			MARKETING, EVENTS AND BRAND MANAGEMENT SPECIALIST
CUSTOMER RELATIONSHIP MANAGER			LEGAL COUNSEL
			FACILITIES MANAGEMENT
			GENERAL OFFICE ASSISTANT

OPERATIONS

Organisational Structure of the SACPCMP

REGISTRAR

EXECUTIVE PA

FINANCE EXECUTIVE

HR MANAGER

MANAGER: OFFICE OF THE REGISTRAR

ICT MANAGER

FINANCE ADMINISTRATOR (PA)

FINANCE MANAGER

ASSET MANAGEMENT

SUNDRY DEBTORS ADMINISTRATOR x 2

FINANCE ADMINISTRATOR x 2

EXPENDITURE & LIABILITY MANAGEMENT

PROCUREMENT

HRD SPECIALIST

HRM SPECIALIST

AUDIT MANAGER (OUTSOURCED)

COMPANY SECRETARY (OUTSOURCED)
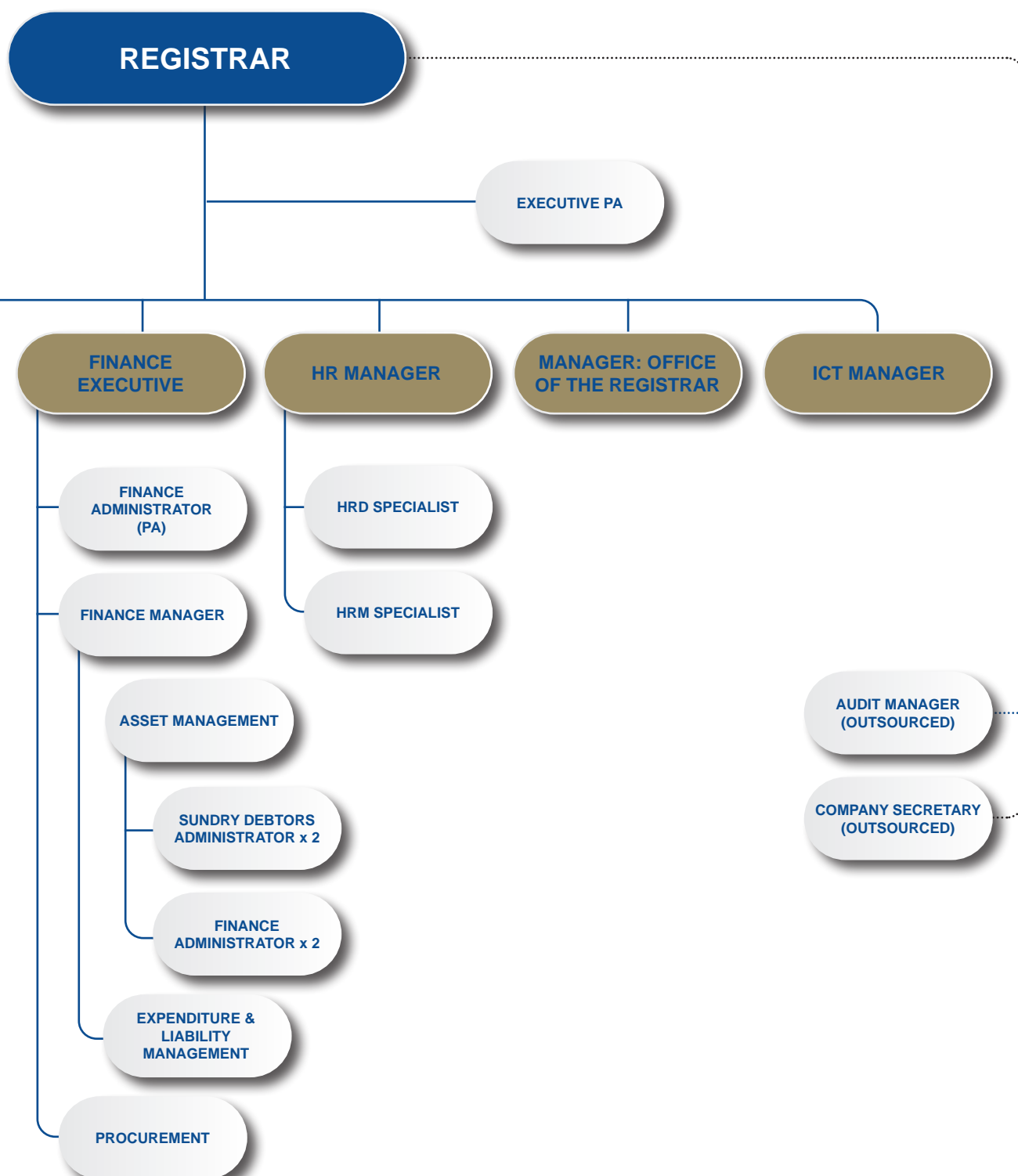
FUNCTIONS

DETAILED OPERATIONAL STRUCTURE

OPERATIONS EXECUTIVE

CRM MANAGER

REGISTRATION MANAGER

PROFESSIONS GOVERNANCE MANAGER

EDUCATION MANAGER

CRM ADMINISTRATOR (REGISTRATION)

CRM ADMINISTRATOR (REGISTRATION)

CRM ADMINISTRATOR (FINANCE)

CRM ADMINISTRATOR (CPD)

RECEPTIONIST

REGISTRATION COORDINATOR

REGISTRATION ADMINISTRATOR x 3

REGISTRATION MANAGER

REGISTRATION ADMINISTRATOR x 3

DEPARTMENTAL PA

CPD COORDINATOR

EDUCATION ADMINISTRATOR x 2

SGB/CSR/RPL COORDINATOR

REGISTRATION ADMINISTRATOR

ACCREDITATION COORDINATOR

EDUCATION ADMINISTRATOR x 2

Operations is responsible for the SACPCMP revenue line. It is accountable for maximising the value received for services and for managing relationships with stakeholders.

Proposed Organisational Structure for the Operations Division

PART B
PERFORMANCE
INFORMATION

1. OVERVIEW OF **PERFORMANCE**

1.1 SERVICE DELIVERY ENVIRONMENT

In the 2023/24 financial year, the SACPCMP's Sixth-Term Council looked to strategically guide the entity so as to lead it in fulfilling its mandate, ensuring good governance, and protecting the public through competent professionals.

The Council recorded a surplus of R 11 363 441 in the 2023/24 financial year. The SACPCMP's operations were primarily sustained by registration fees, which accounted for 82% of total revenue. The remaining 18% was derived from grants (3%), interest income (8%), revenue from events (4%), education (CPD and RPL) (3%), and administrative fees (1%).

The Council does not receive funding from the government, which is not unique to the SACPCMP, as all six Built Environment Councils fund their operations through annual fees. Nevertheless, the payment of registration fees has come under pressure owing to a challenging economic environment. As such, the Council reviewed its annual and registration fee increases, ensuring that these were kept to a minimum.

The SACPCMP's dependency on annual fees as its main source of income gives rise to concentration risk in generating revenue from one revenue stream. The emergence of this risk undermines the SACPCMP's endeavour to become financially sustainable. However, it should be noted that the concentration risk is inherent in all entities similar to the Council. The environment in which the Council operates, governed by the Project and Construction Management Professions (PCPMP Act), contributes to the concentration of risk on income from the Registration Mandate. The Act creates parameters in which the entity must operate.

Managing the concentration risk requires a combination of suitable revenue and cost management models to better enhance the management of cost in delivering the SACPCMP mandates. To support this, the Council approved implementation plans, which included an ideal revenue stream distribution to address the concentration risk.

Revenue generated by the Council in 2023/24 totalled R49 059 595; this included investment income of R4 744 196 and other income amounting to R5 513 087, comprising:

- **Local Government Sector Education and Training Authority (LGSETA) Grant:** This is a discretionary grant application by the SACPCMP to the LGSETA. The Council collaborated with the SETA in a Candidacy Programme that offered mentorship to Registered Candidates who were employees of the Department of Public Works and Infrastructure.
- **Unclaimed deposits write-off:** This relates to the amounts that are paid into the SACPCMP's bank account without sufficient information to make accurate allocations and exceed the prescribed period of three years.
- **Forex gains:** These relate to gains from foreign transactions between the spot rate at the transaction date and the spot rate at payment and/or the reporting date.
- **Proceeds from the sale of assets:** These relate to amounts received from insurance on claims.

The SACPCMP's financial health over the five-year period from 2020-2024 was stable, with the organisation reporting a surplus growth in all of its financial periods at an average of 230%. growth in revenue averaged 13% for the five-year period; growth in operating expenses averaged 10% for the five-year period.

There is effectively a 17% margin of safety before the SACPCMP reaches its breakeven point, which occurs when operating expenses equal revenue. As a precaution, this margin of safety is evaluated in the context of the sensitivity of revenue and operational costs. The link between the margin of safety and the sensitivity of revenue and operational costs is critical, considering that revenue from fees contributed 82% of the SACPCMP's revenue, based on its audited annual financial statements.

CAPITAL MANAGEMENT

The SACPCMP's Cash Management Policy ensures that the organisation has sufficient resources to meet its obligations and other cash flow requirements, safeguarding its ability to continue as a going concern. Capital management is optimised through the Investment Plan, which is managed by the Finance Department. The Council was able to pay its current liabilities, with year-end creditors accounting for 0.1% of the cash resources available.

The entity reported a 25% growth in cash and cash equivalents from the previous financial year and reported a cash/cost coverage of more than 20 months, which exceeds the National Treasury norm, set between one and three months.

The SACPCMP followed a low-risk approach to determine an optimal investment structure and adjusted this approach based on changes in economic conditions and the risk characteristics of underlying assets. There was an adherence to the requirements of the Cash Management Policy, which consequently maintained the levels of interest received as well as sufficient cash reserves to settle obligations.

The Audit and Risk Committee (ARC) made several control improvement recommendations that were instrumental in appointing an outsourced internal audit function and initiating the Council's internally facilitated strategic risk assessment process. In addition, the ARC made recommendations pertaining to Information and Communication Technology (ICT) governance and management, as well as a review of the Council's key policies.

To ensure that the SACPCMP would be capable of fulfilling its regulatory, legal, and social mandates and follow a clearly defined set of processes, accountabilities, and clear performance standards, the Management Team reviewed and, in most cases, developed new financial policies. SACPCMP is not legally required to comply with the Public Finance Management Act (PFMA), however the Council strengthened its efforts to align with the broad principles of the Public Finance Management Act (PFMA) by aligning policies and procedures to PFMA requirements. The SACPCMP further enhanced its control environment through the introduction and approval of a suite of finance and Council-wide policies to form the backbone of all key processes and provide clarity on the expectations of each staff member on how best to manage the financial resources of the organisation.

PROFESSIONAL REGISTRATION

Historically, the Council has seen a particularly steep increase in registrations within the Construction Health and Safety Officer (CHSO) category, followed by its Candidate CHSO category. Its core professions of Professional Construction Project Manager (PrCPM) and Professional Construction Manager (PrCM) have witnessed a steady growth trajectory, although bumpy at times. The past 11 years (since 2013) have presented an average increase in the SACPCMP registration database of 369%. This has been despite major registration losses in 2020/21 due to effects of the COVID-19 pandemic, as well as the deregistration of annual-fee defaulters between 2021 and 2023.

A steady recovery in registration numbers was noted in the 2023/24 financial year, during which SACPCMP Professionals increased by 1 072 people from 11 424 to 12 496 (an annual increase of 9.38%). Within all candidate categories, registered females constituted 40.41%, while males constituted 59.6%. Females in all professional categories constituted 29% of the total number of Registered Persons, while males constituted 71%.

When considering the race and age analysis of the database of registered professionals and specified categories, it is noted that 49% of Registered Persons are Black, 38% are White, 8% are Coloured, and 5% are Indian. Compared with the 2022 census of the South African population, 82% of all South Africans are Black, 7.3% are White, 8.2% are Coloured, and 2.7% are Indian. This shows that, while the Council still has a long way to go to reach the desired transformation demographics, the entity's registration numbers are moving towards the desired trajectory.

What is encouraging to note is the trajectory of the Candidate categories, which shows that 77% of candidates are Black and 12% are White.

Notwithstanding, this points to a severe challenge faced by the SACPCMP in shifting the needle for the bona fide transformation of the professions. Racial demographics have seen an improvement, but this has been slow at best, and many are still frustratingly stuck in candidature. The major policy changes introduced by the SACPCMP in the past years to introduce more mechanisms to support candidates and engage professionals in giving back to the next generation of professionals, coupled with a new transformation strategy, the entity hopes that this more holistic approach to transformation will realise improved and sustained representation.

ADDRESSING ITS FULL MANDATE

The Council implemented its Mentorship Strategy during the period under review, including the roll-out of the mentor database and various mentorship initiatives to provide candidates and students with better access to mentors, while at the same time ensuring that mentors are well equipped to assist the next generation of professionals.

In further support of registration, the Council developed a free online platform (via its Registration Platform) to make CPD activities more accessible as well as launched the sale of the Project Management Institute (PMI) construction-focused courses at a negotiated, discounted rate for the SACPCMP Registered Persons and Candidates: a world-first in terms of regulatory-authority

collaborations. Furthermore, the Council's revised CPD policy was approved and gazetted for implementation.

While the Council has, over the years, instituted several measures to improve compliance levels and registrants struggling with compliance requirements. However, it had to consider a large group of more than 2 000 registrants for deregistration in the new financial year due to their CPD non-compliance. With its reluctance to deregister these persons, the Council approved to rather suspend the non-compliant registrants for one more year before deregistration: this is to offer one last opportunity to prepare for reregistration in 2025/26 instead of losing their professional status completely and having to apply for registration from scratch.

With regard to the publishing of the Recommended Guidelines for Professional Fees and the Identification of Work (IDoW), the entity continued to work with the CBE, other CBEPs, and the Competition Commission South Africa (CCSA) to resolve the impasse resulting from the Competition Commission's rejection of exemption applications to enable the Council to discharge its statutory obligations. The SACPCMP will look to continue its engagement with the necessary stakeholders, including the CCSA, to move forward in this regard.

The Council's Recognition of Prior Learning (RPL) Policy was unbundled from the Registration Policy; now treated as a separate process, it ensures that applicants are better supported throughout the RPL process. This was further supported by the rules for RPL and the criteria and process for the recognition of educational qualifications for the purpose of registration.

The SACPCMP approved new policies for Appeals and Tribunals, approved the Rules for Inquiry into Improper Conduct, and finalised a review of the Code of Conduct for Registered Persons. The entity also established a formal process and the requirements for an Investigation Committee and Disciplinary Tribunals, as well as developed and approved the Terms of Reference for the SACPCMP's Disciplinary Tribunals - all important steps towards the standardised implementation of these mandates in line with PAJA.

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 protecting public interest, which is achieved by ensuring suitably qualified and registered professionals in specific

Built Environment Management Professions and promoting and enforcing high standards of professional ethics and conduct within the Built Environment.

The Minister of Public Works and Infrastructure is the Executive Authority of the SACPCMP and communicates with the Council through the Council of the Built Environment (CBE), which coordinates the activities of the Councils for Built Environment Professions (CBEP'). The Built Environment refers to the functional area within which Registered Persons practice and includes all structures that are planned and/or erected above or below ground, as well as land used for the intended purpose and supporting infrastructure.

The SACPCMP operates alongside five other CBEPs', namely:

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

BUILT ENVIRONMENT PROFESSIONAL COUNCILS REPORTING TO THE DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE

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 of the Republic of South Africa, 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 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, protecting workers and job seekers from unfair discrimination and providing a framework for the implementation of 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	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)	To provide 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, provide for the establishment, composition, and functions of a Council for Higher Education, and provide for matters connected therewith.
National Qualifications Framework (NQF) Act (Act No. 67 of 2008)	To provide for the National Qualifications Framework and 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 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, and maternity, as well as other benefits to both employees 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 disadvantages in the workplace.

1.4 PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The SACPCMP's five-year strategy focuses on "making the SACPCMP work". Emphasis was placed on sustainability via a resource-led strategy to drive the Council's corporate objectives through its Annual Performance Plan.

Four focus areas serve as pillars of the Council's strategy:

- Administration;
- Mandate Compliance;
- Sustainability; and
- Institutional Governance.

1.4.1. OVERVIEW

In the year under review, the SACPCMP continued to work towards the goals set out in its 2020-2025 Strategic Plan (SP), which was adopted and approved by the Council in 2020 for implementation through the approved and aligned APP. The Council continued to its commitment to diversifying the revenue stream in support of, and alignment to, the full execution of its 13 administrative functions.

1.4.2. THE SACPCMP'S STRATEGIC IMPERATIVES

To ensure that the Strategic Plan would be performance-orientated and responsive to the country's strategic priorities, the SACPCMP's approach was aligned to the APP with an emphasis on outcomes-orientated monitoring and evaluation. These imperatives are presented in the table below:

PROGRAMMES	GOAL STATEMENT
Administration (Organisation)	• To create the appropriate organisational design for a regulator, with the correct number of organisation 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 leadership and employee engagement; and • To foster an organisational culture where employees work together to contribute to the SACPCMP achieving its objectives.
Mandate Compliance (Business Processes)	• To ensure that the SACPCMP can fulfil its regulatory and social mandates by following a clearly defined set of processes, accountabilities, and performance standards, and • To grow the intellectual capital of SACPCMP through effective document and knowledge management systems.
Sustainability (Viable Funding Model)	• To ensure long-term delivery of the SACPCMP value proposition by optimising the SACPCMP business model to reduce operating costs, improve productivity, and diversify revenue streams.
Institutional Governance (Capability of Administration)	• To ensure that the SACPCMP has formal business decision-making frameworks to ensure effective governance and operational efficiency.

2. INSTITUTIONAL PROGRAMME
PERFORMANCE INFORMATION

2.1. PROGRAMME 1: ADMINISTRATION

THE PURPOSE OF PROGRAMME 1:

• To create an appropriate organisational design for a regulator inclusive of the correct number of organisational layers and well-defined accountabilities and authorities in order to execute the mandate of the SACPCMP;

• To ensure that the SACPCMP has the right people in the right roles, which would allow them to realise their full potential;

• To develop effective working relationships through effective leadership and employee engagement; and

• To foster an organisational culture in which all employees collaborate and contribute towards the achievement of the SACPCMP's objectives.

As a key enabler of the SACPCMP's organisational transformation, Programme 1 is directed towards driving 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); and

• A3. Optimise employee contribution and productivity (skills utilisation).

2.1.1. OUTCOMES, OUTPUTS, INDICATORS, TARGETS, AND ACTUAL ACHIEVEMENTS

OUTPUT	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2023/2024	COMMENT ON DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGETS
OUTCOME: 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. Improve 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).	No achievement	25% improvement in culture survey - more customer-focused.	**Not Achieved:** Culture Campaign ('As is' and 'To be' are still to be communicated. **Achieved:** Culture Change Implementation Plan. **Not Achieved:** 50% Implementation of Culture Change Implementation Plan deliverables.	The outdated survey resulted in the delay in the development of a Change Programme and the implementation thereof. The outdated survey resulted in the delay in the development of a Change Programme and the implementation thereof.	A Culture Survey Report has been concluded, and the Culture Campaign (and implementation plan) will be developed. approved quarter 1 of the 2024/25 financial year.	A decision was taken by Management that the 2020 Culture Survey Report should not be considered as the information was outdated. Therefore, the project plan had to be adjusted accordingly.

OUTPUT	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2023/2024	COMMENT ON DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGETS
OUTCOME: 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. Improve customer focus. Culture change implementation plan. Conduct a culture survey. Achieve 25% overall improvement in the culture survey result. (continued)	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). (continued)	No achievement (continued)	25% improvement in culture survey - more customer-focused. (continued)	**Not Achieved:** 100% Implementation of Culture Change Implementation Plan deliverables. **Achieved:** Conduct Culture Survey. **Not Achieved:** 25% Improvement in culture survey – more customer focused.	The culture survey report has been concluded, and the culture campaign and implementation plan will be developed in quarter 1 of the 2024/25 financial year. The Culture Survey Report was concluded, and the Culture Campaign (and implementation plan) will be developed in the 2024/25 financial year.	A Culture Survey Report has been concluded, and the Culture Campaign (and implementation plan) will be developed. approved quarter 1 of the 2024/25 financial year.	A decision was taken by Management that the 2020 Culture Survey Report should not be considered as the information was outdated. Therefore, the project plan had to be adjusted accordingly.
		Approval and commencement of customer focused intervention plan	75 % of customer focused intervention full plan to be implemented.	**In Progress:** 70% of the Customer-Focused Intervention Plan has been fully implemented.	0.5% deviation rate	The remaining target (5%) will be completed in the 2024/25 FY; this includes: Staff training sessions; Distribution of relevant internal communication; Finalisation and implementation of internal feedback avenue.	Not Applicable
OUTCOME: ORGANISATION DESIGN - DESIGN AN ORGANISATIONAL STRUCTURE THAT IS FIT-FOR-PURPOSE (FOR A REGULATOR).							
Organisational structure aligned to integrated business processes.	Draft organisational structures with **defined role profiles and KPI's, approved by Management.** Organisational structures approved by the Council. Develop an HR Plan, approved by Management. 60% implementation of the HR plan.	Approved and implemented the organisational structure with **defined role profiles and KPI's aligned to business processes.**	60% Implementation of Organisational Structure Implementation Plan.	**Achieved:** 60% Implementation of Organisational Structure Implementation Plan.	Not Applicable	Not Applicable	Not Applicable

OUTPUT	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2023/2024	COMMENT ON DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGETS
OUTCOME: EMPLOYEE ENGAGEMENT - OPTIMISE EMPLOYEE CONTRIBUTION AND PRODUCTIVITY (SKILLS UTILISATION).							
Employees contribute to greater productivity. Optimal skills utilisation is evident in culture survey results.	Percentage of project plan completed. To improve employee engagement and the results of the Culture Survey. Skills Utilisation Plan approved by Management.	No achievement	Skills Audit complete.	Achieved: The Skills Audit has been completed.	The completed Skills Audit process will assist in the compilation of the People-Mapping and Placement Report and Skills Utilisation Report.	The completed Skills Audit process will assist in the compilation of the People-Mapping and Placement Report and Skills Utilisation Report. Thereafter, the SACPCMP would be able to measure skill utilisation.	The completed Skills Audit process will assist in the compilation of the People-Mapping and Placement Report and Skills Utilisation Report. Thereafter, the SACPCMP would be able to measure skill utilisation.
			People-Mapping and Placement Report approved by management.	In Progress: People-Mapping and Placement Report.			
			Skills Utilisation Plan approved by Management.	Not Achieved: Skills Utilisation Plan, approved by Management.			
			People Development Plans.	Achieved: People Development Plans.			
			25% Utilisation of Skills.	Not Achieved: 25% Utilisation of Skills.			

2.1.2. COMMENT ON PROJECTS CONTRIBUTING TO THIS PROGRAMME

ORGANISATIONAL DESIGN AND CULTURE CHANGE PLANNING

Since the approval of the new organisational structure for SACPCMP, the focus shifted to capacity building as operations were constrained by insufficient human capital resources. During the review period, the organisation continued with the expansion of its staffing complement, coupled with operational rearrangements based on available skill sets. This was done in accordance with a phased approach as per the approved Human Resource (HR) implementation plan in order to spread out the financial demands related to implementing such a new structure.

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The HR Manager was appointed in 2023/24 and has engaged in a recovery process regarding the Skills Audit, people mapping and placement, the Skills Utilisation Plan, and the creation of people-development plans under the Employee Engagement Workstream. The Council anticipates a similar recovery process in 2024/25 for conducting a culture survey and measuring its customer/market orientation, empowered by the MARKOR Scale Development and Stakeholder Mapping projects, which were completed in 2022/23.

In its efforts to engage with industry stakeholders, the SACPCMP attended a number of events in the year under review, including the Pro-Serve Golf Day, which was a fundraising event for the youth.

STAKEHOLDER RELATIONS AND COMMUNICATIONS

Through its SACPCMP magazine, the Shape Shifter, the Council continued with regular communications pertaining to CPD, registration and interview details, industry news, and the 2024 operations calendars. The March 2024 edition of the magazine was printed and distributed to various stakeholders; this was the first print run of the magazine since the inception of the Council's Sustainability Strategy in 2020, and it is hoped that, going forward, the

magazine editions will each be printed to support Council communications, both internally and externally.

Council communication and outreach to stakeholders focused on key updates pertaining to the entity's new and updated policies, the CPD Amnesty, misinformation pertaining to deregistration, and the promotion of the PMI-CP courses. The Council maintained a steady flow of stakeholder engagements during the year, which included representation on the Health, Safety, Public Protection, and Universal Access Transformation Collaborative Forum (HSPPUA TCF), attendance at the Sustainable Infrastructure Development Symposium (SIDSSA), and participating in the Big 5 Construct Expo, to name but a few events.

In support of its mentorship initiatives, the entity continued with its highly successful Mentor Speed Date events, in collaboration with the CIOB. The highlight of the 2023/24 financial year was the SACPCMP Conference and Masterclasses, presented in Gauteng in November 2023. The structure of the two-day event looked to provide a learning and development environment with 'workshop-learning'.

Opportunities and the provision of tools and techniques for attendee take-away, create a platform for Built Environment issue-debate and discussion, so as to highlight challenges and contribute to solution-development and awareness, provide an environment open to networking and business development, create awareness regarding the SACPCMP and CPD, as well as elevate the SACPCMP as an industry thought leader. Overall, the event was a success and oversubscribed in terms of attendance, with extra media coverage including that of the event and the Public Works and Infrastructure Minister's attendance, keynote address, and participation in the Construction Mafia Panel Discussion.

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

Because the COVID-19 pandemic had robbed the Council of almost two years of face-to-face stakeholder engagement, the SACPCMP continued strongly in its efforts to engage with its stakeholders. The Council will continue to do so through its approved Stakeholder Relations and Communications Strategy and associated workplans.

2.2. PROGRAMME 2: MANDATE COMPLIANCE (Business Processes)

Programme 2 comprises 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; and

- **BP 4.** Implement a knowledge management system.

The purpose of the Business Processes Programme is firstly to ensure that the SACPCMP can fulfil its regulatory and social mandates through following clearly defined processes, accountabilities, and performance standards. For the year under review, the target for improved business processes was to have a documented, approved, and implemented business process for each mandate.

Secondly, the Programme aims to grow the intellectual capital of the SACPCMP through effective document and knowledge management systems. If the SACPCMP's regulatory and social mandates are transparent and seen to advance social justice, the organisation will be positioned to play a leading role in the transformation of the Built Environment. A critical component of this is for each administrative function to:

- Have a policy that will shape organisational behaviour, entrenching the values and principles that must govern the administration of the legislative mandate; and

- Document business processes for the implementation of all 13 legislative mandates.

Two additional policies for 10 prioritised mandate areas were approved. These were:

- Appeals and Tribunals;

- Code of Conduct;

Further, the approval of six mandate standards to operationalise the core mandate policies was approved. These were:

- Rules for registration;

- Criteria for CPD Activities;

- Criteria and Process for Accreditation;

- Rules for RPL;

- Rules of Inquiry into Improper Conduct; and

- Policy and Criteria on Structured Candidacy Programmes.

In respect of the strategic objective for the formalisation of business processes for mandate compliance, the target was to have 'documented, approved, and implemented business processes for each mandate'. Programme 4 is closely related to BP 2 and outlines efforts to support 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 to shape organisational behaviour and entrench the values and principles that must govern the administration of legislative mandates; and

b) Document business processes for the implementation of all 13 legislative mandates of the Council.

2.2.1. OUTCOMES, OUTPUTS, INDICATORS, TARGETS, AND ACTUAL ACHIEVEMENTS

OUTPUT	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2023/2024	COMMENT ON DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGETS
OUTCOME: 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.	In Progress: Unapproved design of mandate document completed. No Achievement on Communication Campaign to Key Stakeholders - Project to commence upon finalisation of the stakeholder mapping exercise.	One document outlining 13 mandates endorsed by Council and Management.	**Achieved:** Document approved by Council.	Not Applicable	Not Applicable	Not Applicable
			Communication campaign to key stakeholders.	**Achieved:** Communication campaign commenced on 13 mandates in line with updated Stakeholder/ Communications Strategy.	Not Applicable	Not Applicable	Not Applicable
OUTCOME: MANDATE BUSINESS PROCESS - FORMALISE BUSINESS PROCESSES FOR MANDATE COMPLIANCE.							
Ensure Business Continuity Standardisation Compliance.	Documented and approved business processes for each mandate.	Completed	Documented, approved, and implemented business processes for each mandate.	**Achieved:** Business processes were developed and approved by the Council during the year under review.	Not Applicable	Not Applicable	Not Applicable
OUTCOME: DOCUMENT MANAGEMENT - IMPLEMENT A FORMAL DOCUMENT MANAGEMENT SYSTEM.							
Secure a compliant and accessible document repository system for business continuity.	SACPCMP electronic document repository system.	No Achievement: Project to commence upon the development of functional and technical specifications.	Functional specification for document management (approved by management). Implementation project plan complete.	**Not Achieved**	Functional and technical specifications for the document management system not developed in Q3. Technical Specification with known platform not determined by Q4.	The project is affected by the lack of resources within the ICT Department.	No achievement
OUTCOME: KNOWLEDGE MANAGEMENT - IMPLEMENT A KNOWLEDGE MANAGEMENT SYSTEM.							
Research and Development for Organisational Development.	SACPCMP Knowledge Hub	No Achievement - Project to commence upon the finalisation of business processes.	Not Applicable: Input Interdependency with Mandate Business Process and Document Management System.	**Not Applicable** – No targets for the 2023/24 period	Target is dependent on the completion of the Mandate Business Process and DMS, due in the next financial year	Not applicable for this financial year	Not applicable for this financial year

2.2.2. COMMENT ON PROJECTS CONTRIBUTING TO THIS PROGRAMME

3.2.2.1. PROFESSIONAL REGISTRATION

All of the SACPCMP's professional interviews were conducted online, which meant that all of the Council's assessments were also done online. This brought the Council firmly into the Fourth Industrial Revolution (4IR) and improved accessibility for all registration applicants.

The Council also finalised its public consultation process for the New Rules for Registration. Amendments were approved in terms of the rules and prepared for launching as a new dispensation of the Council, which would be fully aligned with all SAQA and other legislative requirements. This was coupled with an application for ministerial exemptions and approval of the Council's Special Dispensation for Registration Framework. These are well-structured and monitored mechanisms for transitioning the industry into full compliance and the removal of unwarranted barriers to entry as the industry develops towards full professionalisation.

The Council conducted workshops with assessors, training them on new assessment tools that are aligned to the competency frameworks to improve interview assessment standards and practices. The new interview assessments will be rolled out in the new financial year, along with the implementation of the New Rules for Registration.

Management continued to improve its Registration Assessment Process and implement a system for quality assurance through its Moderation System. In addition, the adopted Criteria and Process for the Assessment of Competency for the Purpose of Registration, which included malpractice guidelines, continue the drive towards continuous improvement, with an emphasis on better quality service and advancing ethical conduct within the application stage.

The SACPCMP is at an advanced stage regarding the implementation of plagiarism software to protect the integrity of applicant reports. Furthermore, the proctoring of Council examinations and interview processes continued.

BREAKDOWN OF 2023/2024 SACPCMP REGISTRATION STATISTICS

TOTAL NUMBER OF SACPCMP REGISTERED PROFESSIONALS BY RACE & GENDER					
GENDER	BLACK	WHITE	INDIAN	COLOURED	TOTAL
Male	931	1 424	182	137	2 674
Female	215	42	15	11	283
Total	1 146	1 466	197	148	2 957

TOTAL NUMBER OF SACPCMP REGISTERED PERSONS IN SPECIFIC CATEGORIES BY RACE & GENDER					
GENDER	BLACK	WHITE	INDIAN	COLOURED	TOTAL
Male	2 232	1 164	154	488	4 038
Female	1 394	308	40	121	1 863
Total	3 626	1472	194	609	5 901

TOTAL NUMBER OF SACPCMP REGISTERED CANDIDATES BY RACE & GENDER					
GENDER	BLACK	WHITE	INDIAN	COLOURED	TOTAL
Male	1511	365	109	175	2 160
Female	1295	75	32	76	1 478
Total	2 806	440	141	251	3 638

TOTAL NUMBER OF SACPCMP REGISTERED PROFESSIONALS BY CATEGORY - DESIGNATION

PROFESSIONAL CONSTRUCTION MANAGER					
GENDER	BLACK	WHITE	INDIAN	COLOURED	TOTAL
Male	244	623	52	54	973
Female	23	3	2	2	30
Total	267	626	54	56	1003

PROFESSIONAL CONSTRUCTION PROJECT MANAGER					
GENDER	BLACK	WHITE	INDIAN	COLOURED	TOTAL
Male	632	729	122	64	1547
Female	185	28	12	7	232
Total	817	757	134	71	1779

PROFESSIONAL CONSTRUCTION MENTOR					
GENDER	BLACK	WHITE	INDIAN	COLOURED	TOTAL
Male	14	13	2	3	32
Female	0	0	0	1	1
Total	14	13	2	4	33

PROFESSIONAL CONSTRUCTION HEALTH AND SAFETY AGENT					
GENDER	BLACK	WHITE	INDIAN	COLOURED	TOTAL
Male	37	59	6	16	118
Female	7	11	1	1	20
Total	44	70	7	17	138

PROFESSIONAL BUILDING INSPECTOR					
GENDER	BLACK	WHITE	INDIAN	COLOURED	TOTAL
Male	37	59	6	16	118
Female	7	11	1	1	20
Total	44	70	7	17	138

TOTAL NUMBER OF SACPCMP REGISTERED PERSONS BY CATEGORY

CONSTRUCTION HEALTH AND SAFETY MANAGER					
GENDER	BLACK	WHITE	INDIAN	COLOURED	TOTAL
Male	242	394	43	65	744
Female	113	78	3	13	207
Total	355	472	46	78	951

CONSTRUCTION HEALTH AND SAFETY OFFICER					
GENDER	BLACK	WHITE	INDIAN	COLOURED	TOTAL
Male	1 986	768	110	421	3285
Female	1 280	230	37	108	1 655
Total	3 266	998	147	529	4 940

CONSTRUCTION MENTORS					
GENDER	BLACK	WHITE	INDIAN	COLOURED	TOTAL
Male	3	2	0	2	7
Female	0	0	0	0	0
Total	3	2	0	2	7

CERTIFIED BUILDING INSPECTOR					
GENDER	BLACK	WHITE	INDIAN	COLOURED	TOTAL
Male	1	0	1	0	2
Female	1	0	0	0	1
Total	2	0	1	0	3

TOTAL NUMBER OF SACPCMP CANDIDATES BY CATEGORY

CANDIDATE CONSTRUCTION HEALTH AND SAFETY AGENT					
GENDER	BLACK	WHITE	INDIAN	COLOURED	TOTAL
Male	54	23	5	3	85
Female	28	8	1	3	40
Total	82	31	6	6	125

CANDIDATE CONSTRUCTION HEALTH AND SAFETY MANAGER					
GENDER	BLACK	WHITE	INDIAN	COLOURED	TOTAL
Male	20	21	2	10	53
Female	11	3	0	2	16
Total	31	24	2	12	69

CANDIDATE CONSTRUCTION HEALTH AND SAFETY OFFICER					
GENDER	BLACK	WHITE	INDIAN	COLOURED	TOTAL
Male	585	124	24	89	822
Female	695	48	15	54	812
Total	1 280	172	39	143	1 634

CANDIDATE CONSTRUCTION MANAGER				
GENDER	BLACK	WHITE	INDIAN	COLOURED	TOTAL
Male	200	92	24	30	346
Female	77	3	3	9	92
Total	277	95	27	39	438

CANDIDATE CONSTRUCTION PROJECT MANAGER				
GENDER	BLACK	WHITE	INDIAN	COLOURED	TOTAL
Male	652	105	54	39	854
Female	484	13	13	9	518
Total	1 136	118	67	51	1 369

The SACPCMP's Mentor Speed Date event, held at the University of Cape Town, which connected Construction Studies students with potential mentors.

REGISTRATION STATISTICS BY GENDER AND CATEGORY OF PROFESSIONALS CATEGORIES

Bar chart showing Male and Female registrations:
- Professional Construction Manager: Male 973, Female 30
- Professional Construction Project Manager: Male 1 547, Female 232
- Professional Construction Mentor: Male 32, Female 1
- Professional Construction Health and Safety Agent: Male 118, Female 20
- Professional Building Inspector: Male 4, Female 0

Legend: Male, Female
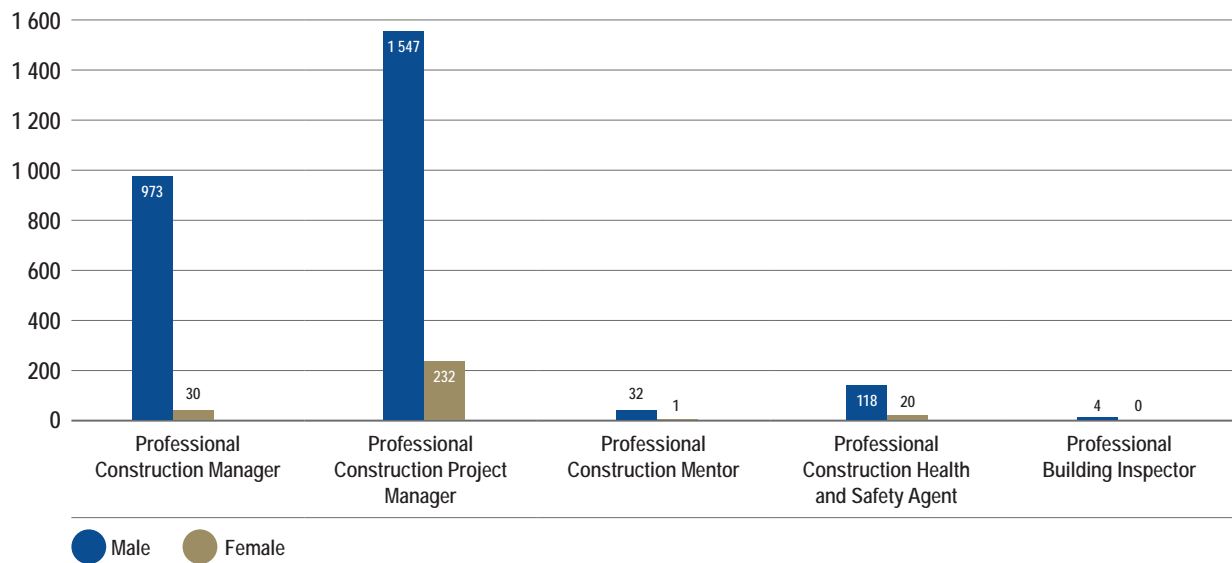
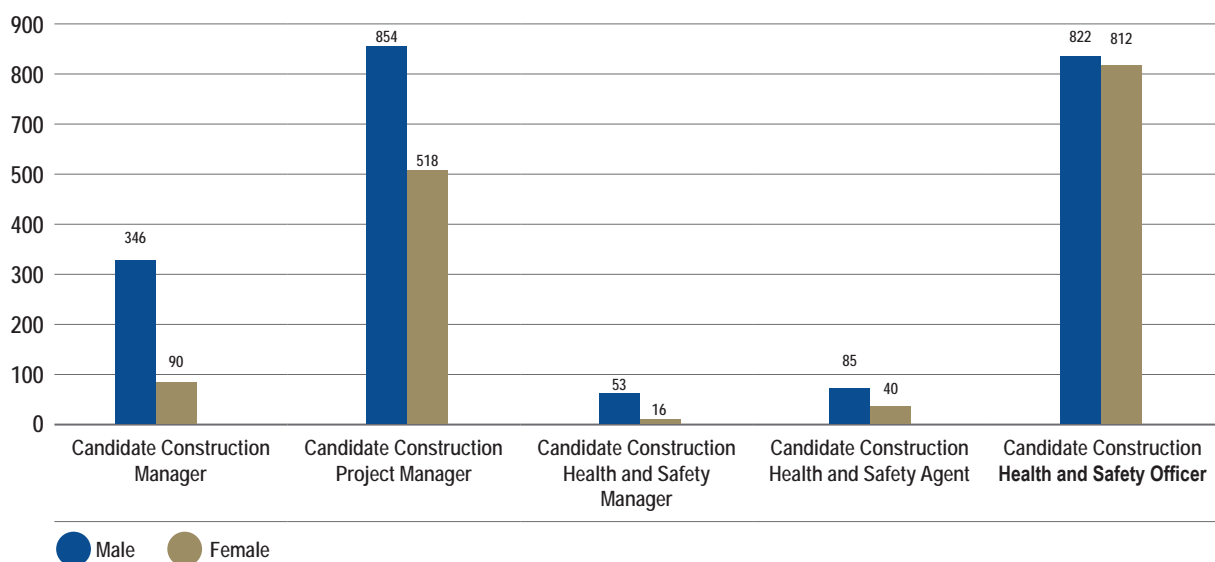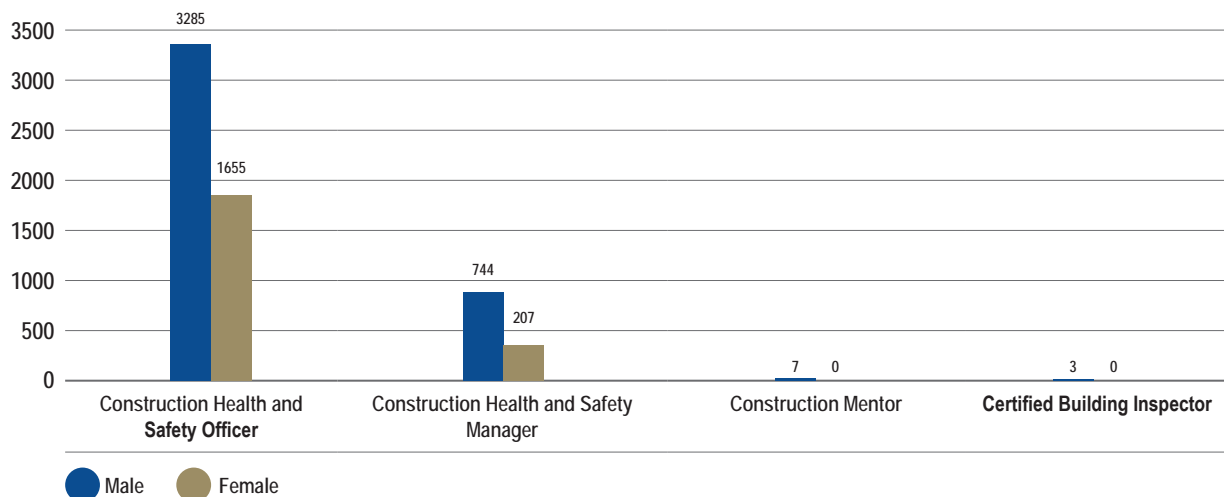## REGISTRATION STATISTICS BY GENDER AND CATEGORY IN CANDIDATE CATEGORIES

Bar chart showing Male and Female registrations:
- Candidate Construction Manager: Male 346, Female 90
- Candidate Construction Project Manager: Male 854, Female 518
- Candidate Construction Health and Safety Manager: Male 53, Female 16
- Candidate Construction Health and Safety Agent: Male 85, Female 40
- Candidate Construction **Health and Safety Officer**: Male 822, Female 812

Legend: Male, Female

REGISTRATIONS STATISTICS BY GENDER AND CATEGORY IN SPECIFIED CATEGORIES

Bar chart showing Male and Female registrations:
- Construction Health and **Safety Officer**: Male 3285, Female 1655
- Construction Health and Safety Manager: Male 744, Female 207
- Construction Mentor: Male 7, Female 0
- **Certified Building Inspector**: Male 3, Female 0

Legend: Male, Female

YEAR	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
PROFESSIONAL CATEGORIES								
Professional Construction Manager	835	872	894	888	704	973	940	1003
Professional Construction Project Manager	1694	1693	1709	1689	1253	1755	1704	1779
Professional Construction Mentor	22	26	27	28	10	17	34	33
Professional Building Inspectors	0	0	0	0	0	0	0	4
Professional Construction Health and Safety Agent	54	77	93	100	105	112	122	138
Certified Building Inspectors	0	0	0	0	0	0	0	3
SPECIFIED CATEGORIES/NON-PROFESSIONALS								
Construction Mentor	2	6	5	8	6	10	8	7
Construction Health and Safety Officer	1001	1636	2744	3367	2712	3775	4158	4940
Construction Health and Safety Manager	328	508	778	921	697	944	916	951
CANDIDATE CATEGORIES								
Candidate Construction Manager	394	447	533	417	330	585	475	438
Candidate Construction Project Manager	1608	1646	1815	1945	934	1822	1411	1372
Candidate Construction Health and Safety Agent	53	112	143	139	106	125	116	125
Candidate Construction Health and Safety Manager	25	44	69	107	67	78	64	69
Candidate Construction Health and Safety Officer	387	718	1560	2054	1178	2011	1476	1634
GRAND TOTAL	6403	7785	10370	11663	11424	12207	11424	12496

PROFESSIONAL REGISTRATION STATISTICS BY CATEGORY AND RACE

	Professional Construction Manager	Professional Construction Project Manager	Professional Construction Mentor	Professional Construction Health and Safety Agent	Professional Building Inspector
African	267	817	14	44	4
White	626	757	13	70	0
Indian/Asian	54	134	2	7	0
Coloured	56	71	4	17	0
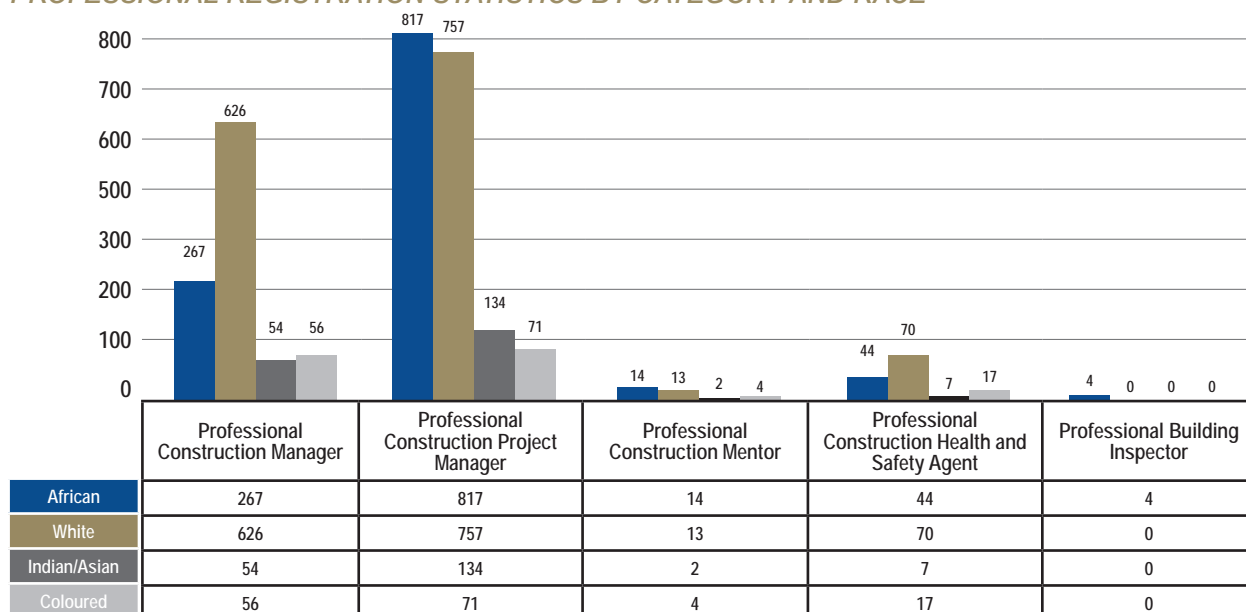
REGISTRATION STATISTICS BY CATEGORY AND RACE OF CANDIDATE CATEGORIES

	Candidate Construction Manager	Candidate Construction Project Manager	Candidate Construction Health and Safety Manager	Candidate Construction Health and Safety Agent
African	1136	31	82	1280
White	118	24	31	172
Indian/Asian	67	2	6	39
Coloured	68	12	4	143
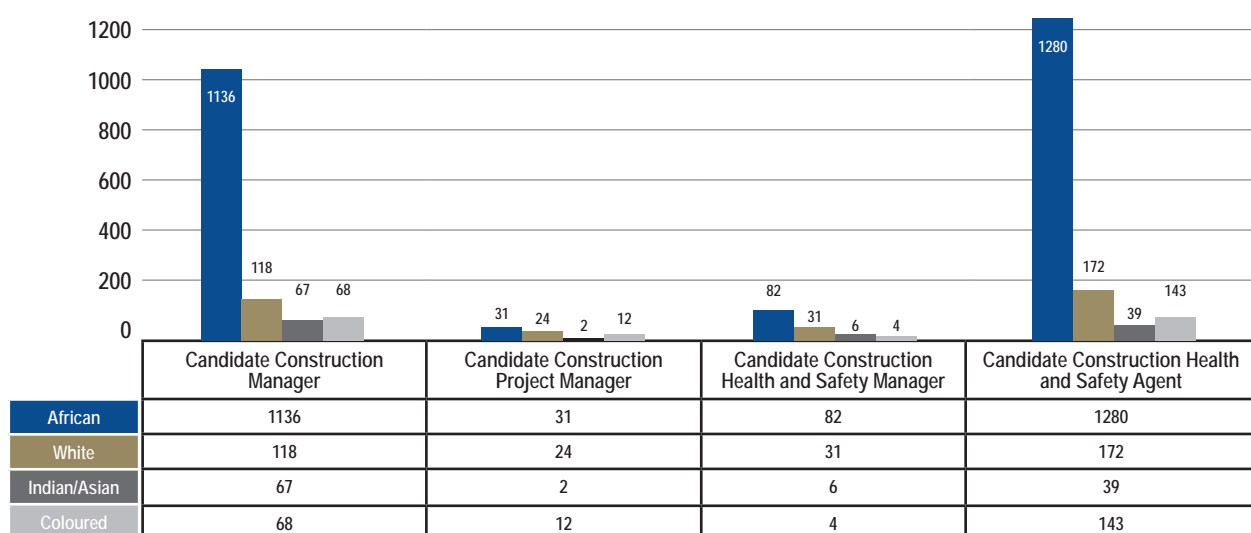
SPECIFIED CATEGORIES (OTHER THAN PROFESSIONALS)

	Construction Health and Safety Officer	Construction Health and Safety Manager	Construction Mentor	Certified Building Inspector
African	3266	355	3	3
White	998	472	2	0
Indian/Asian	147	46	0	0
Coloured	529	78	2	0
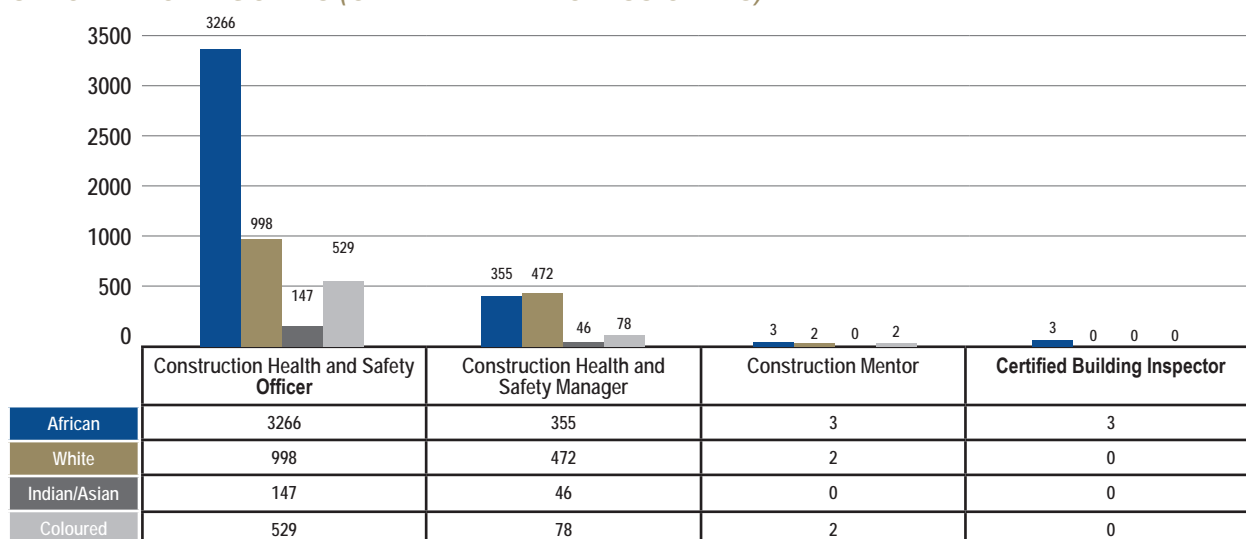
The SACPCMP Mentor Speed Date sessions, in partnership with the CIOB, continued in the year under review, with much success.

2.2.2.2. TRANSFORMATION

The Council has witnessed an improvement pertaining to transformation regarding the categories of race and gender under its Registered Persons between 2018 and 2023.

REGISTERED PROFESSIONALS

Of a total of 2 732 registered professionals in 2018, 681 (24.9%) were Black, 1 769 (64.8%) were White, 162 (5.9%) were Indian, and 112 (4.1%) were Coloured. From a transformation perspective, this improved to 1 146 (64.8%) Black, 1466 (49.6%) White, 197 (6.7%) Indian, and 148 (5%) Coloured persons in 2023, totalling 2 957 registered professionals.

In 2018, with regards to gender, 2 584 (94.6%) were male and 139 (5.1%) were female registered professionals. In 2023, gender statistics noted 2 674 (94.6%) male and 283 (5.1%) female registered professionals. Overall, these numbers visualise a growth amongst registered African professionals of 39.9%; however, the difference in gender registrations remained unchanged.
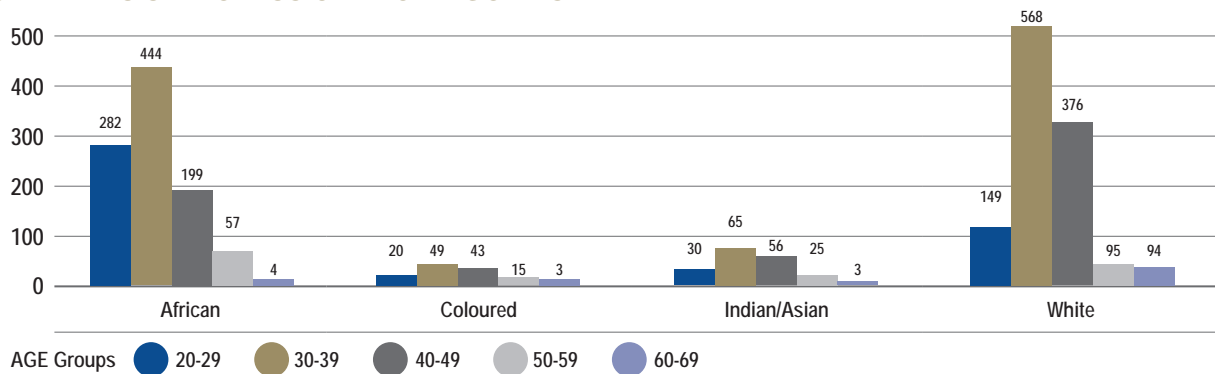
REGISTERED PERSONS WITHIN SPECIFIC CATEGORIES

The number of Registered Persons within specific categories in 2018 was 1 689 (47.9%) Black, 1 305 (37%) White, 159 (4.5%) Indian, and 375 (10.6%) Coloured persons, totalling 3 527. This was in comparison to the total of 5 901 people in 2023, comprised of 3 626 (61.5%) Black, 1 472 (25%) White, 194 (3.3%) Indian, and 609 (10.3%) Coloured persons.

With regards to gender, in 2018 saw 2 665 (75.6%) male and 862 (24.4%) female Registered Persons; this is compared to 2023, where the Council noted 4 038 (68.4%) male and 1 863 (31.6%) were female Registered Persons. These numbers presented a growth of 13.6% among registered black professionals, in addition to a 7.2% growth in female registrations.
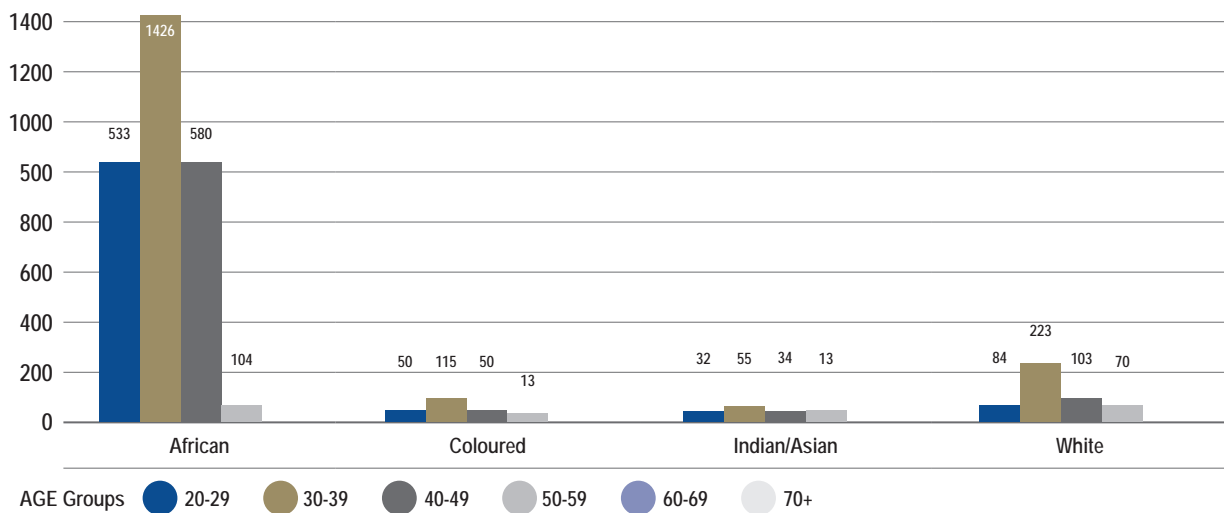
REGISTERED CANDIDATES

Of a total of 4 120 registered candidates in 2018, there were 3 007 (73%) Black, 715 (17.4%) White, 149 (3.6%) Indian, and 249 (6%) Coloured people. This grew to a total of 3 638 people in 2023, with 2 806 (77.1%) Black, 440 (12.1%) White, 141 (3.9%) Indian, and 251 (6.9%) Coloured persons. With regard to gender, 2018 saw 2 759 (67%) male and 1 361 (33%) female Registered Persons; this is in comparison to 2023, where 2 160 (59.4%) persons were male and 1 478 (40.4%) were female. These numbers present a growth of 4.1% among registered black professionals and a 7.4% growth in female registrations.
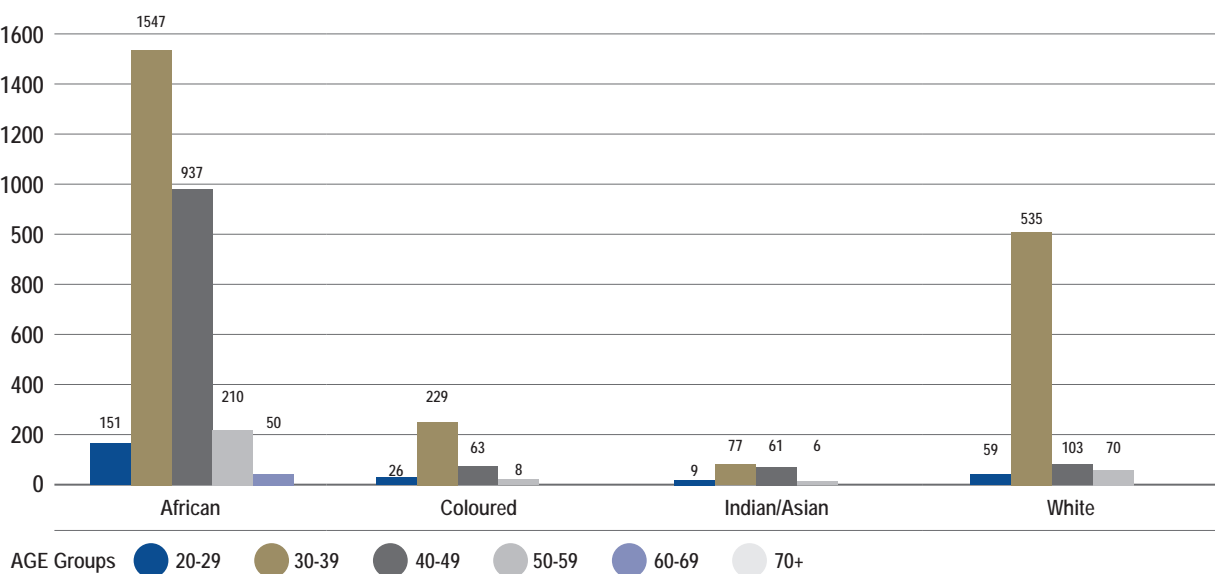
AGE ANALYSIS: PROFESSIONAL CATEGORIES

| AGE Groups | 20-29 | 30-39 | 40-49 | 50-59 | 60-69 |

AGE ANALYSIS: CANDIDATE CATEGORIES

| AGE Groups | 20-29 | 30-39 | 40-49 | 50-59 | 60-69 | 70+ |

AGE ANALYSIS: SPECIFIED CATEGORIES

| AGE Groups | 20-29 | 30-39 | 40-49 | 50-59 | 60-69 | 70+ |

Young people remain to be predominantly represented in the Candidate categories within registration, the majority being Black. Candidates are challenged and face extended durations when migrating to professional status. This could be attributed to the lack of training or career opportunities within the industry. The Council is actively investigating opportunities to assist candidates in progressing to professional registration through mentorship agreements as part of Professional CPD requirements, in addition to hosting mentor-support programmes.
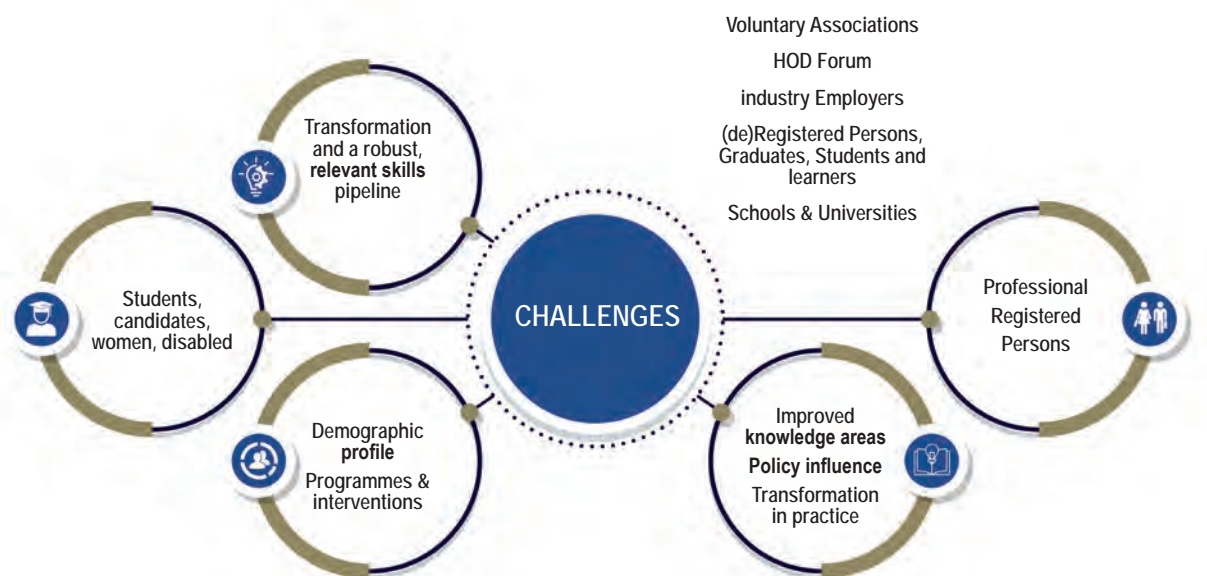
The year under review also saw the entity develop and approve a Transformation Strategy that looked into bridging transformation challenges with the assistance of Voluntary Associations, amongst others. The core aim of the Council will be to transform its professions to be reflective of South Africa and to address the injustices of the past.
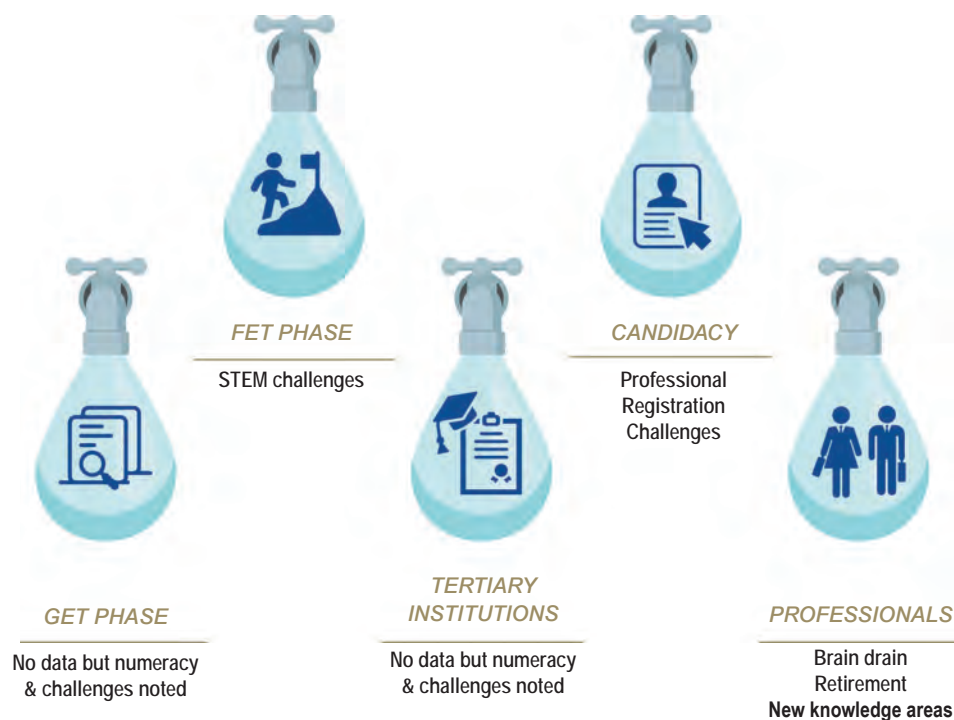
This requires the Council to tackle the 'leakages' in the skills pipeline. These will be tracked via the Transformation Strategy with tangible targets to ensure meaningful change throughout the strategic period.

2.2.2.3. STRUCTURED CANDIDATE PROGRAMME

The Council implemented its Mentorship Strategy during the period under review, including the roll-out of a SACPCMP Mentor Database and the launch of a mentor matching service to assist candidates in connecting with mentors on the Mentor Database. and the continuation of its Mentor Speed Date initiative, in collaboration with the CIOB. Mentor Speed Date events target university students, providing an opportunity to connect with mentors in their chosen field of study.

These mentorship initiatives sought to achieve several key objectives in the transformation space, providing candidates and students with better access to mentors and ensuring mentors are well-equipped to assist the next generation of Professionals. They also aim to provide candidates and students with strategies to reduce the time needed to upgrade to Professional status.

2.2.2.4. RECOGNITION OF PRIOR LEARNING

The Recognition of Prior Learning (RPL) Policy was revised and approved in 2022/23, enabling the launch of the RPL process, which is now separate from the registration process.

2.2.2.5. CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

The aim of CPD is to safeguard the public, employers, Registered Persons, and the Registered Persons' professional careers. As such, it is the individual responsibility of professionals to keep their knowledge and skills current to ensure they continue delivering high-quality service and do not impede public safety. Through CPD, the knowledge base is kept current and is improved in a systematic and continuous manner in response to changing trends, regulations, and the direction of the profession.

The Council developed a free online platform, via its Registration Platform, to make CPD activities more accessible to Registered Persons. In addition, the revised CPD Policy was approved and gazetted for implementation. The SACPCMP also launched the sale of the Project Management Institute (PMI) courses to its Registered Persons and Candidates to increase accessible and good-quality CPD opportunities for registrants. This was done through a groundbreaking B2B platform between PMI and the SACPCMP that reduced costs and provided a seamless purchasing experience.

RPL STATISTICS FOR 2022/23	TOTAL
Number of professionals registered through RPL	2
Number of people who paid to pursue registration through RPL	2
Number of RPL applications in process	39
Number of RPL applications rejected	0
Number of RPL applicants who passed the professional interview	1

CPD COMPLIANCE

The CPD compliance rate as of March 2024 (for the cycle ending March 2024), stood at 9.26%, which was an improvement of just under two percent for Registered Persons in Project and Construction Management being compliant, and 10.34% in Construction Health and Safety. As such, overall compliance stood at 22%.

RPL STATISTICS FOR 2022/23	TOTAL	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 PERCENTAGE
Project and Construction Management	1 April 2015 - 31 March 2020	299	217	102	13	208	4,35
	1 April 2016 - 31 March 2021	169	58	111	12	157	7,10
	1 April 2017 - 31 March 2022	1 125	996	139	469	653	41,69
	1 April 2018 - 31 March 2023	322	137	185	21	301	6,52
	1 April 2019 - 31 March 2024	299	217	102	13	208	4,35
Construction Health and Safety	1 April 2015 - 31 March 2020	162	153	48	4	113	2.47
	1 April 2016 - 31 March 2021	269	124	159	29	240	10.78
	1 April 2017 - 31 March 2022	771	383	410	110	661	14.27
	1 April 2018 - 31 March 2023	804	367	442	70	734	8.71
	1 April 2019 - 31 March 2024	162	153	48	4	113	2.47
Totals		3 921	2 435	1 596	728	3 067	19%

CPD SUPPORT

The Council has instituted several measures over the years to assist in improving compliance levels and registrants struggling with CPD compliance requirements. Firstly, the Council instituted a blanket exemption during the COVID-19 pandemic, which was followed by the introduction of a remedial programme that extended all cycles beginning with those ending in 2020. The Council then approved a CPD amnesty in preparation of the institution of a new CPD Cycle under the new CPD Policy. Lastly, the Council approved the application of Section 9.4 of the existing CPD Policy of 2019. This allowed even more registrants to be considered compliant before the policy's switchover.

Despite all these attempts, which extended some CPD cycles from five to nine years, the Council still had to consider a large group of more than 2 000 registrants for deregistration in the new financial year. However, as a further method of support, the Council decided to suspend the non-compliant registrants for one more year before deregistration. This was instituted as one last opportunity to prepare for re-registration in the 2025/26 financial year,

which will enable those who have been suspended to re-register, as opposed to losing their registration completely and having to apply from scratch.

The SACPCMP continued to note an increased interest in CPD compliance since the commencement of the remedial programme and the CPD amnesty. Workshops were well attended, and the entity embarked on a communication campaign regarding CPD compliance and support through the Shape Shifter and bulk e-mail system.

2.2.2.6. 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 its Recommended Guideline Tariff of Professional Fees (GTF) and publish these fees in the Government Gazette. It remains a cause for concern that the quality of services rendered by Registered Persons could deteriorate as current fees may be inadequate to cover the cost of professional services. This is because

the current fees were set in 2019 and do not reflect matters of complexity and inflationary increases.

The SACPCMP continued in its efforts to work with the CBE and other CBEPs to resolve the impasse resulting from the rejection of the exemption application by the Competition Commission South Africa (CCSA) to enable it to discharge its statutory obligations of publishing guideline fees for its Registered Persons to charge market-related fees. The Council focused on the review of its Implementation Plan and Consultative Process with the CCSA on the Guideline Tariff of Fees and took guidance from SACAP's processes to inform its engagement approach from an advocacy and collaborative perspective in engaging the CCSA, rather than seeking exemption. This included:

• Developing a working relationship with the CCSA on establishing a non-competitive basis for the development of a methodology for determining the GTF; and
• Working towards developing a Memorandum of Understanding (MOU) between the CCSA and SACPCMP.

However, following a meeting with the CCSA early in 2024, it was clear that the changes undertaken by the Council in the year under review will suffice to accelerate the progress towards an MOU with the CCSA and a resolution within the new financial period.

2.2.2.7. IDENTIFICATION OF WORK (IDOW)

The year ended with the unresolved impasse on the Identification of Work (IDoW) and Guidelines Tariff of Fees between the CBEPs and the CCSA, despite many attempts to meet with their officials. In 2016, the CCSA rejected an application by CBEPs for exemption on IDoW. In the year under review, the SACPCMP revisited its commitment to the IDOW process as outlined by the CBE, and this was coupled with the groundwork done to leverage on the inroads made by SACAP at the CCSA.

The CCSA acknowledged the mandate of the CBEPs to regulate their respective professions, noting that there are deemed to be various codes and policies, which, if applied in combination, will form an overarching mechanism for regulating professions (hereafter referred to as regulatory mechanisms). The CCSA conceded, through the CBE, that the regulation of the professions should include mechanisms to ensure a seamless entrance into the professions. Regulation therefore by no means suggests the exclusion of competent persons from performing work;

regulatory mechanisms are not intended to be restrictive but rather enabling – this presumably would allay the concerns of the CCSA.

In view of the CCSA's concerns on potentially collusive/cartel and non-competitiveness that the IDoW may introduce, and in going forward with the new CBE Policy on IDoW, the SACPCMP is of the understanding that CBEPs would be required to develop their own IDoW Regulations. This will be a significant regulatory mechanism that would take into consideration three key aspects in ensuring they discharge their own legislative mandate on IDOE as CBEPs, while also taking into account the concerns of the CCSA. This was confirmed in a meeting with officials at the CCSA in early 2024.

2.2.2.8. INTERNATIONAL AGREEMENTS

International agreements guide how the SACPCMP regulates the recognition of foreign qualifications, promotes the recognition of its own professionals abroad, and collaborates with international partners regarding the mandate of the SACPCMP within the Built Environment.

The Council considered alternative models of collaboration with the African continent and within the Southern African Development Community (SADC) region. A business development model with African and SADC countries is expected to be considered in the new financial year. At a SADC level, it is anticipated that the SACPCMP may play a greater role in supporting its SADC counterparts in establishing themselves as effective regulatory bodies, with interest being shown from the Kingdoms of Eswatini and Lesotho.

2023/24 Was a momentous year with regards to international agreements with a finalisation and signing of a memorandum of agreement with the Chartered Institute of Building (CIOB). Work has begun in earnest on a workplan for the implementation of the agreement. This kicked off with valuable support from CIOB at the 2023 SACPCMP Conference.

The Council also leveraged its partnership with the PMI towards reciprocal support of several initiatives, culminating in PMI's sponsorship of the SACPCMP Conference. Furthermore, PMI has used the SACPCMP as a flagship example of innovative regulation throughout the region regarding its partnership with one of the only regulatory bodies in Africa of its kind. This has generated more interest in the Council to assist other governments on best practices towards professionalising their Built Environment sectors.

2.2.2.9. RECOGNITION OF VOLUNTARY ASSOCIATIONS

In the year under review, the 53rd Voluntary Association (VA) Forum was also hosted, and there were no new applications for recommendation for consideration and recognition by the Council.

In the 2023/24 financial year, the Council was focused on setting the foundation for resetting and recalibrating the role of the SACPCMP and its recognised VAs in determining a transformation and skills pipeline strategy that would be a joint undertaking in its development and promotion. The VA Forum engagements served the purpose of engaging in dialogue and mapping the direction of a transformation agenda for categories of registration by the SACPCMP and how its VAs contribute to the Transformation and Skills Pipeline Intervention Map of the CBE. Through its engagements with its VAs, the Council noted the following:

- Work of the SACPCMP's recognised VAs in transformation does demonstrate efforts to balance racial and gender (demographic) profiles of both management and membership through inclusivity and diversity policies and programmes and industry-specific codes;

- Support to emerging contractors was also identified as an important transformation initiative, as was the support of disadvantaged candidates and Registered Persons through direct support and/or employer-member mentorship programmes; and

- Few of the VAs referred to the importance of ensuring that Registered Persons and/or the industry adhered to the principles of environmental and economic sustainability. This includes the need for transformation in the practices and business models within the Built Environment.

The SACPCMP had the following 12 recognised Voluntary Associations in the period under review:

ORGANISATION	WEBSITE
1. The Association of Construction Health and Safety Management (ACHASM)	www.achasm.co.za
2. Association of Construction Project Managers (ACPM)	www.acpm.co.za
3. Association of South African Quantity Surveyors (ASAQS)	www.asaqs.co.za
4. Consulting Engineers South African (CESA)	www.cesa.co.za
5. Master Builders Association: Kwa-Zulu Natal (MBA-KZN)	www.masterbuilders.co.za
6. Master Builders South Africa (MBA-SA)	www.mbsa.org.za
7. Master Builders Association Western Cape (MBA WC)	www.mbawc.org.za
8. South African Institute of Civil Engineering (SAICE)	www.saice.org.za
9. The South African Institute for Occupational Health and Safety (SAIOSH)	www.saiosh.co.za
10. South African Federation of Civil Engineering Contractors (SAFCEC)	www.safcec.org.za
11. South African Roads Federation (SARF)	www.sarf.org.za
12. NCEDA SA	www.ncedasa.co.za

The four non-recognised Voluntary Associations also engaged by the SACPCMP were:

ORGANISATION	WEBSITE
13. Royal Institute of Chartered Surveyors (RICS)	www.rics.org
14. South African Institute of Architects (SAIA)	www.saia.org.za
15. The Chartered Institute for Building (CIOB)	www.ciob.org.za
16. Project Management Institute (PMI)	www.pmi.org

SACPCMP President, Lufuno Ratsiku, participating in one of the Council's Mentor Speed Date events.

2.2.2.10. RECOGNITION OF NEW CATEGORIES

In the period under review, following the approval of a business process for the recognition of new categories of registration by the SACPCMP, the development of a needs and impact analysis for the recognition of new categories commenced. No new categories were introduced by the SACPCMP.

2.2.2.11. APPEALS

In reducing the number of appeals, it would be prudent that, soon after the Council received an appeal application, a thorough preliminary assessment would be conducted on the application. This would be to ensure that the assessment or interview was conducted promptly, fairly, and transparently. This would be done through the moderation process conducted by independent moderators. This process would enhance the assessments of professional competency, and feedback would advise the applicant on whether to proceed with the appeal or not.

The Council adopted the appeals procedure that complies with Section 40(2) of the Act and clearly dictates that the appeals must be heard by the Council. The procedure allows an appellant to present their case or to appoint a representative to do so.

During the year under review, three appeals were processed within the required timeframe of 60 days in relation to assessment outcomes. The appeals recorded were registration-related.

2.2.2.12. PROGRAMME ACCREDITATION

According to Section 18 of 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 programme accreditation. Accreditation is a mechanism by which mandated professional bodies assure the quality of the upstream supply of professionals, in this case, through relevant educational programmes. The SACPCMP is also mandated to conduct monitoring and evaluation through accreditation audits, which include visits to the accredited institute of higher learning, engagements with departmental leaders through the Head of Department (HOD) Forum, and the submission and assessment of annual reports. The accreditation and audit process serves to confirm that students have the requisite competencies for eventual registration and practice.

In the year under review, the SACPCMP conducted programme accreditation visits and compiled programme accreditation interim reports with the following universities:

- University of Cape Town (UCT)
- Nelson Mandela University (NMU)
- University of Johannesburg (UJ)
- University of Free State (UFS)
- University of Pretoria (UP)
- University of Witwatersrand (WITS)
- Walter Sisulu University (WSU)

In addition, the SACPCMP concluded a partnership agreement with Cairnmead to launch a Work-Integrated Learning programme for students in the construction fields of study.

ENDORSEMENT OF NEW EDUCATIONAL PROGRAMMES

The Council processed one application for endorsement in the 2023/24 financial year, namely, the Mangosuthu University of Technology, which applied for endorsement of the Diploma in Construction Management and Quantity Surveying. This was approved by the Council.

HEADS OF DEPARTMENT FORUM

Two HOD Forums were held in the 2023/24 financial year due to the accreditation visits.

SACPCMP-ACCREDITED TERTIARY INSTITUTIONS

The following is a list of SACPCMP-accredited programmes at South Africa's tertiary institutions.

ITEM	INSTITUTION	ACCREDITED PROGRAMMES	ACCREDITATION STATUS
1.	University of the Witwatersrand (WITS)	• Bachelor of Science: Construction Studies • Bachelor of Science: (Hons) Construction Management	To maintain the full five years of accreditation (provisionally approved).
		• Master of Science: Building in Construction Project Management	To maintain the full five years of accreditation (provisionally approved).
2.	University of Johannesburg (UJ)	• National Diploma: Building • Bachelor of Technology: Construction Management	To maintain the full five years of accreditation (provisionally approved).
3.	University of Pretoria (UP)	• Bachelor of Science: Construction Management • Bachelor of Science: (Hons) Construction Management	To maintain the full five years of accreditation (provisionally approved).
		• Master of Science in Project Management	To maintain the full five years of accreditation (provisionally approved).
4.	Tshwane University of Technology (TUT)	• National Diploma: Building • Bachelor of Technology: Construction Management	To maintain the full five years of accreditation (provisionally approved).
5.	University of the Free State (UFS)	• Bachelor of Science: Construction Management • Bachelor of Science: (Hons) Construction Management • Masters of Land and Property Management (MLPM)	To maintain the full five years of accreditation (provisionally approved).
6.		BHSD • National Diploma: Building • Bachelor of Technology: Construction Management	To maintain the full five years of accreditation (provisionally approved).
7.	Nelson Mandela Metropolitan University (NMMU)	CM • 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 years of accreditation (provisionally approved).
8.	University of Cape Town (UCT)	• Bachelor of Science: Construction Studies • Bachelor of Science: (Hons) Construction Management	To maintain the full five years of accreditation (provisionally approved).
9.	Cape Peninsula University of Technology (CPUT)	• National Diploma: Building • Bachelor of Technology: Construction Management	To maintain the full five years of accreditation (provisionally approved).
10.	Durban University of Technology (DUT)	• National Diploma: Building • Bachelor of Technology: Construction Management	To maintain the full five years of accreditation (provisionally approved).
11.	Central University of Technology (CUT)	• National Diploma • Bachelor of Technology: Construction Management	To maintain the full five years of accreditation (provisionally approved).
12.	Walter Sisulu University (WSU)	• National Diploma: Building	To maintain the full five years of accreditation (provisionally approved).

2.2.2.13. CODE OF CONDUCT FOR THE PROFESSIONS

The Code of Conduct requires that Registered Persons carry out their work with due care, skill, competency and integrity. This ensures that the public is protected from Registered Persons who contravene the Code of Conduct as well as the Act, thus maintaining the integrity, standing, reputation, and status of Registered Persons and that of the profession in general.

In terms of Section 28(1) of the PCMP Act, the Council must refer any matter brought against a Registered Person to an Investigating Committee contemplated in Section 17 of the Act.

Thus, it is against that background that the Investigation Committee was established in May 2023, resulting in the Investigation Committee appointing the investigators on 30 October 2023. The Council received 11 complaints, which were investigated in terms of the Code of Conduct during the period under review. Out of all 11 cases, three were referred to a disciplinary hearing for further handling. Finalisation of the appointment of the Disciplinary Tribunal was concluded and established in accordance with Section 30(1) of the Act. In this regard, the disciplinary procedures of charged Registered Persons will be held early in the new financial year.

The table below indicates the dates of the Investigation Committee Meetings held and the status of cases:

ITEM	DATE OF THE MEETING	CASES PRESENTED	STATUS
1.	23 June 2023	Two cases of misconduct by Registered Persons	One case was referred to a disciplinary tribunal for further handling; the other case is still under investigation.
		One case involved three employees of a company.	Due to the nature of the case and the jurisdiction of the Council, the complainant was advised to refer the matter to the relevant law enforcement agencies.
2.	29 August 2023	Four cases of misconduct by Registered Persons	Two of the cases were referred to the disciplinary tribunal for further handling. Two cases are still under investigation.
		One case of the allegation of misconduct by a Registered Person.	The Investigation Committee made its recommendations to the Council after careful consideration of the investigation report. It was recommended that the matter be closed as there was no prima facie case against a Registered Person.
3	30 October 2023	No case was presented during this meeting.	Not applicable.
4	31 January 2024	One case of allegation of misconduct by a Registered Person.	The case is under investigation.
		One complaint by a Registered Person against their employer.	Due to the nature of the case and the jurisdiction of the Council, the complainant was advised to refer the matter to the relevant law enforcement agencies with competent jurisdiction.
		One case of alleged misconduct was committed by a director of a company who is not registered at the Council. The incident happened outside the Republic of South Africa.	Due to the nature of the case and the jurisdiction of the Council, the complainant was advised to refer the matter to the relevant law enforcement agencies.
		One investigation report of a case that was previously allocated to an Investigator was presented.	The case was closed as there was no prima facie case against a Registered Person.
5	27 February 2024	Two investigation reports of cases that were previously allocated to an Investigator were presented.	
Malpractice: 19 incidents of malpractice, as they relate to fraudulent certificates, were responded to via the enquiring entities and companies.			

2.2.2.14. STANDARD GENERATING

The process of standard generating is one of 13 mandates of the SACPCMP. However, unlike the other 12 mandates, the Council determined that it was not necessary to map the business process for standard generating, as this was determined to be outside the control of the Council. Furthermore, this process is already regulated and well-documented in the SAQA Policy on the National Qualifications Framework (NQF) and the Standards Setting, with the SACPCMP providing input.

2.2.2.15. COMPETENCY STANDARDS FOR REGISTRATIONS

The approved competency standards for registrations were developed into new assessment tools, which are to be implemented in the new financial year. This included the training of assessors in the application of the new assessment tools.

2.2.2.16. INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

Overall, the Council's commitment to ensuring a proactive and secure ICT environment was evident in the strategic initiatives that commenced in the period under review;

the Council's ICT Department adopted the principle of continuous improvement and innovation, in line with the organisation's values, and looks to focus on security, process optimisation, and infrastructure resilience positions to effectively navigate the dynamic landscape of ICT challenges.

The SACPMP's strategic vision for its ICT landscape looked to develop a comprehensive roadmap aligned with business goals and ensure that IT initiatives were purpose-driven and contributed to overall organisational success. This leadership focused on leading external service providers effectively to ensure collaboration and coordination of IT services, as well as identifying improvement areas and establishing an IT Champions Forum to enhance communication and alignment.

In terms of risk management, the Council has looked to mitigate cybersecurity risks through robust protocols and proactively safeguard critical systems and data. During the period under review, there have not been any cybersecurity breaches or high-impact incidents.

The Council, in adapting to market trends, recommended the revocation of a Security Operation Centre (SOC) initiative based on cost considerations, which was indicative of the cost optimisation approach that was adopted across the organisation. To mitigate any risk from this, key SOC initiatives were consolidated into the managed-IT services scope of work.

In the period under review, the SACPCMP implemented:

- An "InfoBytes" communication campaign to enhance cybersecurity awareness within the entity;

- Improved supplier performance and incident management to enhance overall IT operations and enhance user experience;

- The development of a disaster recovery plan, backup management procedure, and other service continuity recommendations in line with the internal audit recommendations, so as to demonstrate diligence and accountability, as well as improve the SACPCMP's preparedness in response to disruptions; and

- The introduction of up-to-date audiovisual technology to contribute to productivity and security.

Moving forward, the ICT environment will see the appointments of a managed IT services provider as well as a Document Management System (DMS) provider. Each of these is in the final stages and, once concluded, will help improve the execution of ICT initiatives and ensure that strategic objectives are met. In addition, the Council has embarked on an improvement plan related to its online registration system; this will be to align the system further to the organisation's operational needs, ensure increased security measures, additional audit trails for system tracking, and other compliance-related functionalities to ensure that the system adheres to regulatory standards and best practices.

2.2.3. STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

REGISTRATION

The Council will continue with the Moderation System and quality assurance processes, coupled with the application of approved business processes and rules for registration.

PROGRAMME ACCREDITATION

Application of the Criteria and Process for Accreditation to ensure consistent application and evaluation of requires Council standards regarding accreditation.

CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

The Council approved the new CPD policy in March 2023; the implementation of the policy is scheduled for April 2024. In preparation the Council approved the CPD Amnesty in December 2024. With the institution of the new CPD criteria and the divergence between the new and old criteria, the Council approved a CPD amnesty for all registered persons who have been deregistered or are at risk of being deregistered due to non-compliance the old CPD policy for cycles ending 2020 to 2024.

The CPD Amnesty provided deregistration pardon for:

- 212 CHS Persons; and
- 226 PCM Persons

Following the CPD Amnesty, the Council observed that some Registered Persons were compliant with at least two CPD categories, primarily Category A and either Category B or Category A. A special request was made to the Council to recognise these RPs as CPD compliance.

The special request was approved. This initiative was able to secure the following number of RPs:

- 74 CHS Persons; and
- 143 PCM Persons

As per the CPD Policy gazetted in September 2019, RPs who are not CPD compliant should be suspended, pending deregistration. This is the number of RPs who will be suspended from 1 April 2024 to 31 March 2025; they will all be deregistered on the 1st of April 2025.

- 1983 CHS Persons; and
- 812 PCM Persons.

RECOGNITION OF PRIOR LEARNING (RPL)

The RPL Policy was unbundled from the Registration Policy and will be treated as a separate process. The new RPL Policy ensures that applicants are better supported throughout the RPL process, and that the assessments take the needs of RPL Candidates into consideration in their assessment design and implementation. This was further supported by the Rules for RPL and Criteria and Process for the Recognition of Educational Qualifications for the Purpose of Registration.

APPEALS AND TRIBUNALS

The Council approved Rules for Inquiry into Improper Conduct as well as new policies for appeals and tribunals and a code of conduct and a review of the Code of Conduct for Registered Persons. These were important steps towards the standardised implementation of these mandates in line with PAJA and support the work already concluded with the decommissioning of the Disciplinary Code of Conduct Committee, the restructuring of the legal processes, and the establishment of the Investigation Committee and Disciplinary Tribunals. This groundwork culminated in a panel of Disciplinary Tribunal members being approved and the development and approval of Terms of Reference for Disciplinary Tribunals.

INFORMATION COMMUNICATION TECHNOLOGY

The Council commenced mitigation actions because of infrastructure damage attributed to loadshedding, which continued to interfere with connectivity during the period under review. Council hardware and software suffered irreparable damage due to loadshedding and power outages resulting from cable theft in the Erasmusrand area, which impacted office connectivity. Remote-team working procedures, as well as alternate LTE failover management, were implemented to address the issue. The Council is looking at alternative energy solutions to ensure a stable working environment for staff, and these are expected to be implemented in the new financial year.

TRANSFORMATION

A new transformation strategy was approved in the year under review, supported by the revised policies on the legislated mandates. Following this, the Council will be reviewing its transformation policy in the first quarter of the new financial year, in which it will lay down the principles of transformation that should be cascaded across all of the Council's operations and mandates.

2.3. 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 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; and
- **S3.** Optimise use of external service providers.

2.3.1. OUTCOMES, OUTPUTS, INDICATORS, TARGETS, AND ACTUAL ACHIEVEMENTS

OUTPUT	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2023/2024	COMMENT ON DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGETS
OUTCOME: REVENUE - DIVERSIFY REVENUE STREAMS.							
Focus on revenue-generating mandates, including education and CPD. Develop international programmes.	Documented SOP's: Link cost and revenue per process where applicable.	Revenue streams diagnostic. **Quantified** revenue streams. Documented SOP's: Link cost and revenue per process where applicable. Designed initiatives to increase revenue. Developed Implementation Plan.	Design initiatives to increase revenue reports.	**Achieved:** Design initiatives to increase revenue reports.	Not Applicable	Not Applicable	Not Applicable
			% of desired revenue streams split established.	**Achieved:** % of desired revenue streams split established.			
			Developed and signed off initiatives to increase revenue implementation plan by Management.	**Achieved:** Developed and signed off initiatives to increase revenue implementation plan by Management.			
			25% implementation of initiatives to increase revenue plan	**Achieved:** 25% implementation of initiatives to increase revenue plan.			
			50% implementation of the initiatives to increase revenue plan.	**Achieved:** 50% implementation of the initiatives to increase revenue plan.			

OUTPUT	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2023/2024	COMMENT ON DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGETS
OUTCOME: PRICING PROTOCOL - IMPLEMENT A PRICING PROTOCOL THAT IS COST-REFLECTIVE							
Increased profits Self-funding projects Reduce overreliance on annual fees to cover council overheads.	Cost report per revenue stream.	Reviewed the current cost of mandate delivery.	Developed and approved Draft pricing protocol proposal Implementation Plan by Management	**Achieved:** Developed and approved Draft pricing protocol proposal Implementation Plan by Management.	Not Applicable	Not Applicable	Not Applicable
		Produced a draft cost breakdown diagnostic.	Developed and approved pricing policy by Management	**Achieved:** Developed and approved pricing policy by Management.			
		Produced a cost report per revenue stream.	Approved pricing policy by the Council.	**Achieved:** Approved pricing policy by the Council.			
		Drafted a pricing protocol proposal.	Approved pricing protocol implementation plan by the Council	**Achieved:** Approved pricing protocol implementation plan by the Council.			
			25% implementation of the pricing protocol proposal plan.	**Achieved:** 25 % implementation of the pricing protocol proposal plan.			
OUTCOME: EXTERNAL SERVICE PROVIDERS - OPTIMISE USE OF EXTERNAL SERVICE PROVIDERS.							
Review the registration process life cycle. Map internal competencies. 'New nuggets' to give intelligence on pipeline projects.	Outsourcing policy and procedures document	Diagnostic report on current state Report on aligning new business processes and organisation design Implementation plan developed by Management.	Developed and approved Implementation Plan by Management	**Achieved:** Developed and approved implementation plan by Management.	Not Applicable	Not Applicable	Not Applicable
			Draft Outsourcing Policy and Procedures Document reviewed by Exco	**Achieved:** Draft outsourcing policy and procedures document reviewed by Exco.			
			Approval of outsourcing policy by Council	**Achieved:** Approval of outsourcing policy by the Council.			
			25% implementation of the use of external service providers plan	**Achieved:** 25% implementation of the use of external service provider's plan.			

2.3.1. COMMENT ON PROJECTS CONTRIBUTING TO THIS PROGRAMME

Programme 3 encompasses three projects, namely: diversify revenue streams, implement a pricing protocol that is cost-reflective, and optimise the use of external service providers.

The Revenue Streams Diversification Workstream will see the Council look to provide financial stability and reduce overreliance on registration revenue by ensuring that SOPs are documented and provide links to cost and revenue per process, where applicable. Furthermore, the SACPCMP aims to diversify revenue streams by focusing not only on registration but also on CPD, International Agreements (registration), Appeals, Programme Accreditation, RPL, and the potential registration revenue from the Recognition of New Categories mandate.

For the Pricing Protocol workstream, the SACPCMP intends to implement a pricing protocol that is cost-effective to ensure that the prices charged are reflective of costs and that services and projects are self-funded. This will ensure that:

• Profits are increased;

• Projects are self-funding; and

• Reliance on annual registration fees to cover Council overheads is reduced.

Finally, work conducted under the year under review will enable SACPCMP to optimise the use of external service providers and map out internal competencies to facilitate the following:

• Realisation of efficiencies;

• Identification of areas for outsourcing;

• Creation of a development plan to align with critical resources; and

• Development of a communications plan to highlight the SACPCMP's relevance.

Significant gains were made towards the implementation of Programme 3 during the 2023/24 financial year. The total cumulative targets at the end of the financial period were 14, of which 100% were completed by year-end.
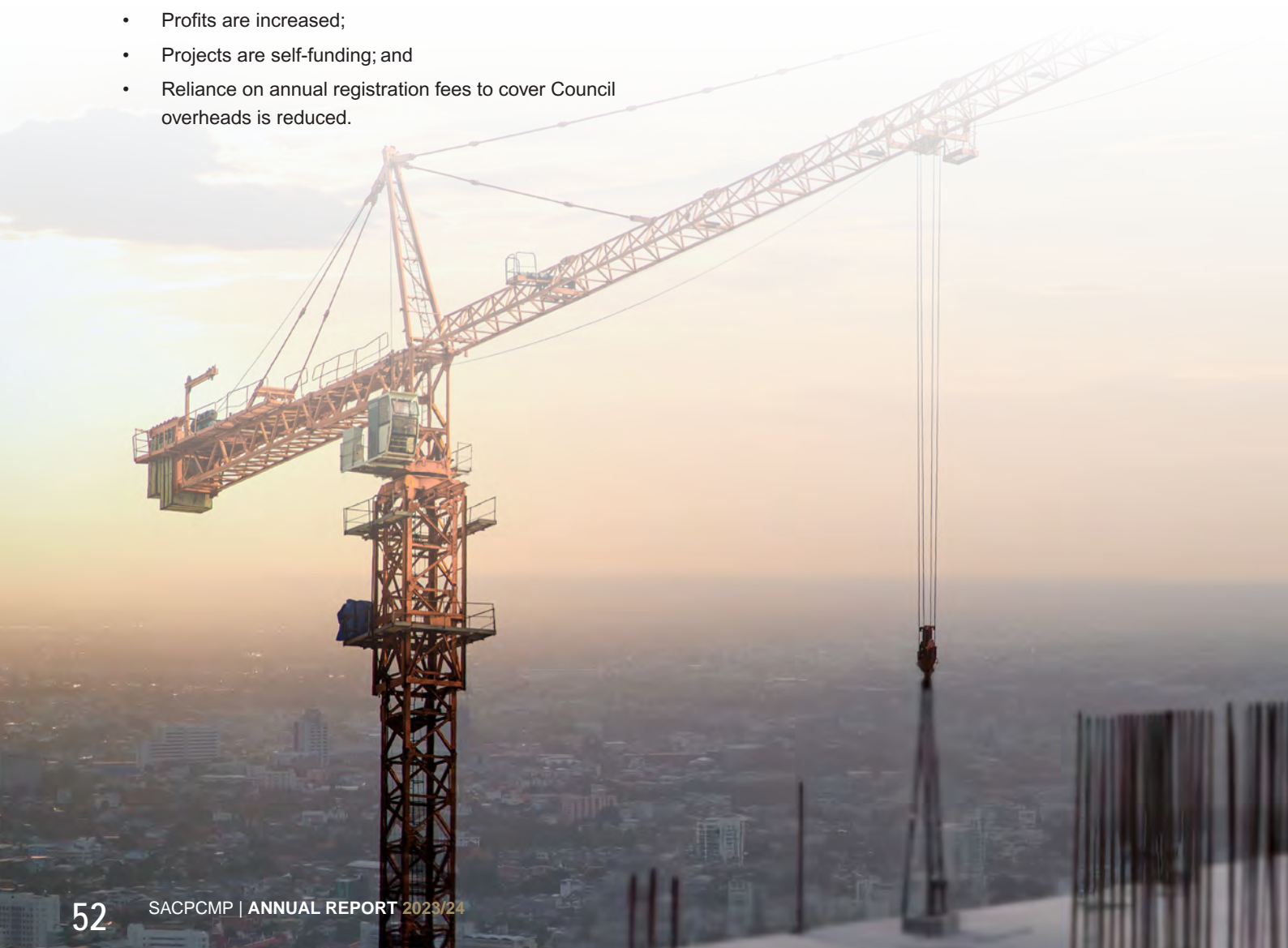
2.4. PROGRAMME 4: INSTITUTIONAL GOVERNANCE (Capability of Administration)

The purpose of the Institutional Governance Programme is to ensure that the SACPCMP has formal business decision-making frameworks in place to provide for effective governance and operational efficiency. This 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 of the Delegations of Authority (DOA)

2.4.1. OUTCOMES, OUTPUTS, INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS TABLE

OUTPUT	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2023/2024	COMMENT ON DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGETS
OUTCOME: FORMALISE CORE BUSINESS PROCESSES (PLANNING, PERFORMANCE, PROJECTS, RISK).							
Documented policies and procedures approved by Council.	Adherence to Core Business Process Framework.	In Progress: Four Core Business Processes and Implementation Plan approved by Council in Q3. 25% implementation not achieved.	25% implementation of the Core Business Processes.	Achieved: 25% implementation of the Core Business Processes.	75% implementation of the compliance has been achieved to date.	Projects frameworks These will be developed in the 2024/25 financial year.	The only core business process not implemented is the project business process; the full implementation of this process requires the development of related policies and frameworks.
			50% implementation of the Core Business Processes.	Achieved: 50% implementation of the Core Business Processes.			
			75% implementation of the Core Business Processes.	Achieved: 75% implementation of the Core Business Processes.			
			100% implementation of the compliance to Core Business Processes.	In progress; implementation of the compliance to Core Business Processes.			

OUTPUT	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2023/2024	COMMENT ON DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGETS
OUTCOME: REVIEW THE DECISION-MAKING PROCESS AND AUTHORITY LEVELS.							
Current delegations of Authority TOR's and Charters.	Competing time and process efficiencies.	In Progress: Governance Framework approved by Council in Q3, alongside the documented core business processes. Draft Report on Review of Council Governance Processes referred back by Council.	Draft Report on Review of Current Council Governance process.	**Achieved:** Draft Report on Review of Current Council.	The approval of the DOA was dependent on the review being completed; the review of the DOA was only completed in Q4 (March) and will undergo review by EXCO and committees of council before review by Council.	Capacity constraints and the 2023/24 in the strategy department.	DOA review completed, awaiting review by EXCO and approval by Council to be completed by Q2 of 2024/25 FY.
			Report on Designed Ideal Governance Process (fit for regulator).	**Achieved:** Report on Designed Ideal Governance Process (fit for regulator).			
			Review Report on DOA.	**Achieved:** Review Report on DOA.			
			Approved DOA by Council.	**Not achieved:** Approved DOA by Council			

SACPCMP President, Lufuno Ratsiku, with DPWI Deputy Minister Bernice Swarts at the 2023 Symposium for Infrastructure Development in South Africa.

3.4.2. COMMENT ON PROJECTS CONTRIBUTING TO THIS PROGRAMME

The purpose of Programme 4 is to ensure that the SACPCMP has formal business decision-making frameworks to ensure effective governance and operational efficiency. This was organised into two projects, namely:

1. Formalising Core Business Processes for (a) Planning, (b) Performance, (c) Projects, and (d) Risk Management; and

2. Review of the Delegations of Authority (DOA).

3. LINKING PERFORMANCE WITH BUDGET

PROGRAMME 1: ADMINISTRATION						
PROGRAMME 1: ADMINISTRATION	2022/2023			2023/2024		
	BUDGET R'000	ACTUAL R'000	(OVER)/UNDER R'000	BUDGET R'000	ACTUAL R'000	(OVER)/UNDER R'000
Compensation of employees	2 560	1 943	617	4 724	3 647	1 077
Goods and services including Capex	0	0	0	0	0	0
Culture	150	0	150	195	0	195
Organisation design	215	273	(58)	0	0	0
Employee engagement	50	0	50	0	0	0
Other goods and services	7 229	3 051	4 178	6 986	2 361	4 628
Total	10 154	5 067	5 087	11 905	6 008	5 897

PROGRAMME 2: MANDATE COMPLIANCE						
PROGRAMME 2: MANDATE COMPLIANCE	2022/2023			2023/2024		
	BUDGET R'000	ACTUAL R'000	(OVER)/UNDER R'000	BUDGET R'000	ACTUAL R'000	(OVER)/UNDER R'000
Compensation of employees	4 520	4 463	57	8 063	9 088	(1 025)
Goods and services including Capex	0	0	0	0	0	0
Implement one version of the truth	0	0	0	0	0	0
Formalise business processes for mandate compliance	150	0	0	150	0	0
Implement a formal document management system	0	0	0	0	0	0
Implement a knowledge management system	0	0	0	0	0	0
Other goods and services	6 141	5 479	662	6 708	8 889	(2 181)
Total	10 811	9 942	869	14 921	17 977	(3 056)

PROGRAMME 3: SUSTAINABILITY						
PROGRAMME 3: SUSTAINABILITY	2022/2023			2023/2024		
	BUDGET R'000	ACTUAL R'000	(OVER)/UNDER R'000	BUDGET R'000	ACTUAL R'000	(OVER)/UNDER R'000
Compensation of employees	3 534	2 043	1 491	5 102	4 689	413
Goods and services including Capex	0	0	0	0	0	0
Diversify revenue streams	100	0	0	100	0	0
Pricing protocol implementation	100	0	0	0	0	0
External service provider optimisation	50	0	0	0	0	0
Other goods and services	10 687	9 104	1 583	9 192	9 292	(100)
Total	**14 471**	**11 147**	**3 324**	**14 394**	**13 981**	**413**

PROGRAMME 4: INSTITUTIONAL GOVERNANCE						
PROGRAMME 2: MANDATE COMPLIANCE	2022/2023			2023/2024		
	BUDGET R'000	ACTUAL R'000	(OVER)/UNDER R'000	BUDGET R'000	ACTUAL R'000	(OVER)/UNDER R'000
Compensation of employees	6 472	6 613	(141)	6 487	6 474	13
Goods and services including Capex	0	0	0	0	0	0
Formalise Core Business Processes	136	136	0	100	0	100
Review decision levels	100	100	0	0		
Other goods and services	911	879	32	1 627	1 518	109
Total	**7 619**	**7 728**	**109**	**8 214**	**7 992**	**(222)**

4. REVENUE **COLLECTION**

SOURCES OF REVENUE	2022/2023			2023/2024		
	BUDGET R'000	ACTUAL R'000	(OVER)/UNDER R'000	BUDGET R'000	ACTUAL R'000	(OVER)/UNDER R'000
Fee revenue	40 899	42 690	(1 813)	40 899	47 416	(1 813)
Penalty income	536	601	(65)	536	737	(65)
Recognition of prior learning	803	78	725	803	247	725
Continuing professional development	931	969	(38)	931	621	(38)
Programme Accreditation	586	528	58	586	0	58
PMI Vouchers				127	34	93
TOTAL REVENUE FROM FEES	**43 670**	**44 868**	**(1 220)**	**43 670**	**49 059**	**(5 389)**
Investment income	2 337	2 459	(122)	2 337	4 744	(2 407)
OTHER OPERATING INCOME						
Webinar income	85	0	85	89	89	0
Grant revenue	2 475	2 943	60	1 466	1 466	0
Proceeds from sale of assets	0	47	(47)	23	35	(47)
Unclaimed debtors with credit balances	0	203	(203)			
Unallocated receipts write off				0	1 694	(1 694)
Conference, masterclasses and sponsorship				1 553	2 169	(616)
Foreign Gains				0	56	(56)
Total other operating income	2 560	3 195	(635)	3 134	5 513	(2 379)
TOTAL	**48 567**	**50 522**	**(1 975)**	**56 121**	**59 316**	**(3 195)**

The SACPCMP's operations are sustained by annual fees paid by Registered Persons, raised in terms of Section 15(1), (2)(a) of Act number 48 of 2000, its founding legislation, and does not receive any form of funding from the Fiscus. To enhance the organisation's sustainability, the Council's Annual Performance Plan (APP) includes a programme relating to the diversification of revenue streams. Further, the 2023/24 fee increase for Registered Persons has taken into consideration the current economic challenges facing the country.

The following is a summary of the SACPCMP for the 2023/24 financial year.

• The revenue for the year ending 31 March 2024 amounts to R49 million, which is 9% higher than the 2023/24 reported revenue of R44.8 million; and

• The other income of R5.5 million

The fee revenue for 2023/24 is R49 million, 2% higher than the budgeted revenue for the financial year (R48.1 million).

	Fees Revenue	Penalty Income	Accreditation Visits	PMI Course Vouchers	Recognition of Prior Learning Fees	Other Revenue	Continuous Professional Development	Total
2024	47,416,902	737,104	0	34,792	247,179	2,491	621,127	49,059,595
2023	42,690,170	601,258	528.433	0	78,470	478	969,665	44,868,474
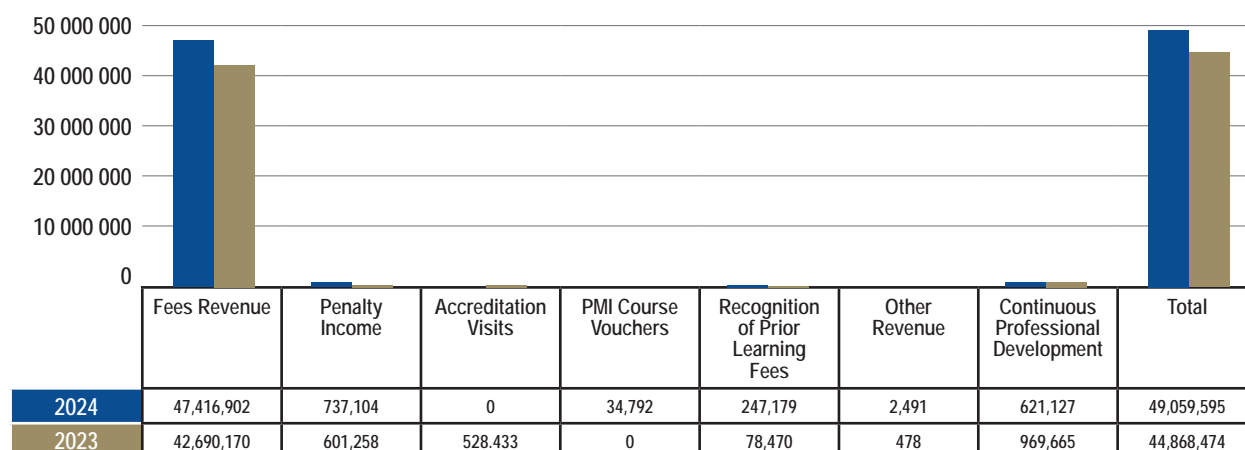
The increase in revenue during the year under review can be attributed to the following factors:

- The increase in fee revenue was a result of increases in reinstatements, annual fees, and RPL in the current year as as opposed to the prior financial year. Furthermore, revenue amounting to R2.7 million could not be recognised in the 2023/24 financial year and is deferred to the following financial period

- The increase in penalty-fee revenue was due to an increase in Registered Persons who failed to settle their annual fee invoices in 2023/24 as opposed to the prior financial year; and

- The increase in RPL revenue was a result of the Council performing on its obligation; several RPL invoices were issued and paid, but by the end of March 2024, the applications were assessed and therefore revenue recognised.

Other operating income received during the year under review includes:

- Local Government Sector Education and Training Authority (LGSETA) Grant: a discretionary grant application by the SACPCMP to the LGSETA. The Council collaborated with the Local Government Construction Education and Training Authority (LGCETA) in a Candidacy programme that offered mentorship to registered candidates who were employees of the Department of Public Works and Infrastructure;

- Unclaimed deposits write-off relates to the amounts that are paid into the SACPCMP's bank account without sufficient information to make accurate allocations and exceed the prescribed period of three years;

- Forex gains relate to gains from foreign transactions between the sport rate at the transaction date and the spot rate at payment and reporting date; and

- Proceeds from the sale of assets relate to amounts received from insurance.

5. CAPITAL **INVESTMENT**

	2022/2023			2023/2024		
	BUDGET R'000	ACTUAL R'000	(OVER)/UNDER R'000	BUDGET R'000	ACTUAL R'000	(OVER)/UNDER R'000
Furniture and fittings	200	160	40	227	27	200
Office equipment	0	21	(21)	0	137	(137)
IT equipment	684	579	105	708	539	169
IT Software	155	165	(10)	1 960	0	1 960
Lease hold improvements	250	371	(121)	0	0	0
Right of use assets	0	71	(71)	0	64	(64)

PART C

GOVERNANCE

1. INTRODUCTION

The SACPCMP Executive Management team is committed to the highest standards of good governance, underscored by the values of transparency and accountability. This includes, but is not limited to, compliance with the Council's legislative mandate. To ensure that the SACPCMP has formal business decision-making frameworks, effective governance, and operational efficiency, the Council is formalising its core business processes and procedures.

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 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 the Council and its committees be evaluated annually, which provides an opportunity to improve the SACPCMP's effectiveness.

The Council has the following Committees:

1. Regulatory Matters Committee;
2. Audit and Risk Committee (and a sub-committee - ICT Steering Committee);
3. Finance Committee;
4. Social and Ethics Committee;
5. Human Resources, Nominations, and Remuneration Committee;
6. Investigation Committee; and
7. Disciplinary and Tribunal Committee.

The above Committees meet quarterly to review and make recommendations to the Council on their respective areas of work. The Committees comprise mainly Council members and, where necessary, external, qualified professionals to ensure that the Committee has the right balance of skills and knowledge to effectively process reports and submissions and make informed recommendations to the Council.

The SACPCMP appreciates the urgent need to have a clear demarcation of roles and a threshold of decisional authority within the organisation and intends to put in place an approved Delegation of Authority Framework. These efforts are part of Programme 4 in the APP.

In strengthening the Council's capacity to deliver on its mandate, the entity ensures that staff are required to take part in annual performance management, including contracting and quarterly assessments using approved performance measurement instruments. Individual performance goals for the 2023/24 financial year were signed off by the 30th of April 2024.

The Council reviewed and approved the 2023/24 Strategic Risk Register. The Council locates risk management at the centre of the organisation by ensuring that each division has a risk mitigation plan in response to the risk register.

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. Several control and improvement recommendations were made by the Committee over the years, and these have consequently resulted in the appointment of an outsourced external audit function.

The ARC continues to collaborate with the SACPCMP's Finance Committee to review the status of the organisation's financial management and provide 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 IV Report, approved the formation and operation of the ARC as of June 2015.

The Council developed and approved a SACPCMP-designed Ideal Governance Process that is fit for regulators; included in the framework was an evaluation of King VI's compliance. The report lays a foundation for the Council to build on its journey to good governance, ensuring compliance with all principles contained in King VI.

The committees form an integral part of the Council's corporate governance framework and play a pivotal role in achieving and maintaining standards of governance and ethics. The committees ensure that the Council's activities are thoroughly scrutinised to maintain the highest standards of governance.

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

2. PORTFOLIO COMMITTEES

The SACPCMP engages with the CBE, which in turn provides the DPWI and the Portfolio Committee on Public Works and Infrastructure with a sectoral account on the fulfilment of the organisation's 13 legislated mandates across the BEPCs. The SACPCMP remains accountable as an independent statutory body and juristic person to the Portfolio Committee, through the Executive Authority in the Minister of Public Works and Infrastructure.

3. EXECUTIVE AUTHORITY

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

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 to office. The term of office for 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 terms of reference.

The Council's ten members are comprised as follows:

*   Six Registered Persons as per the categories of the Act, excluding candidates, of whom at least four must actively practice within their 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.

RESPONSIBILITIES OF THE COUNCIL

The Council has the following responsibilities:

*   Informing themselves on an annual basis about the Council's business and any other 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, values, and monitoring compliance;
*   Determining, appraising, and approving the

The SACPCMP Council members (seated front from left to right) Leonard Swana, Sharon Shunmugam (Vice President), Lufuno Ratsiku (President), Kelebogile Mohotji; (standing from left to right) Mbasayoxolo Tshombe, Douglas Affleck, Dr Joy Ndlovu, Conrad Steyn, Andrew Ramushu, and Thabang Mbembele, with SACPCMP Registrar, Butcher Matutle (centre standing).

SACPCMP corporate strategy and monitoring its implementation;

- Informing themselves on an annual basis about the Council's business and any issue that may affect its purpose or performance;

- 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 assets and reputation;

- Approving the staff remuneration policy;

- Awareness, understanding, and compliance with the underlying principles of good governance;

- Ensuring ethical behaviours 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 CBE as required by the PCMP Act.

Council Members are required to:

- Apply themselves individually to the affairs of the SACPCMP and act diligently and in good faith;

- Declare any interest in or dealings with the SACPCMP, or any entity or person where there is a potential conflict of interest as a member of the Council;

- Attend meetings of the Council and any Committees to which they are appointed and notify either the Chairperson or Secretariat in the event of being unable to attend a meeting;

- Keep confidential any matters to which they are privy by virtue of their membership in the Council and desist from making any commercial or other use of information derived by virtue of Council membership;

- Refrain, to the extent possible, from being involved in operational matters; and

- Accept personal and fiduciary accountability for the acts and omissions of the Council.

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. The Council, on an annual basis, carries out an introspection for the purpose of ensuring compliance with the Charter.

SIXTH-TERM COUNCIL MEMBERS

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
Mr Lufuno Ratsiku (President)		14 December 2022	N/A	• PhD Construction Management: University of Johannesburg (In Progress) • Master of Technology – Construction Management: Tshwane University of Technology • Bachelor of Technology – Project Management: Tshwane University of Technology • Bachelor of Technology – Quantity Surveying: Tshwane University of Technology	• Registered at SACPCMP as a Professional Construction Project Manager (PrCPM) as SACPCMP • Registered with Project Management South Africa as a Professional Project Manager • Registered with IODSA	• President of the SACPCMP (Sixth-Term) • Non-Executive Director/ Trustee Chairperson of the Human Resources and Renumerations Committee (ESKOM)	• Member of the Audit and Risk Committee (ESKOM)
Sharon Shunmugam (Vice President)	Section 3A of the Act: Registered Persons	14 December 2022	N/A	• B.Tech Civil Engineering (Structural): Durban Institute of Technology • Masters in Business Leadership: UNISA • Entrepreneurship Programme: GIBS	• Registered at SACPCMP as a Professional Construction Project Manager (PrCPM) • Project Management Professional (Project Management Institute) • Registered at ECSA as a Professional Technologist	• Vice-President of the SACPCMP (Sixth-Term) • Former Branch Chairperson at SAICE • Former Chairperson at Circle of Global Business Women	
Conrad Steyn		14 December 2022	N/A	• MBA – Health and Safety Leadership: University of Fredericton Canada • Btech Degree – Safety Management: UNISA • Diploma – Safety Management: UNISA	• Registered as a Professional Construction Health and Safety Agent (PrCHSA) at SACPCMP • Certified Health and Safety Consultant- (CSSE) • Principal Designer (CDM Solutions Ltd) • Registered as Accredited Assessor and Moderator (CETA) • Safety Practitioner (IOSM)		

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
Douglas **Affleck**	Section 3A of the Act: Registered Persons	14 December 2022	N/A	• Registration Certificate (Professional Auditor): South African Auditor and Training Authority. • SHEM Consulting and Training: Certificate in ISO 45001:2018, Occupational Health and Safety Management Systems LEAD Auditor • Advantage A.C.T: Integrated SHEQ Lead Auditors Course. • ICCSA: Construction Management Systems Lead Auditors Course • SHEM Consulting and Training: Certificate in Guidelines for Auditing Management Systems • Nebosh International: Certificate in Occupational Health and Safety • Risk ZA: Certificate in Internal and Supplier Auditor • LexisNexis: Certificate in Contractor Management • Nebosh International: Certificate in Control of International Workplace Hazards • IRCA: Certificate in Root Cause Analysis Techniques • NOSA: SAMTRAC Certificate	• Registered as a Construction Health and Safety Manager (CHSM) at SACPCMP		
Leonard Sandile Swana		14 December 2022	N/A	• Masters in Business Administration: Nelson Mandela University • Bachelor of Technology Degree: Nelson Mandela University • National Diploma in Civil Engineering: Cape Peninsula University Technology • Diploma in Christian Ministry: Transkei Bible College under FGCC	• Registered as a Professional Construction Project Manager (PrCMP) at SACPCMP • Member of the Institutional Forum		• Member of the Executive Management Committee • Chairperson of the Infrastructure Project Steering Committee • Chairperson of the Campus Infrastructure Masterplan Task Team • Member of the Finance and Infrastructure Committee • Chairperson of the Biosafety Covid Task Team
Thabang Mbembele		14 December 2022	N/A	• Bachelor of Science (Quantity Surveying): University of Pretoria • Facilities Management Programme: University of Free State • Intensive Project Management: University of the Free State • Programme in Project Management: University of Pretoria • Master of Business Administration: Monash University • GEDP (Global Executive Development Programme) qualification from GIBS	• Registered as a Professional Construction Project Manager (PrCMP) at SACPCMP and SACPCMP Pr. Mentor		• Member: Project Management Institute • SAFMA Member • MAQS Member • Council for the Built Environment (CBE): Council member
Mokgobi Andrew Ramushu	Section 3B of the Act: State appointed directly by the Minister of DPWI	14 December 2022	N/A	• MBA: Gordon Institute of Business Science (In Progress) • Bachelor of Laws (LLB): University of South Africa • MSc Engineering University of the Witwatersrand • BSc Engineering (Civil): University of the Witwatersrand	• Registered at ECSA as Professional Engineer • Member of SAICE		• Member of the Variation Order Committee – National Department of Public Works
Mbasayoxolo Xolisa Tshombe		14 December 2022	N/A	• Master of Architecture: University of Pretoria • Bachelor of Architecture: University of Witwatersrand • Bachelor of Architectural studies: University of the Witwatersrand	• Registered as the South African Council for Architectural Profession as a Professional Architect • External Examiner- Tshwane University of Technology		
Kelebogile Ethney Mohotji	Section 3C of the Act: appointed by the public	14 December 2022	N/A	• B Com: University of North West • SAICA Articles	• South African Institute of Professional Accountants (SAIPA) • Institute of Internal Auditors South Africa (IIASA)		

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
Dr Matshediso Joy Ndlovu	Section 3C of the Act: appointed by the public	14 December 2022	N/A	• Doctor of Business Administration: University of KwaZulu Natal • Master of Business Administration: University of KwaZulu Natal • Bachelor's Degree: Human Resources Management Technikon SA • National Diploma: Transport Management: Rand Afrikaans University • National Diploma: Human Resources Management Technikon Natal (now DUT) • Leadership Programmes from various institutions		• Chairperson: SEDA • KZN Social Cohesion and Moral Regeneration Council • Deputy Chairperson: SA State Theatre • Nine past/ previous Board Memberships.	• SA State Theater: Chairperson: Human Resources and Remuneration • Small Enterprise Development Agency (SEDA) • Chairperson: Umhlatuze Municipality: Performance Audit Committee • Attorney Fidelity Fund, Governance and Policy Committee • Audit and Risk Committee - SA State Theater • Audit & Risk Committee Umhlatuze Local Municipality • Involvement in 23 past/ previous Committees

REMUNERATION OF BOARD 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. The SACPCMP does, however, provide for the cost of travel by its Council and committee members to address Council matters. The approved fee for the Council allowance was R2 816.

NAMES	COUNCIL ALLOWANCES (R)	HONORARIUM (R)	TELEPHONE ALLOWANCE (R)	TOTAL (R)	NUMBER OF MEETINGS AND OTHER ENGAGEMENTS ATTENDED*
Mr Lufuno Ratsiku	80 672	56 112	5 712	142 496	29
Ms Sharon Shunmugam	85 274	-	-	85 274	31
Dr Joy Ndlovu	72 653	-	-	72 653	26
Mr Andrew Ramushu	44 459	-	-	107 985	34
Mr Thabang Mbembele	27 976	-	-	27 976	10
Ms Kelebogile Mohotji	140 102	-	-	140 102	44
Mr Mbasayoxolo Tshombe	77 029	-	-	77 029	30
Mr Leonard Swana	56 362	-	-	56 362	22
Mr Conrad Steyn	7 896	-	-	44 459	17
Mr Douglas Affleck	107 985	-	-	63 133	25

*The number of meetings include other engagements such as attending Built Environment events etc.

SACPCMP Council members were very active in representing the entity in the period under review. In addition to attending at least 10 Council Meetings and 11 Audit and Risk Meetings, the following an example of some of the events and engagements attended by SACPCMP Council members in 2023/24:

• Big 5 Construct Expo
• BBCBE Indaba
• Symposium of Infrastructure Development in South Africa

• CIDB Amendment Bill Review and Stakeholder Engagements
• Voluntary Association Forum meetings
• National Stakeholder Forums
• Department of Public Works and Infrastructure Stakeholder Engagements
• University events including Student Excellence Awards
• PMI Summit

The following table provides details on the SACPCMP Committees Meetings held during the 2023/24 financial year.

COMMITTEE	NO. OF MEETINGS HELD IN THE PERIOD UNDER REVIEW	NO. OF MEMBERS	NAMES OF MEMBERS
Regulatory Matters Committee	Five	Five	Ms S Shunmugam (Chairperson) Mr L Swana Mr T Mbembele Mr C Steyn Mr D Affleck
Social and Ethics Committee	Four	Five	Mr T Mbembele (Chairperson) Mr L Ratsiku Ms S Shunmugam Dr M Ndlovu Mr M Leshalabe*
Human Resource, Nomination and Remuneration Committee	Five	Five	Dr M Ndlovu (Chairperson) Mr L Ratsiku Mr L Swana Mr C Steyn Ms Y Mbane**
Finance Committee	Eight	Five	Ms K Mzozoyana (Chairperson) Ms K Mohotji Mr D Affleck Mr M Tshombe Mr T Phaka
Audit and Risk Committee	Fourteen	Five	Ms S Boulton (Chairperson) Ms K Mohotji Mr MA Ramushu Ms N Majola Mr C Ramaleba
Investigation Committee	Four	Five	Advocate O Josie (Chairperson) Advocate S Masemola Mr M Menye Mr M Tshombe Mr MA Ramushu

* Appointed 24 July 2023   **Resigned 11 May 2024

VOLUNTARY ASSOCIATIONS FORUM AND PRESIDENTS' FORUM

The SACPCMP, 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 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): Continuous Professional Development; and

e) Section 14(d) and Transitional Provisions Section 42(2): Recognition of Voluntary Associations

SACPCMP Vice President Sharon Shunmugam presents a construction studies student, from Nelson Mandela University, with an award for excellence and top marks.

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

The VA Forum brings together the VA's Chief Executive Officers and/or their nominated representatives to engage with management of the SACPCMP. The Presidents'

Forum brings together Board Chairpersons (or their equivalents) and/or nominated representatives to engage with the President of the SACPCMP.

Both forums present a platform to discuss a broad range of issues of strategic priority, cooperation, and consultation in project and construction management professions (PCMP) and related industry matters; information-sharing; and industry-related issues that influence the effective discharge of the broad mandate of the SACPCMP in promoting the growth of PCMP professions in South Africa.

VA FORUM AND PRESIDENTS' FORUM MEETINGS AS OF 31 MARCH 2023

PERFORMANCE INDICATOR	PLANNED TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2023/24	COMMENT ON DEVIATIONS
VA Forum Meeting	Four	Three	One	One of the meetings did not have a quorum, and the Council was unable to secure an alternative date.
Presidents' Forum Meeting	Two	One	One	One of the meetings was cancelled due to the meeting not having a quorum. The Council was unable to secure an alternative date.

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 was delegated by the Council to advise on 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.

EMERGING RISKS

Management considered both strategic risks and opportunities owing to the King IV definition of risks, which includes events that are both positive and negative. The facilitation of the strategic risk assessment considered the following:

• Identification and prioritisation of strategic risks with the highest potential to impact on the achievement of objectives;

• The evaluation and assessment of identified strategic risks;

• The identification of current and future strategies and controls to mitigate risk exposure and improve risk management;

• The generation of a strategic risk register and risk profile; and

• Recommendation of possible actions and control measures that can be implemented.

Documents used for the preparation of the assessment included the following:

• SACPCMP APP 2023/24;

• SACPCMP ERM Framework and Policy;

• SWOT analysis to identify the organisation's risks, coupled with inputs sourced from the subject-matter experts; and

• 2022/23 Strategic Risk Register.

The review of the 2023/24 risk register can be summarised as follows:

• increase in relevant risk drivers from 58 (2022/23 FY) to 61 (2023/24 FY);

• Reduction in the number of identified mitigation plans from 71 (2022/23 FY) to 59 (2023/24 FY);

• The inherent risk profile across the 13 strategic risks did not change;

• Eleven Strategic risks are rated as high, and only two are rated moderate (litigation risk and ineffective promotion, growth, and transformation of the professions); and

• The residual risk profile saw a marginal positive shift in the 2023/24 rating to seven moderate ratings and six high ratings of residual risk.

The Mitigation Strategies/Plans progress reflects the following:

• 29 (49%) have been fully implemented incl. mitigating strategies;

• 25 (43%) partially implemented; and

• Four (8%) not implemented/not started.

RISK MATURITY MODEL

The overall level of risk maturity has been self-assessed at a proactive Level 3 (Emerging) with the following characteristics:

• A risk management framework exits with defined and documented risk management principles;

• Risk management is applied consistently throughout the organisation; and

• Not all processes have been fully implemented.

The SACPCMP undertook key initiatives during 2023/2024 FY to improve and enhance the ERM maturity level through:

• Formalising and documenting the risk management process; and

• Regular review and updating of the strategic risk register.

KEY FOCUS AREAS FOR 2024/25

Management will continue to prioritise a process of embedding risk management in the organisations processes and culture. The following are some of the initiatives to be undertaken:

- Refinement, review, and approval of the current ERM policy and framework by the Council;

- Standardisation of the risk registers, including strategic and operational risk;

- ERM workshops and training for all staff; and

- Development and implementation of the Risk

RISK GOVERNANCE

Risk management and opportunity identification form executive committee meetings, ARC, and Council subcommittee meetings. Strategic risks are reported on and considered at quarterly Audit and Risk Committee meetings. Internal audit provides independent assurance to assist management and the Council in ensuring that the control environment improves, and objectives are achieved. There is clear accountability and ownership of risk through SACPCMP's governance structures depicted below:

COUNCIL	The SACPCMP Council sets the tone for risk management and assumes ultimate accountability, but delegates oversight of risk management to the Audit and Risk Committee and the day-to-day risk management activities to the Registrar. They ensure that assurance services and functions enable an effective control environment and support the integrity of information for internal decision-making and of the organisation's external reports.
ARC	The Audit and Risk Committee provides an independent and objective review of the SACPCMP's risk management effectiveness and to review the risk management progress and maturity of the SACPCMP.
REGISTRAR	The Registrar is accountable for ensuring that a risk management strategy and risk management plan are in place and that policies are communicated to all staff, relevant stakeholders, and third parties to ensure that the risk strategy is incorporated into the culture of the SACPCMP.
RISK MANAGEMENT OFFICE	The Risk Management Office is the second line of defence in the risk management process and is responsible for establishing processes, tools, and advice to facilitate effective risk management across the SACPCMP and for creating an awareness of potential risks and cultural risk awareness.
MANAGEMENT	Management is responsible for executing their responsibilities outlined in the risk management strategy and for integrating risk management into the operational routines. Management actively addresses risk in pursuit of its performance targets.
RISK OWNERS	Risk Owners are responsible for the management and control of all aspects of the risks assigned to them, including the implementation of risk response actions to address threats and maximise opportunities.
INTERNAL AUDIT	Internal audit in risk management provides an independent, objective assurance on the effectiveness of the SACPCMP's system of risk management and of the control environment established to mitigate risk.
EXTERNAL AUDIT	External auditors provide an additional line of assurance. Their role is to provide reasonable independent assurance on the integrity of financial statements as well as the effectiveness of internal controls in mitigating risks.

6. INTERNAL CONTROL UNIT

The Internal Control Unit promotes efficiency and reduces the impact and likelihood of identified risks. Progress continues towards ensuring compliance with laws and regulations by introducing preventative and corrective control measures to address and report non-compliance. Further, the SACPCMP has maintained an Audit Findings Register as a tool to monitor progress and regularly update the ARC on the status of these findings.

The Council's control environment has improved significantly in recent years.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

The ARC is a fully functional independent oversight structure and provides quarterly oversight on the review of the Council's strategic risk assessment process and the continuation of an outsourced internal audit function. The ARC also oversees the outputs of the external audit process and ensures that the Council's integrated report appropriately presents the Council's state of affairs and is of good quality. The Committee continued to support the Council in fulfilling the management of 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 was outsourced to Nexia SAB-T, which was 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.

The internal controls review addressed 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 report functionally to the ARC. This 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 was actively operational during the 2022/24 financial year. The following table lists the meetings of the ARC during the year under review.

AUDIT AND RISK COMMITTEE MEETINGS

NAME	DATE APPOINTED	DATE RESIGNED	NO. OF MEETINGS ATTENDED
Ms S Boulton	February 2022	N/A	14
Ms N Majola	February 2022	N/A	8
Ms K Mohotji	February 2022	N/A	14
Mr A Ramushu	February 2022	N/A	12
Mr C Ramaleba	February 2022	N/A	12

8. COMPLIANCE WITH LAWS AND REGULATIONS

The SACPCMP exists as a regulatory body for the project and construction management professions, as well as for other specified categories in line with its mandate. The organisation is also empowered to render advice to the 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, and protection of the environment. As such, 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. In addition, it encourages all Registered Persons to abide by and adhere to applicable laws and regulations during the execution of their work. Management reports to the ARC on a quarterly basis on all compliance-related matters. The following has been achieved in 2023/24 financial years.

- SACPCMP developed and approved a compliance policy; the policy provides guidelines on how compliance risk will be managed within the Council;
- The compliance universe has been established; the universe includes applicable fines, penalties, and sanctions for non-compliance per legislation; and
- Development of a compliance plan, detailing a structured approach for which a compliance checklist will be completed.

9. FRAUD AND CORRUPTION

The SACPCMP has 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. Council continued with work to improve fraud management processes; for the period under review, the following fraud matters activities were undertaken and approved.

- Fraud Policy reviewed and approved by the Council;
- Fraud Prevention Plan reviewed and approved by the Council;
- Development of high-level fraud management processes;
- Development and approval of a Code of Ethics and Conduct Policy;
- Development and approval of whistle-blowing policy;
- Documented and formalised investigation procedure; and
- Development and approval of a financial misconduct policy.

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. Management reports to the ARC on a quarterly basis on all fraud matters.

The ARC also provides oversight over the fraud and corruption prevention controls and mechanisms within the Council. A toll-free whistle-blowing hotline operated by Advance Call is currently operational. Council stakeholders and employees are encouraged to report any suspected corrupt, fraudulent, criminal, or unethical practices. Hotline channels are published on the Council website and in the SACPCMP magazine, Shape Shifter.

Fraud and corruption matters reported through the hotline include:

- Six cases were reported through the hotline channel from 1 April 2023 to 31 March 2024;
- All cases reported related to alleged misconduct by Registered Persons;
- Five cases have been resolved and feedback has been provided to the whistleblower through the hotline; and
- One case is at the Administrator-Review Stage.

10. MINIMISING CONFLICT OF INTEREST

The SACPCMP ensures that conflicts of interest are declared by all committee members as protocol for Council Committee meetings. A record of this is maintained by the Company Secretariat. Council members have also signed an annual conflict of interest declaration form. SACPCMP has also developed a conflict-of-interest policy during the 2023/24 financial year.

11. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The SACPCMP strives to comply with the Occupational Health and Safety Act. The entity continues to create a safe and conducive working environment, in part by moving to new premises that fully comply with OHS requirements.

The SACPCMP, being a statutory body whose main function is registration, would possibly experience a high risk of COVID-19 exposure, especially in terms of its frontline staff. Although the restriction levels were reduced and ultimately lifted within the 2021/22 financial year, management investigated how operations at SACPCMP could continue with minimal public interaction to reduce the risk of exposure. The SACPCMP's client-facing function is fully digitised, meaning that stakeholders did 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. The conducting of meetings has migrated to virtual platforms, although offices were available for physical meetings.

12. COMPANY SECRETARY

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

13. SOCIAL RESPONSIBILITY

The SACPCMP finalised a work plan for its corporate social responsibility efforts, and this will be executed in line with the approved Transformation Strategy. Again, the entity saw a focus on schools, students, and learners in the period under review. The Council sponsored cash prizes for top-performing students in Construction Management Studies from accredited institutions of higher learning. The SACPCMP continued in its efforts to boost mentorship support and development through its Mentor Speed Date initiative, in collaboration with the CIOB.

14. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

CRITERIA	RESPONSE	DISCUSSION
Determining qualifications criteria for issuing licences, 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 does not include a provision for qualification criteria for the sale of state-owned enterprises. The policies do, however, 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.

15. REPORT OF THE AUDIT AND RISK COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2024.

BACKGROUND

The Audit and Risk Committee ("the Committee") as established by section 17 of the Project and Construction Management Professions Act (Act No.48 of 2000) reports that it has complied with its responsibilities arising from the Council approved terms of reference and as an aspiration to be PFMA compliant with Sections 51(1)(a)(ii) of the Public Finance Management Act 1 of 1999 (as amended) and Treasury Regulation 27.1.

MEMBERSHIP AND ATTENDANCE

- The Committee is comprised of 3 independent non-executive members with extensive experience serving in the Committee, and two 2 Council members.
- The Committee 14 during the year. There were 6 Ordinary Meetings, 4 Special Meetings and 4 (closed sessions),
- The names and attendance of the members serving on the Committee are detailed on page 71 under the Internal Audit and Audit Committee section of the Annual Report.

AUDIT AND RISK COMMITTEE RESPONSIBILITY

The report also maps the oversight function against the specific responsibilities of the ARC, providing oversight on the following functions:

- Financial and performance reporting
- Integrated annual reporting
- Combined assurance
- Information, communication technology
- Risk management
- Compliance with laws, regulation and good ethics
- Reporting practices.

EFFECTIVENESS OF INTERNAL CONTROL

- The Committee considered all the reports issued by the various assurance providers e.g.: internal and external auditors which identified several moderate weaknesses.
- Management's actions were noted in addressing identified control weaknesses. The Committee wishes to express appreciation on the commitment demonstrated by the management in treating all the reports with urgency and the speed in which remediation was implemented.
- The Committee reports continuous 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 Coverage Plan for the period 1 April 2023 to 31 March 2024.

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

AUDITABLE AREA	OPINION
Control Environment	Some Improvement Needed
Network Vulnerability Assessment & Follow Up	Major Improvement Needed
Management of Operations - Registrations	Some Improvement Needed
Management of Operations - CPD	Major Improvement Needed
Financial Management	Some Improvement Needed

A significant improvement has been identified in the Registrations and Financial Management processes as compared to the previous years. However, there remain weaknesses that require Management's attention.

The vulnerability assessment also identified vulnerabilities that could potentially cause harm to the SACPCMP environment.

CPD controls are in place, however, several consistencies were identified that Management should assess and ensure are not predominant in the new CPD Cycle.

Overall, the Internal Audit retained the "Some Improvement Needed" rating for SACPCMP's control environment. A few specific control weaknesses were noted; generally, however, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.

Based on the above assessment by the Internal Auditor, neither material nor significant matters brought to attention indicated any material breakdown in the functioning of controls, procedures and systems.

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

Management has developed an implementation plan to enhance current processes and to address all deficiencies noted by internal auditors. Management still maintains an audit matrix, since developed prior, for all areas audited during the financial period. Quarterly monitoring is exercised by the ARC on the remedial progress.

The Committee reviewed all the internal audit reports and was satisfied with the activities of the internal audit function, including its annual work program, co-ordination with the external auditors and the responses of management to specific recommendations. The Committee also acknowledged the Internal Auditors ability to complete the audit coverage for 2023/24 financial period as planned.

RISK MANAGEMENT

AUDITABLE AREA	OPINION
Risk Management	Some Improvement Needed

The above rating was determined based on the average rating of the areas audited during the period under review. Risks that were relevant to the auditable areas identified in the 2023/24 plan were reviewed and feedback thereon was provided in the respective audit reports.

As in previous years, the Audit and Risk Committee has embedded in its Charter as part of its terms of reference the monitoring of effective Risk Management across the board. The Committee highlighted the following on monitoring risks within the Council, that:

•   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 Councils 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 reported that the Risk Management function continued to be an in-house responsibility of management. As previously reported, Management had managed the 13 identified strategic risk imperatives, 61 risk drivers and 59 mitigation plans. The Mitigation Strategies/Plans progress report reflects that 29 (49%) have been fully implemented, 25 (43%) partially implemented and 4 (8%) not implemented/not started.

RISK MANAGEMENT MATTERS FLAGGED FOR COUNCIL AND MANAGEMENT

The Council approved the 2023/24 financial year Strategic Risk Register in December 2023, which is almost 9 months into the financial year. The inherent risk profile of the SACPCMP remains high and residual risk profile of the SACPCMP saw a marginal shift from high to moderate in 2023/24 financial year. Management continued to make progress towards its various risk mitigation matrixes in relation to risk mitigation plans related to the Strategic Risk Register.

Management has on-going dialogues on ways to address risks which cannot be avoided or mitigated through internal controls or procedures. The monitoring and review of risks is done on an on-going basis to address emerging risks and the adequacy of mitigating strategies.

Management has not been able to keep the momentum as demonstrated in the 2021/22 financial year. The flagged imperatives were not all addressed; only one (1) was implemented which related to the formalisation and documentation of the Risk Management Process. Management made a commitment to address these areas, flagged for completion in the 2024/25 financial period:

•   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.

Disappointingly, the anticipated leap into a "Mature" risk

management level was delayed and shut down by the lack of focus in implementation as reported. This impaired the efficiencies and effectiveness of risk management processes. The SACPCMP remains stagnated on "Emerging" levels of risk-management evolution until such time implementation and monitoring of prioritised imperatives are fulfilled.

FRAUD AND CORRUPTION

The Committee also provides oversight over the fraud and corruption prevention controls and mechanisms within the SACPCMP. A toll-free whistle-blowing hotline operated by "Advance Call" is in operation. All SACPCMP stakeholders and employees are encouraged to report any suspected corrupt, fraudulent, criminal or unethical practices.

The Chairperson of the ARC, together with the President and the Registrar of the SACPCMP, are recipients of matters or cases reported on the system. Every quarter, these cases are analysed and assessed for further investigation or processing by management. Our observation was that, on average, minimal cases were reported since we dealt with 6 cases in the year under review. So far, 5 cases have been fully resolved whilst one remained open and subject to further investigation.

GOOD GOVERNANCE

AUDITABLE AREA	OPINION
Governance	Some Improvement Needed

The Internal Audit Plan for 2023/2024 did not include a full scope governance review, however, Internal Audit conducted a follow up on the previously reported findings. There were findings that were reported as partially resolved and require management's attention. The above rating was also determined considering the following aspects, including the results of the various audit reviews:

- The existence of a formal and systematic process is in place for determining strategic and operation objective setting and monitoring performance.
- Governance structure and communication of information.
- Policies and procedures are in place and being implemented.

In light of the governance gaps identified previously by the Internal Audit function, the Council since developed an implementation plan that provided key pointers on the

way forward in terms of instituting remedial action towards good governance. The Council resolved to adopt good corporate governance principles as outlined in the King IV report, basically adopting the King IV.

SACPCMP is committed to implementing and maintaining sound corporate governance practices, as set out in the PCPM Act 48, Companies Act and King IV. The Council commenced with the process of assessing compliance against the King IV principles to gain the status quo perspective on Governance. This step was imperative to undertake since it would be in support of the already-established terms of reference on the composition of committees of Council. In identifying current gaps, establishing a baseline status quo in SACPCMP's governance processes for effective governance, and to inform the DOA review, the Report considered the status of adherence to the 17 King IV principles

The Council developed and approved a governance framework in 2023/24 financial year. The purpose of the Framework is to provide for the prudent management and oversight of the business within SACPCMP and to adequately protect the interests of all stakeholders. The report describes the governance structure and decision-making processes applicable to SACPCMP

MANAGEMENT OF QUARTERLY FINANCIAL AND PERFORMANCE INFORMATION

The Committee was satisfied with the content of the finance reports that had been prepared and issued during the year. The management reports were supported by a financial viability assessment which allowed for the Committee to note areas of concern around the following:

- Revenue and debtors' management
- Expenditure and credit management
- Asset and liability management
- Cash management

Based on the financial viability assessment performed the conclusions can be made on the financial health of the SACPCMP

- A surplus for the quarter was realised – This indicates that SACPCMP appropriately managed its operating activities, such that operational costs do not exceed its appropriated funds and revenue generated from goods and/or services being delivered.

- The SACPCMP is not experiencing difficulties paying creditors and is not experiencing cash flow difficulties

- The operational cash flow clearly shows the way SACPCMP creates and manages its revenue provides the entity with sufficient cash to cover all operational expenses and being able to generate sufficient positive cash flows to maintain and grow its operations.
- There are no threats to the entity's going concern for the period under review.

The annual plan of the Internal Audit was approved ensuring that the review of effectiveness of controls around the financial information would be constantly assessed. We therefore report with confidence that the financial statements and other supporting useful information is credible and can be relied upon by the relevant users and stakeholders. During our monitoring process, the Committee noted that Management addressed all the internal and external audit findings, the findings reflected as open are those findings identified in the current year and remedial action is progressing positively.
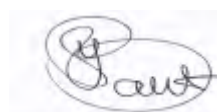
EXTERNAL AUDIT

RAiN Chartered Accountants were appointed as the independent external auditors of the SACPCMP for 3 financial years starting from the 2024 financial period. The previous external auditors were Ngubane and Co (Johannesburg), and the contract ended on 31 July 2023.

EVALUATION OF FINANCIAL STATEMENTS

The Committee reviewed the annual financial statements and performance information for the year ended 31 March 2024 and duly approved them for the Auditors to carry out the annual review. After 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 Auditor's Management and Audit Reports and concurred with their conclusions with recommendations. The Committee therefore accepted the audit opinion and conclusion expressed.

Our appreciation is conveyed to the entire Executive Management, Internal Audit, External audit and the SACPCMP's Accounting Authority for the relentless energy and commitment shown in addressing all matters put to their attention.

Seipati Y. Boulton
Chairperson: Audit & Risk Committee
SACPCMP
Date: August 2024

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

Effective hiring, skills development, and retention of high-performing employees enhance the ability of SACPCMP to deliver on its strategy intent and legislative mandate. Therefore, the management of human capital is critical within the SACPCMP. The management of human capital and related initiatives as implemented by the HR function are overseen by the Council's Human Resources, Remuneration, and Nominations Committees.

The employees of SACPCMP act and add value as the organisation's human interface with stakeholders, industry role players, and Registered Persons. Within this context, human capital acquisition and development remained ongoing priorities during the review period. In doing so, the further development and implementation of a holistic Employee Wellness Programme, initiatives to promote staff engagement, and the conducting of a skills audit and review to increase investment in skills development were regarded as focus areas.

Talent management to attract, develop, and retain high-performing employees is a distinguishing feature of the Council's efforts to ensure effective and efficient people management practices. These practices are characterised by efforts to develop an employer profile that appeals to the best calibre of candidates; to establish and maintain a performance culture linked to rewards and recognition in the organisation; and to conceive a working environment in which employees are engaged to perform and grow professionally.

The values of SACPCMP have been purposefully designed to facilitate an integrated organisational identity aimed at promoting a culture of ownership throughout the organisation. In alignment with these values, employee reward and recognition programmes have consequently been developed and implemented to create a more engaged organisational environment, allowing for the empowerment of human capital and the cultivation of innovation.

SET HR PRIORITIES AND THEIR IMPACT

The 'Key People Priorities' approved by the Council are intended to bring positive change to human capital management. The objectives of these priorities include:

- To create an appropriate organisational design for a regulator inclusive of the correct number of organisational layers and well-defined accountabilities and authorities in order to execute the mandate of the SACPCMP;

- To ensure that the SACPCMP has the right people in the right roles, which would allow them to realise their full potential;
- To develop effective working relationships through effective leadership and employee engagement; and
- To foster an organisational culture in which all employees collaborate and contribute towards the achievement of SACPCMP objectives.

A more detailed description of the set priorities of human capital management is provided below:

CULTURE CHANGE

The shift in organisational culture from control (Hierarchy) to creation (adhocracy) focuses on:

- Fostering a culture of excellence, collaboration, inclusivity, and flexibility;
- Emphasising a customer-focused approach; and
- Prioritising diversity management.

ORGANISATION DESIGN

1. Designing an organisational structure that is fit-for-purpose (for a regulator);
2. Reviewing the existing organisational structure;
3. Establishing interdependency, strategy imperatives, and business processes;
4. Approving the new organisational design structure; and
5. Profiling and defining roles and responsibilities.

EMPLOYEE ENGAGEMENT

- Optimising skills utilisation, employee contribution, and productivity;
- Conducting a skills audit;
- Prioritising staff development
- Undertaking people mapping and placement; and
- Executing performance management.

These priorities were approved and implemented in the 2023/24 review period and will be finalised in the 2024/25 financial year.

SACPCMP Registrar, Butcher Matutle, presents Lungi Baloyi (left) and Sbonile Phewa (right) with SACPCMP Registrar Awards.

SACPCMP ORGANISATIONAL DESIGN PROCESS

The organisational design process at SACPCMP continued during the review period. The SACPCMP's previous organisational structure emphasised registration, accreditation, and CPD at the expense of the remaining, equally critical mandates. The intent of the project connected with this area was to change the organisational structure from transactional to functional, fit for a regulatory body.

The organisational redesign process in collaboration with key stakeholders included:

- Alignment of the new business structure and organisational architecture to levels of work and the mental models;
- Defining and profiling of roles in the organisation with key responsibilities documented;
- Establishing an effective structure to meet business and strategic objectives; and
- A review of the Council Committees to ensure top-down alignment.

1.1 HUMAN RESOURCES PRIORITIES

The redesigned organisational structure has been completed and approved by Council. The next phase in implementation included a skills audit, which commenced in the 2023/24 financial year.

1.2. WORKFORCE PLANNING FRAMEWORK AND KEY STRATEGIES

The strategic framework for HR planning implemented at SACPCMP is aimed at ensuring that human capital within the organisation is capacitated to deliver on the legislative mandate of the organisation.

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

- Key roles were reprofiled to address the identified gaps caused by the transfer of functions and responsibilities;
- While jobs were reprofiled, the specifications were adjusted to attract suitably qualified and experienced candidates; and
- Roles were reassigned to ensure the 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. As the SACPCMP's business operations are digitally enabled, the Council adopted a hybrid operating model allowing for both remote and in-person work on the SACPCMP premises.

1.3. EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

The performance targets for employees are being aligned with the SACPCMP's Strategic Plans and APP by means of the organisation's Employee Performance Management Framework. The components of this framework include:

- Planning;
- Goal setting;
- Performance monitoring;
- Evaluation; and
- Communication.

Encouraging and rewarding excellent performance and improving inadequate performance form integral parts of both the performance management framework and SACPCMP philosophy.

EMPLOYEE WELLNESS PROGRAMMES

Employee wellness and employee assistance programmes were developed and implemented during the financial year under review. Management also developed an Employee Wellness Strategy focussing on the physical health and mental health of employees as key areas, which is intended to provide acceptable operating models in synergy with developed staff wellness programmes.

Furthermore, the Employee Wellness Strategy also identifies the following priorities:

- Establishing and maintaining an organisational culture that promotes health and wellness;
- Ensuring the development of policies to enhance employee health and productivity;
- Developing wellness programmes inclusive of customised employee-based health programmes;
- Motivate employee engagement in health and wellness practices by means of incentivising programmes; and
- Integrating HR functions and practices with employee wellness and quality work-life initiatives.

1.4. POLICY DEVELOPMENT

Policy development was guided by the need to close any identified policy vacuum in the HR management system. People-management policies continue to be developed and revised. Current policies were reviewed in the 2023/24 financial year.

1.5. KEY HUMAN RESOURCES HIGHLIGHTS AND ACHIEVEMENTS

SACPCMP ORGANISATIONAL DESIGN PROCESS

The organisational design process advised an operating model structured around service delivery to the different operating functions, including strategy, finance, HR, business services and business development. This process allowed for:

- The principle of consistency;
- A simple operating model;
- Clear accountability and authority;
- Identifying the correct number of organisational layers and the right work at the right levels; and
- Empowering employees to deliver on the strategic intent of SACPCMP.

The operating model positioned the executive committee and audit manager as key pillars in governance, assurance leadership, and support for the SACPCMP. These functions have been located in the Office of the Registrar and Council Secretary.

The organisational structure proposal was designed with key stakeholders to establish an effective structure to meet business objectives while also:

- Enabling SACPCMP strategy;
- Leveraging people;
- Containing cost;
- Operating within constraints;
- Clarifying responsibilities;
- Strengthening accountability; and
- Improving innovation and flexibility.

1.6. CHALLENGES EXPERIENCED BY THE SACPCMP

The implementation of the new organisational design structure, which was approved in June 2022, commenced according to a phased, five-year approach in the previous financial year. This implementation plan considers the operational needs of the Council and the key positions needed to implement the organisation's current strategic imperatives.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

PERSONNEL COST BY PROGRAMME/ACTIVITY/OBJECTIVE

PROGRAMME /ACTIVITY OBJECTIVE	TOTAL EXPENDITURE (R)	PERCENTAGE OF PERSONNEL EXPENDITURE TO TOTAL COST	NO OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R)
Registrar's Office, ICT and HR	7 308 826	33%	5	1 461 765
Registration	2 653 733	12%	7	379 104
Finance	4 470 303	20%	9	496 700
Education	1 967 524	9%	7	281 074
Customer Relation Management	2 032 823	9%	8	254 102
Business Services	1 107 979	5%	3	369 326
Operations	2 780 763	12%	4	695 190
TOTAL	22 122 849	100%	43	518 381

PERSONNEL COST BY SALARY BAND

PROGRAMME /ACTIVITY OBJECTIVE	TOTAL EXPENDITURE (R)	PERCENTAGE OF PERSONNEL EXPENDITURE TO TOTAL COST	NO OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R)
Top Management	2 519 342	11%	1	2 519 342
Senior Management	6 646 129	30%	5	1 329 225
Professional Management	4 037 423	18%	6	672 903
Skilled	3 825 279	17%	9	425 031
Semi-Skilled	4 953 106	22%	21	235 862
Unskilled	141 570	1%	1	141 570
TOTAL	22 122 849	100%	43	514 484

PERFORMANCE REWARDS

LEVEL	PERFORMANCE REWARDS	PERSONNEL EXPENDITURE	PERCENTAGE OF PERFORMANCE REWARDS TO TOTAL COST
Top Management	201 547	2 519 342	8%
Senior Management	263 068	4 482 364	6%
Professional Management	107 771	1 676 003	6%
Skilled	160 639	2 360 568	7%
Semi-Skilled	179 041	3 001 352	6%
Unskilled	8 494	141 570	6%
TOTAL	920 561	14 181 199	6%

TRAINING COSTS

The total related costs for Council Member training was R 61 718.

Staff members were trained in the following competencies:

• Evolution accounting system
• My Membership system
• Basic and Intermediate Excel
• POPI Act training

Costs for the above staff training were R127 730.00

EMPLOYMENT AND VACANCIES

The following table shows the number of approved posts and vacancies within the different SACPCMP departments:

PROGRAMME /ACTIVITY OBJECTIVE	2023/2024 APPROVED POSTS	2023/24 VACANCIES	PERCENTAGE OF VACANCIES
Registrar's Office	5	1	20%
Operations	1	0	0%
Registration	10	0	0%
Education	7	1	14%
Professions Governance	1	0	0%
Customer Relationship Management	6	0	0%
Strategy	2	2	0%
Business Development	3	3	100%
Business Services	7	4	57%
Human Resources	3	2	67%
Finance	10	1	10%
Information Communication Technology	1	0	0%
TOTAL	58	14	24%

The following table shows the number of posts and vacancies at different levels within the organisation:

PROGRAMME /ACTIVITY OBJECTIVE	2022/24 APPROVED POSTS	2022/24 VACANCIES	PERCENTAGE OF VACANCIES
Top Management	1	0	0%
Senior Management	9	3	33%
Professional Management	16	10	62%
Skilled	10	1	10%
Semi-Skilled	21	0	0%
Unskilled	1	0	0%
TOTAL	58	14	24%

EMPLOYMENT CHANGES

The following table shows the changes in employment during the year under review, from 1 April 2023 to 31 March 2024:

SALARY BAND	EMPLOYMENT AT THE BEGINNING OF PERIOD	APPOINTMENTS	TERMINATIONS	TRANSFERS	EMPLOYMENT AT THE END OF THE PERIOD
Top Management	1	0	0	0	1
Senior Management	5	2	1	0	6
Professional Management	3	3	0	0	6
Skilled	8	1	0	0	9
Semi-Skilled	21	4	4	0	21
Unskilled	1	0	0	0	1
TOTAL	39	10	5	0	44

Two positions under senior management are filled via outsourcing (Company secretary and internal audit).

REASONS FOR STAFF LEAVING

The following table shows that, of the five employees who left the organisation during the 2023/24 financial year, each one resigned. All of the employees who resigned cited personal circumstances and career advancement reasons.

REASONS	NUMBER	PERCENTAGE OF TOTAL NO. OF STAFF LEAVING
Death	0	0%
Resignation	5	100%
Dismissal	0	0%
Retirement	0	0%
Ill-health	0	0%
Expiry of Contract	0	0%
Other	0	0%
TOTAL	5	100%

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTIONS

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal Warning	0
Written Warning	4
Final Written Warning	0
Dismissal	0

EXPIRY OF CONTRACTS

No contracts expired during the year under review.

DISMISSALS

There were no dismissals during the period under review.

EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

LEVEL	MALE							
	BLACK		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	1	0	0	0	0	0	0	0
Senior Management	0	3	0	0	0	0	0	0
Professional Management	3	4	0	0	0	0	1	1
Skilled	1	2	0	1	0	1	0	0
Semi-Skilled	8	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	12	9	0	1	0	1	1	1

LEVEL	FEMALE							
	BLACK		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	0	0	0	0	0	0	0
Senior Management	2	2	0	0	0	0	0	1
Professional Management	1	4	0	0	0	0	1	1
Skilled	5	4	0	0	0	0	0	2
Semi-Skilled	12	18	9	1	0	0	2	0
Unskilled	1	1	0	0	0	0	0	0
TOTAL	21	29	0	1	0	0	3	4

LEVEL	LIVING WITH DISABILITY			
	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	0
Semi-Skilled	0	0	0	1
Unskilled	0	0	0	0
TOTAL	0	0	0	1

It is important to note that the SACPCMP is not listed within/ on any schedule of government and thus, not required to comply with the PFMA. However, the SACPCMP does however apply PFMA best practices throughout its business processes and can confirm the following:

• The approved SCM policy does make provision for the identification and reporting of unauthorised , fruitless, and wasteful expenditure.

• The were no unauthorised expenditure reported for the period under review.

• Fruitless and wasteful expenditure amounting to R 32 456 was identified, relating to the late payment of return for November 2023. This payment was late by two days and interest and penalties were incurred. The VAT calculations were performed on time and payment was loaded in the bank, but not released.

• Payments to suppliers are made within 30 days; the SACPCMP's current creditors payment days is 1.3 days. The are no current dispute with creditors.

PART F
FINANCIAL
INFORMATION

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

The annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS®) Accounting Standards as issued by International Accounting Standards Boards (IASB) 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 organisation, and all employees are required to maintain the highest ethical standards in ensuring the Council's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus

of risk management in the organisation is on identifying, assessing, managing, and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the Council endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems, and ethical behaviour are applied and managed within predetermined procedures and constraints.

The 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 annual 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 forecast for the year to 31 March 2025, and in light of this review and the current financial position, they are satisfied that the organisation has or will have access to adequate resources to continue in operational existence for the foreseeable future.
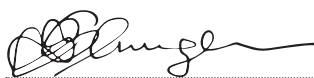
The independent auditors are responsible for independently auditing and expressing their audit opinion on the fair presentation of the Council's financial statements. The financial statements have been audited by the independent auditors and their report is presented on page XX.

The financial statements set out on pages XX to XX which have been prepared on going concern basis, were approved by the Councillors on15 August 2024 and were signed on their behalf by:

APPROVAL OF FINANCIAL STATEMENTS

Mr L Ratsiku
President: SACPCMP

Ms S Shunmugam
Vice President

Mr MIB Matutle
Registrar

COUNCILLORS' REPORT

The Councillors have pleasure in submitting their report on the annual financial statements of The South African Council for the Project and Construction Management Professions for the year ended 31 March 2024.

1. NATURE OF BUSINESS

The South African Council for the Project and Construction Management Professions (SACPCMP) is incorporated under the Project and Construction Management Professions (PCMP) Act No. 48 of 2000. The principal activity of the SACPCMP is 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 SACPCMP's business from the prior year.

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS®) Accounting Standards issued by the International Accounting Standard Board (IASB) and the requirements of the Project and Construction Management Professions Act No. 48 of 2000. The accounting policies have been applied to all periods presented.

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

3. COUNCILLORS

The Councillors in office during the financial period and at the date of this report are as follows:

Mr L Ratsiku	President	Non-executive
Ms S Shunmugam	Vice President	Non-executive
Dr J Ndlovu	Council Member	Non-executive
Mr A Ramushu	Council Member	Non-executive
Mr T Mbembele	Council Member	Non-executive
Ms K Mohotji	Council Member	Non-executive
Mr M Tshombe	Council Member	Non-executive
Mr L Swana	Council Member	Non-executive
Mr C Steyn	Council Member	Non-executive
Mr D Affleck	Council Member	Non-executive
Mr MIB Matutle	Registrar	Executive

4. PROPERTY, PLANT AND EQUIPMENT

There was no change in the nature of the property, plant and equipment of the SACPCMP.

As at 31 March 2024, the Council's investment in property and equipment amounted to R1 767 134 (2023: R1 878 633) of which R759 512 (2023: R1 132 520) 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.

6. GOING CONCERN

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

The Councillors believe that the SACPCMP has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual 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

RAiN Chartered Accountants were appointed as the independent external auditors of the Council for three financial years starting from the 2024 financial period. The previous external auditors were Ngubane and Co (Johannesburg), and the contract ended on 31 July 2023.

AUDIT REPORT

TO THE COUNCIL OF THE SOUTH AFRICAN COUNCIL FOR THE PROJECT AND MANAGEMENT PROFESSIONS

OPINION

We have audited the annual financial statements of the South African Council for the Project and Construction Management Professions set out on pages 9 to 33, which comprise the statement of financial position as at 31 March 2024, statement of profit or loss , statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the South African Council for the Project and Construction Management Professions as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Project and Construction Management Professions Act (Act No.48 of 2000).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the South African Council for the Project and Construction Management Professions 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 annual 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 Council are responsible for the other information. The other information comprises the information included in the document titled "The South African Council for the Project and Construction Management Professions Annual Financial Statements for the year ended 31 March 2024", which includes the Councillors' Report as required by the Project and Construction Management Professions Act (Act No.48 of 2000).

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

RESPONSIBILITIES OF THE COUNCIL FOR THE ANNUAL FINANCIAL STATEMENTS

The Council is responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Project and Construction Management Professions Act (Act No.48 of 2000), and for such internal control as the Council determine is necessary to enable the preparation of annual financial statements that are free from material

misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

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

• Identify and assess the risks of material misstatement of the annual 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 Council.

• Conclude on the appropriateness of the Council's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 annual 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 annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council 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.

RAiN Chartered Accountants Incorporated
Chartered Accountants (S.A.)
Registered Auditor
Per: I.E. Pierce
Johannesburg
27 August 2024

STATEMENT OF **FINANCIAL POSITION**

AS AT 31 MARCH 2024

	NOTES	2024 R	2023 R
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	3	1 767 134	1 878 633
Right-of-use assets	4	5 492 233	6 449 636
Intangible assets	5	457 791	515 157
		7 717 158	**8 843 426**
CURRENT ASSETS			
Trade and other receivables	6	1 513 008	1 112 606
Cash and cash equivalents	7	73 547 977	54 974 133
Inventories	8	874 278	-
		75 935 263	**56 086 739**
Total Assets		**83 652 421**	**64 930 165**
EQUITY AND LIABILITIES			
EQUITY			
Retained earnings		41 336 601	29 973 160
LIABILITIES			
NON-CURRENT LIABILITIES			
Finance lease liabilities	4	6 603 447	7 076 773
CURRENT LIABILITIES			
Finance lease liabilities	4	520 201	385 528
Trade and other payables	9	10 019 134	6 621 647
Income received in advance	10	23 019 922	19 351 309
Employee Benefits	11	2 153 116	1 521 748
		35 712 373	**27 880 232**
Total Liabilities		**42 315 820**	**34 957 005**
Total Equity and Liabilities		**83 652 421**	**64 930 165**

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTES	2024 R	2023 R
Revenue	12	49 059 595	44 868 474
Other operating income	13	5 513 087	3 195 138
Other operating expenses	23	(46 999 701)	(37 211 492)
Operating surplus		7 572 981	10 852 120
Interest income	14	4 744 196	2 459 356
Interest paid	4	(953 736)	(687 364)
Surplus for the year		**11 363 441**	**12 624 112**

STATEMENT OF **CHANGES IN EQUITY**

	NOTES	Retained earnings R	Total equity R
Balance at 01 April 2022		**17 349 048**	**17 349 048**
Surplus for the year		12 624 112	12 624 112
Balance at 01 April 2023		**29 973 160**	**29 973 160**
Surplus for the year		11 363 441	11 363 441
Balance at 31 March 2024		**41 336 601**	**41 336 601**

FOR THE YEAR ENDED 31 MARCH 2024

	NOTES	2024 R	2023 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	16 644 564	16 475 334
Interest received	14	3 561 721	2 459 356
Interest paid	4	(669 817)	(687 364)
Net cash inflow from operating activities		**19 536 468**	**18 247 326**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	3	(593 593)	(1 132 520)
Proceeds from insurance claims	3	35 960	47 913
Purchase of intangible assets	5	-	(165 780)
Net cash from investing activities		**(557 633)**	**(1 250 387)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment on lease liabilities	4	(404 991)	(420 840)
Total cash movement for the year		**18 573 844**	**16 576 097**
Cash at the beginning of the year		54 974 133	38 398 036
Total cash at the end of the year	7	**73 547 977**	**54 974 133**

ACCOUNTING **POLICIES**

1. SIGNIFICANT ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION

The annual financial statements have been prepared on a going concern basis in accordance with, and in compliance with, IFRS® Accounting Standards and the Project and Construction Management Professions Act No. 48 of 2000 of South Africa, including any interpretations issued by the IFRS interpretation 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.

1.2 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of annual financial statements in conformity with IFRS® Accounting Standards 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.

1.2.1 USEFUL LIFE OF INTANGIBLE ASSETS

The Council amortises its finite useful life intangible assets over their estimated useful lives. The estimation of the useful lives of assets are based on technological innovation as period of validity. Refer to note 1.4.

1.2.2 USEFUL LIFE OF PROPERTY AND EQUIPMENT

The Council depreciates its property and equipment over their estimated useful lives. The estimation of the useful lives of the right-of-use asset is based on the lease term of the underlying lease, while the useful lives of the remaining assets are based on historic performance as well as expectations about future use and therefore requires a degree of judgement to be applied by management. Refer to note 1.3.

1.2.3 IMPAIRMENT TESTING

The Council reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determines the recoverable amount by performing value-in-use and fair value calculations. Intangible assets with indefinite useful lives are tested for impairment on an annual basis. These calculations require the use of estimates and assumptions.

1.3 PROPERTY AND EQUIPMENT

Property and equipment owned by the Council comprise leasehold improvements, furniture and fittings, office equipment and Information Technology (IT) 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.

Leasehold improvements 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 are subsequently stated at cost less accumulated depreciation and 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	Lease term 10 years

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 an asset 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 the value-in-use and the fair value less cost of disposal, while impairment 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.

GAINS AND LOSSES ON THE DISPOSAL OF PROPERTY AND EQUIPMENT

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.

1.4 INTANGIBLE ASSETS

Intangible assets comprise computer software and licences. Intangible assets of the Council are initially measured at historic cost.

Computer software has a finite useful life and is subsequently measured at cost less accumulated amortisation and impairment. The amortisation amount is calculated using the straight-line method to allocate the cost of acquired software over the 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 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. 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	AMORTISATION METHOD	USEFUL LIFE
Computer software	Straight line	3 years
Computer Licence - Indefinite life	Straight line	Indefinite

1.5 FINANCIAL INSTRUMENTS AND CONTRACT LIABILITIES

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

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

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

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 trade receivables balance is disclosed net of the expected credit loss balance. The movement or change in the expected credit loss is recognised in the Statement of Profit or Loss under operating expenses. When receivables are uncollectible, they are 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.

The Council's business model for realising the assets is collecting through cash flows. 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 LOSSES

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).

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 and other payables are initially measured at fair value and, after initial recognition, at amortised cost.

PROJECT MANAGEMENT INSTITUTE (PMI)

Purchases of bundles are recognised as an asset at initial recognition. Subsequently, the cost of PMI bundles are realised to profit or loss on sale of bundles.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, call deposits which are liquid investments and are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, and fixed-term deposits which are not easily convertible due to the investment term, which ranges from 3 to 12 months. These are initially and subsequently recorded at fair value.

1.6 LEASES

COUNCIL AS THE 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 that 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.

LEASE LIABILITY

Lease liabilities are 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

Right-of-use assets are measured at cost comprising 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 the 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.

1.7 EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and bonuses), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.8 REVENUE FROM CONTRACTS WITH REGISTERED PERSONS

The Council generates revenue from the rendering services from webinars, annual fees, registration fees, application fees, continuous professional development (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 the 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, examinations, and assessments of log books, to name a few.

ANNUAL FEES

The entity recognises revenue from annual fees on a straight-line basis over the period of the validity of the 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 the 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 are met. The Council's obligations are met when the application is assessed.

EXAM FEES

The Council recognises revenue upon providing the service relating to examinations. Examinations 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.

CONTINUOUS PROFESSIONAL DEVELOPMENT (CPD)

Revenue is recognised when the Registered Persons 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 associated training material.

WEBINARS AND CONFERENCES

The Council hosts webinars and conferences. 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.

PENALTY FEES

The revenue relates to a fee charged when a Registered Person has not made payment towards their annual fee within the time prescribed by Council. The penalty fees are recognised when the grace period of four months has lapsed from when the annual invoice was issued.

ACCREDITATION VISITS

The revenue relates to a fee charged to universities and colleges for assessment of their programmes, facilities and resources for the university/colleges to be accredited by the SACPCMP. Subsequent to accreditation, the SACPCMP conducts accreditation visits every five years for reaccreditation. Revenue is recognised on completion of the assessment.

RECOGNITION OF PRIOR LEARNING

The revenue relates to a fee charged to prospective members for the assessment of their application for recognition of prior learning; this applies to applicants who do not have formal educational qualifications but have experience related to their chosen stream. Revenue is recognised on completion of the assessment.

1.9 TRANSLATION OF FOREIGN CURRENCIES FOREIGN CURRENCY TRANSACTIONS

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are translated at the end of the reporting period using the closing rate.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.10 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; and
• 	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. The grant funds the Candidacy programme provided to Department of Public Works and Infrastructure employees through a collaboration between the Council and the CETA.

1.11 INTEREST REVENUE

Interest revenue is recognised as other income as it accrues using the effective interest method. Interest revenue is earned on call deposits and fixed-term deposit investments.

1.12 RELATED PARTIES

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

1.13 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.

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE OR RELEVANT

The Council has not applied the following new, revised or amended pronouncements issued by the IASB. The new standards, amendments, and interpretations will be adopted in annual financial statements when they become effective. The Council has assessed, where practicable, the potential impact of these new standards, amendments, and interpretations that will affect future periods.

EFFECTIVE DATE OF AMENDMENTS TO IAS 1: FOR YEAR ENDS BEGINNING ON OR AFTER 1 JANUARY 2024

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for annual reporting periods beginning on or after 1 January 2024.

CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT (AMENDMENTS TO IAS 1) FOR YEAR ENDS BEGINNING ON OR AFTER 1 JANUARY 2024

The amendments aim to promote consistency in applying the requirements by helping companies determine whether in the statement of financial position debt and other liabilities with an uncertain settlement date should be classfied as current (due or potentially due to be settled within one year) or non-current.

CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT: DEFERRAL OF EFFECTIVE DATE (AMENDMENT TO IAS 1) 1 JANUARY 2024.

The amendment defers the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2024.

At the reporting date, the Councillors reviewed the standards and interpretations issued but not yet effective and noted that none of the applicable standards and interpretations will have a material impact on these financial statements of the Council.

3. PROPERTY AND EQUIPMENT

	2024			2023		
	Cost or revaluation R	Accumulated depreciation R	Carrying value R	Cost or revaluation R	Accumulated depreciation R	Carrying value R
Furniture and fixtures	679 496	(331 998)	347 498	652 351	(218 253)	434 098
Office equipment	1 034 922	(887 823)	147 099	896 931	(871 625)	25 306
IT equipment	3 442 744	(2 656 136)	786 608	2 980 940	(2 240 796)	740 144
Leasehold improvements	604 481	(118 552)	485 929	683 455	(4 370)	679 085
Total	**5 761 643**	**(3 994 509)**	**1 767 134**	**5 213 677**	**(3 335 044)**	**1 878 633**

RECONCILIATION OF PROPERTY AND EQUIPMENT - 2024

	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
Furniture and fixtures	434 098	27 145	-	(113 745)	347 498
Office equipment	25 306	137 992	-	(16 199)	147 099
IT equipment	740 144	539 377	(55 110)	(437 803)	786 608
Leasehold improvements	679 085	(78 974)	-	(114 182)	485 929
Total	**1 878 633**	**625 540**	**(55 110)**	**(681 929)**	**1 767 134**

RECONCILIATION OF PROPERTY AND EQUIPMENT - 2023

	Opening balance R	Additions R	Disposals R	Transfers R	Depreciation R	Total R
Furniture and fixtures	374 148	160 535	(4 433)	-	(96 152)	434 098
Office equipment	12 356	21 009	(223)	1	(7 837)	25 306
IT equipment	551 641	579 347	(3 193)	1	(387 652)	740 144
Leasehold improvements	310 311	371 629	-	-	(2 855)	679 085
Total	**1 248 456**	**1 132 520**	**(7 849)**	**2**	**(494 496)**	**1 878 633**

LEASEHOLD IMPROVEMENTS

Improvements and alterations the Council made on the leased property shall become property of the landlord.

FULLY DEPRECIATED ASSETS

The carrying amount of fully depreciated assets amounts to R229.04

LEASEHOLD IMPROVEMENT ADDITIONS ADJUSTMENT

The current year additions amounts to R86 936. However, an adjustment of R165 910 has been processed to correct an overstatement of leasehold improvement additions in the previous financial period. The error is corrected in the current financial period as it is considered as immaterial. The above correction has resulted in the addition balance of (R78 974) as presented in note 4.

4. LEASES (COUNCIL AS THE LESSEE)

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

	2024			2023		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
	R	R	R	R	R	R
Buildings	7 458 467	(2 051 078)	5 407 389	7 742 386	(1 354 918)	6 387 468
IT equipment	130 831	(45 987)	84 844	64 544	(2 376)	62 168
	7 589 298	**(2 097 065)**	**5 492 233**	**7 806 930**	**(1 357 294)**	**6 449 636**

RECONCILIATION OF RIGHT-OF-USE ASSETS - 2024

	Opening balance	Additions	Termination	Transfers	Depreciation	Total
	R	R	R	R	R	R
Building	6 387 469	-	(283 919)	-	(696 161)	5 407 389
Office equipment	-	-	-	-	-	-
IT equipment	62 167	66 288	-	-	(43 611)	84 844
	6 449 636	**66 288**	**(283 919)**	**-**	**(739 772)**	**5 492 233**

RECONCILIATION OF RIGHT-OF-USE ASSETS - 2023

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
	R	R	R	R	R	R
Building	7 161 708	-	-	-	(774 238)	6 387 469
Office equipment	59 120	-	-	(1)	(59 119)	-
IT equipment	2 623	64 543	-	(1)	(4 961)	62 167
	7 223 451	**64 543**	**-**	**(2)**	**(838 318)**	**6 449 636**

RIGHT-OF-USE ASSETS: BUILDING ADJUSTMENT

Included in termination is an adjustment that relates to prior periods to correct the right of use recognition of the lease at inception of the lease. The right of use of asset: building cost has been overstated and finance cost understated with an amount of R283 919. The error further resulted to an overstatement of R49 685.91 in depreciation and accumulated depreciation.

The above error is then corrected in the current financial period as it is considered as immaterial.

	2024	2023
INTEREST EXPENSE	R	R
Interest expense on lease liabilities	953 736	687 364
Variable lease payments not included in the measurement of lease liabilities included - in operating expenses	-	22 008

	2024 R	2023 R

4. LEASES (COUNCIL AS THE LESSEE)

FINANCE LEASE LIABILITIES

The maturity analysis of lease liabilities is as follows:

	2024 R	2023 R
Within one year	1 145 968	1 048 006
Two to five years	6 763 245	6 326 295
More than five years	2 052 772	3 582 467
	9 961 985	**10 956 769**
Less finance charges	(2 838 337)	(3 494 468)
	7 123 648	**7 462 301**
Non-current liabilities	6 603 447	7 076 773
Current liabilities	520 201	385 528
	7 123 648	**7 462 301**

5. INTANGIBLE ASSETS

	2024			2023		
	Cost or revaluation R	Accumulated amortisation R	Carrying value R	Cost or revaluation R	Accumulated amortisation R	Carrying value R
Computer software	255 462	(177 671)	77 791	255 462	(120 305)	135 157
Computer licence - Indefinite life	380 000	-	380 000	380 000	-	380 000
	635 462	**(177 671)**	**457 791**	**635 462**	**(120 305)**	**515 157**

RECONCILIATION OF INTANGIBLE ASSETS - 2024

	Opening balance R	Amortisation R	Total R
Computer software	135 157	(57 366)	77 791
Computer licence - Indefinite life	380 000	-	380 000
	515 157	**(57 366)**	**457 791**

RECONCILIATION OF RIGHT-OF-USE ASSETS - 2023

	Opening balance R	Additions R	Amortisation R	Total R
Computer software	4 919	165 780	(35 542)	135 157
Computer licence - Indefinite life	380 000	-	-	380 000
	384 919	**165 780**	**(35 542)**	**515 157**

ASSETS WITH INDEFINITE LIVES

	2024 R	2023 R
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 inflows for the Council.

6. TRADE AND OTHER RECEIVABLES

	2024 R	2023 R
FINANCIAL INSTRUMENTS		
Trade receivables	4 564 729	2 342 110
Allowance for impairment	(4 250 081)	(2 216 388)
Trade receivables at amortised cost	**314 648**	**125 722**
Creditors with debit balances	10 290	-
Accrued interest	1 182 475	926 384
Total financial instrument (note 19)	**1 507 413**	**1 052 106**
NON-FINANCIAL INSTRUMENTS		
Stipend advance	-	10 000
Prepayments	5 595	50 500
Total trade and other receivables	**1 513 008**	**1 112 606**

TRADE AND OTHER RECEIVABLES EXPECTED CREDIT LOSS

As of 31 March 2024, trade and other receivables of R4 564 729 were assessed for credit loss. The amount of Bad Debts written off in 2024 amount to R2 317 724 (2023: R2 741 892).

EXPOSURE TO CREDIT RISK

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

Trade receivables consist of amounts owing by 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, represents 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 that 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 provision matrix has been developed by making use of past default experience of debtors but also incorporates forward-looking information. Forward-looking information includes an adverse change in the economic environment and, the assessment of the future outlook of the industry in which the debtor operates. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

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

	2024 R	2023 R

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at fair value consist of:

	2024 R	2023 R
Cash on hand	4 232	5 287
Bank balances	7 517 107	6 430 242
Short-term deposits	33 610 063	28 538 604
12-month fixed deposit	32 416 575	20 000 000
	73 547 977	**54 974 133**

Included in the Investec call account is the encumbrance of an amount of R296 600.37. The amount represents a bank guarantee attached to the building lease. Terms and conditions are linked to the lease agreement.

8. INVENTORIES

	2024 R	2023 R
Inventories	874 278	-

SACPCMP entered into a sales agreement with PMI which allows SACPCMP to bulk purchase PMI Course vouchers and sell the vouchers to Registered Persons. The purchases of PMI bundles are recognised as an asset at initial recognition. Subsequently, the cost of PMI bundle is realised to profit or loss on sale of bundles to Registered Person. In the current year a cost amount of R43 336 has been recognised.

9. TRADE AND OTHER PAYABLES

	2024 R	2023 R
FINANCIAL INSTRUMENTS:		
Trade payables	553 351	1 472 307
Debtors with credit balances	3 631 533	3 127 501
Consultants/ Allowances	101 682	92 681
Accrued expense	5 213	-
Total financial instrument (note 19)	**4 291 779**	**4 692 489**
NON-FINANCIAL INSTRUMENTS:		
VAT	5 727 353	1 929 158
	10 019 134	**6 621 647**

10. 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 annual fee invoice is issued at the end of the calendar year for the membership of the following financial year.

A contract liability is recognised when a Registered Person pays consideration or settles an annual fee invoice before the Council recognises the related revenue.

	2024 R	2023 R
Income received in advance	23 019 922	19 351 309

10. INCOME RECEIVED IN ADVANCE (CONTINUED)

RECONCILIATION - 2024	Opening balance R	Movement R	Closing balance R
Income received in advance	19 351 309	3 668 613	23 019 922

11. EMPLOYEE BENEFITS

RECONCILIATION - 2024	Opening balance R	Settled R	Recognised R	Total R
Provision for leave pay	601 117	-	375 270	976 387
Provision for bonus	920 631	(920 631)	1 176 729	1 176 729
	1 521 748	**(920 631)**	**1 551 999**	**2 153 116**

The employee benefits provision is expected to be paid within 12 months after the reporting period. However, the payment of against annual performance plan bonus provision is paid after the performance evaluations are concluded. The provision estimate is based on performance against annual performance plan.

RECONCILIATION - 2023	Opening balance R	Recognised / (Derecognised) during the year R	Total R
Provision for leave pay	788 608	(187 491)	601 117
Provision for bonus	-	920 631	920 631
	788 608	**733 140**	**1 521 748**

12. REVENUE

	2024 R	2023 R
Revenue from contracts with Registered Persons	47 416 902	42 690 170
Fees revenue	737 104	601 258
Penalty income	-	528 433
Accreditation visits	34 792	-
PMI course vouchers	247 179	78 470
Recognition of prior learning fees	2 491	478
Other revenue	621 127	969 665
Continuous professional development	**49 059 595**	**44 868 474**

	2024	2023
13. OTHER OPERATING INCOME	R	R
Proceeds from insurance claims	35 960	47 913
Unallocated receipts past prescription	1 694 633	-
Unclaimed debtors with credit balances	-	203 724
Conference and masterclasses	1 444 295	-
Conference sponsorship received	725 217	-
Forex gains	56 787	-
Webinars	89 528	-
Government grants	1 466 667	2 943 501
	5 513 087	**3 195 138**

GOVERNMENT GRANT

The government grant recognised in the current financial year relates to a discretionary grant issued to the SACPCMP by the Construction Education and Training Authority (CETA). The CETA grants funds for the Candidacy programme provided to Department of Public Works and Infrastructure employees through a collaboration between the Council and the CETA.

UNALLOCATED RECEIPTS PAST PRESCRIPTION

Unclaimed deposit liability is reduced by releasing to income the portion that has exceeded the prescription period of three years and is in line with the approved Revenue and Debt Management Policy requirements.

14. INTEREST INCOME

INVESTMENT IN CALL AND FIXED DEPOSITS		
Interest revenue	4 744 196	2 459 356

15. CASH GENERATED FROM OPERATIONS

Surplus	11 363 441	12 624 112
Adjustments for:		
Depreciation and amortisation	1 479 067	1 368 393
Losses on disposal of assets	23 213	7 849
Proceeds from insurance claims	(35 960)	(47 913)
Interest income	(3 561 721)	(2 459 356)
Finance costs	953 736	687 364
Changes in working capital:		
Inventories	(874 278)	-
Trade and other receivables	(400 403)	(847 656)
Trade and other payables	3 397 487	(185 190)
Income received in advance	3 668 614	3 805 983
Employee benefits	631 368	1 521 748
	16 644 564	**16 475 334**

16. CONTINGENCIES

There are no material contingencies that require disclosure.

	2024 R	2023 R
17. RELATED PARTIES		

RELATIONSHIPS

Members of Council	Mr L Ratsiku (President)	
	Ms S Shunmugam (Vice President)	
	Dr MJ Ndlovu	
	Mr A Ramushu	
	Mr T Mbembele	
	Ms K Mohotji	
	Mr M Tshombe	
	Mr L Swana	
	Mr C Steyn	
	Mr D Affleck	
Key Management Personnel	Mr MIB Matutle (Registrar)	

RELATED PARTY TRANSACTIONS

HONORARIUM AND TELEPHONE ALLOWANCE PAID TO THE PRESIDENT OF THE COUNCIL

	2024	2023
Mr L Ratsiku	56 112	13 110
Mr L Ratsiku - Telephone allowance	5 712	1 335
Mr IM Nkosi (Fifth-term Council)	-	39 330
Mr IM Nkosi - Telephone allowance (Fifth-term Council)	-	4 005

COUNCIL MEMBERS

	2024	2023
Mr L Ratsiku (President)	80 672	13 160
Ms S Shunmugam (Vice President)	85 274	10 528
Dr J Ndlovu	72 653	18 424
Mr T Mbembele	27 976	23 688
Ms K Mohotji	140 102	23 688
Mr M Tshombe	77 029	13 160
Mr L Swana	56 362	15 792
Mr C Steyn	44 459	7 896
Mr D Affleck	63 133	23 688
Mr A Ramushu	107 985	-
Mr IM Nkosi	-	85 975
Mr BB Simelane	-	58 070
Ms N Molao	-	1 088
Mr E Manchidi	-	1 088
Mr G Mbuthia	-	10 569
Mr I Naidoo	-	34 796
Ms G Komane	-	1 088

KEY MANAGEMENT PERSONNEL

	2024	2023
Mr MIB Matutle (Registrar) - Refer to note 18	2 897 243	2 519 342

COMPENSATION TO DIRECTORS AND OTHER KEY MANAGEMENT

	2024	2023
Honorarium paid to the President of Council	56 112	52 440

18. REGISTRARS' EMOLUMENTS

EXECUTIVE

REGISTRARS' EMOLUMENTS - 2024	Basic salary R	Bonus payments R	Travel allowances R	Other benefits R	Total R
Mr MIB Matutle	2 539 422	201 547	150 000	6 274	2 897 243

REGISTRARS' EMOLUMENTS - 2023	Basic salary R	Travel allowances R	Other benefits R	Total R
Mr MIB Matutle	2 363 068	150 000	6 274	2 519 342

Other benefits relates to the risk premiums.

19. 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 informed decisions under conditions of uncertainty.

The Council has overall responsibility for the establishment and oversight of the organisation's risk management framework. The Council has established an ARC, which is responsible for monitoring the organisation's risk management policies. The Committee reports quarterly to the Council on its activities.

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. 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.

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 that 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.

Credit loss allowances for expected credit losses are recognised for all financial instruments, excluding those measured at fair value through profit or loss

Credit risk exposure arising on cash and cash equivalents is managed by the organisation through dealing with well established financial institutions with high credit ratings.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

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

		2024			2023		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
		R	R	R	R	R	R
Trade and other receivables - Amortised cost	6	5 757 494	(4 250 081)	1 507 413	3 268 494	(2 216 388)	1 052 106
Cash and cash equivalents - Fair value	7	73 547 977	-	73 547 977	54 974 133	-	54 974 133
		79 305 471	**(4 250 081)**	**75 055 390**	**58 242 627**	**(2 216 388)**	**56 026 239**

CREDIT LOSS ALLOWANCE RECONCILIATION	Opening balance R	Movement R	Closing balance R
Credit loss allowance	2 216 388	2 033 692	4 250 080

LIQUIDITY RISK

The Council is exposed to liquidity risk, which is the risk that the Council will encounter financial difficulties in meeting its obligations as they become due. The Council manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows. The Council's budget is supported by cashflow forecasts to ensure that it is adequately funded. Liquidity risk is measured against industry ratio norms.

LIABILITIES: 2024		Less than 1 year R	1 to 2 years R	2 to 5 years R	Over 5 years R	Carrying amount R
Trade and other payables - Amortised cost	9	4 291 779	-	-	-	4 291 779
Lease liabilities	4	520 201	1 391 060	3 278 881	1 933 506	7 123 648
		64 543	**-**	**(2)**	**(838 318)**	**6 449 636**

LIABILITIES: 2023		Less than 1 year R	1 to 2 years R	2 to 5 years R	Over 5 years R	Carrying amount R
Trade and other payables - Amortised cost	9	4 692 489	-	-	-	4 692 489
Lease liabilities	4	385 528	1 122 194	2 730 053	3 224 526	7 462 301

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

FOREIGN CURRENCY RISK

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. The SACPCMP's foreign currency risk arises from transactions a sales agreement with PMI which allows SACPCMP to bulk purchase PMI Course vouchers and sell the vouchers to registered persons. The purchases of PMI bundles are recognised as an asset at initial recognition. Subsequently, the cost of PMI bundle is realised to profit or loss on sale of bundles to registered person. The PMI vouchers are denominated in United States Dollar.

Foreign exchange gains or losses resulting from the settlement of foreign currency transactions are recognised in surplus or deficit. The details as follows:

Transaction date rate	R19.51
Settlement rate	R18.36

The selling prices that SACPCMP will charge will be fixed for the duration of the agreement therefore Registered Persons will not be affected by fluctuations in the exchange rates. The SACPCMP will however be required to place new orders totalling 1875 vouchers in three separate orders of 625 voucher per order. The new orders can only be placed after consumption of the initial order, this will expose Council to exchange rate risk, the following sensitivity analysis has been performed to assess the impact the 10% increase and decrease in the Rand against the relevant foreign currency may have on the future cost and profit related to PMI voucher sales.

	Exchange rate R	10% Increase R	10% Decrease R
31 March 2024	R18.89	R1.88	(R1.88)

The exchange rates will have an impact on the profit Council will make during the term of the agreement. For a 10% weakening of the Rand against the relevant currency, there would be a comparable impact on the projected profit and PMI cost below would be negative.

US Dollar exchange rate - increase 10%	R267,900
US Dollar exchange rate - decrease 10%	(R267,900)

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 to maintain liquidity.

20. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations, and commitments will occur in the ordinary course of business. The Councillors believe that the SACPCMP has adequate financial resources to continue in operation for the foreseeable future, and accordingly, the annual 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.

21. EVENTS AFTER THE REPORTING PERIOD

There were no events after reporting date which may materially impact these financial statements.

22. CAPITAL MANAGEMENT

The SACPCMP's operations are sustained largely by annual fees paid by Registered Persons. The SACPCMP's objectives when managing capital are to safeguard its ability to continue as a going concern.

The SACPCMP's cash management policy ensures that the organisation has sufficient resources to meet its obligations and other cash flow requirements.

The SACPCMP optimises the management of its capital through the Investment Plan managed by the finance department. The organisation follows a low-risk approach to determine the optimal investment structure and makes adjustments to it based on changes in economic conditions and the risk characteristics of the underlying assets.

The SACPCMP has adhered to the requirements of the cash management policy and this has therefore translated into the organisation maintaining levels of interest received as well as sufficient cash reserves in order to settle obligations.

23. OTHER OPERATING EXPENSES

	2024 R	2023 R
SARS interest and penalty fees	(32 456)	(136)
Amortisation	(57 366)	(35 539)
Auditor's remuneration - external audit	(472 293)	(401 370)
Auditor's remuneration - internal audit	(413 202)	(455 300)
Bad debts written off	(2 317 724)	(2 741 892)
Bank charges	(664 128)	(482 296)
Cleaning	(20 057)	(17 910)
Consulting fees - other	(74 746)	(976 014)
Investigation of complaints	(103 254)	(194 665)
Refreshments	(15 492)	(12 515)
Depreciation	(1 421 701)	(1 332 854)
Employee costs	(24 597 385)	(16 855 367)
Council allowances and expenses	(1 189 986)	(631 780)
Design and printing	(304 023)	(199 353)
Assessment of application	(1 847 601)	(1 188 607)
Conference expenses	(1 399 330)	-
Transformation programmes	(68 368)	(156 714)
Interviews	(750 633)	(700 513)
PMI realised costs	(43 336)	-
Examinations	(427 265)	(357 065)
Grant expenditure (CETA)	(1 224 560)	(2 360 427)
Meetings and workshops	(17 193)	(25 074)
Marketing and communication	(570 394)	(194 410)
Insurance	(476 052)	(352 571)
IT expenses	(2 550 093)	(2 123 953)
Lease rental	-	(22 008)
Provision for bad debt and cancellation	(2 279 575)	(1 843 649)
Water and electricity	(217 291)	(182 833)
Assessor training	(265 839)	-
General expenses	(47 111)	(141 717)
Legal	(566 902)	(102 458)
Recruitment costs	(80 533)	(112 721)
Postage	(21 483)	(6 191)
Printing and stationery	(79 623)	(107 564)
Registry expenses	(120 854)	(106 493)
Webinar costs	(59 650)	(64 000)
Policy development costs	(62 500)	(166 400)
Company secretarial fees	(209 020)	(211 452)
Security	(7 150)	(7 416)
Staff welfare	(138 536)	(111 895)
Government gazette publications	(122 927)	(153 070)
Research and development	(230 000)	(1 015 239)
Telecommunication	(743 830)	(605 570)
Training	(127 730)	(136 832)
Sponsorship	(22 629)	(60 000)
Travel - local	(514 667)	(249 810)
Loss on disposal of assets	(23 213)	(7 849)
	(46 999 701)	**(37 211 492)**

NOTES

NOTES