



Annual Report 2016/17



South African Council
for the Architectural Profession

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Part A

General Information

General Information

Registered name	South African Council for the Architectural Profession (SACAP)
Physical address	51 Wessel Road, Right Wing Rivonia Sandton 2128 South Africa
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Telephone number/s	+ 27 11 479 5000
Fax number	+ 27 11 479 5100
E-mail address	info@sacapsa.com
Website address	http://www.sacapsa.com
External auditors	Nexia SAB&T
Bankers	First National Bank, Nedbank and Investec

List of Abbreviations

Stakeholders (National)

BCO	Building Control Officer
CBE	Council for the Built Environment
CBEPs	Councils for the Built Environment Professions
CC	Competition Commission
CHE	Council on Higher Education
CIDB	Construction Industry Development Board
DAC	Department of Arts and Culture
DEAT	Department of Environmental Affairs and Tourism
DLA	Department of Land Affairs
DHET	Department of Higher Education and Training
DOL	Department of Labour
DPW	Department of Public Works
DTI	Department of Trade and Industry
ECSA	Engineering Council of South Africa
NHBRC	National Home Builders Regulators Council
NPA	National Prosecuting Authority
NRCS	National Regulator for Compulsory Specifications
QCTO	Quality Council for Trade & Occupations
SACLAP	South African Council for the Landscape Architectural Profession
SACPVP	South African Council for Property Valuers Profession
SACPCMP	South African Council for Project & Construction Managers Profession
SACQSP	South African Council for Quantity Survey Profession
SAPS	South African Police Service
SAQA	South African Qualification Authority

Acts of Parliament and Policy Frameworks

APP	Annual Performance Plan
The Act	The Architectural Profession Act, 2000 (Act No. 44 of 2000)
CA	The Competition Act (No. 89 of 1998)
EEA	Employment Equity Act (No. 55 of 1998)
NQF	National Qualifications Framework Act (No. 67 of 2008)
OHS Act	Occupational Health and Safety Act (No. 85 of 1993)
PFMA	Public Finance Management Act (No. 29 of 1999)

Stakeholders (international)

ACE	Architects' Council of Europe
AUA	African Union of Architects
ARB	Architectural Regulations Board
CA	Canberra Accord
CAA	Commonwealth Association of Architects
RIBA	Royal Institute of British Architects
UIA	Union of International Architects

Stakeholders (Architectural Learning Sites)

CPUT	Cape Peninsula University of Technology
DUT	Durban University of Technology
NMU	Nelson Mandela University
UCT	University of Cape Town
UFS	University of the Free State
UJ	University of Johannesburg

UKZN	University of KwaZulu-Natal
UP	University of Pretoria
TUT	Tshwane University of Technology
WITS	University of the Witwatersrand

Recognised Stakeholders (Voluntary Associations)

ClfA	The Cape Institute for Architecture, ClfA, a Region of SAIA (The South African Institute of Architects)
FACE	Freedom Architecture Consulting Empowerment
GIfA	Gauteng Institute for Architecture a Region of SAIA
PIA	Pretoria Institute for Architecture, a Region of SAIA
BKIA	SAIA Border Kei, Border Kei Region of the South African Institute of Architects
ECIA	SAIA Eastern Cape, Eastern Cape Region of the South African Institute of Architects
FSIA	SAIA Free State
KZNIA	SAIA KZN, KZN Region of the South African Institute of Architects
SAIA	South African Institute of Architects
SAIBD	South African Institute of Building Design
SAID	South African Institute of Draughting NPC
IID	The African Institute of Interior Design Professions
SAIAT	The South African Institute of Architectural Technologist NPC

SACAP Programmes

RPL	Recognition of Prior Learning
NASF	National Architecture Student Forum
WIASA	Women in Architecture South Africa

SACAP's Registered Persons

CAD	C.Arch.Draught. (Candidate Architectural Draughtsperson)
CAT	C.Arch.T (Candidate Architectural Technologist)
CSAT	C.S.Arch.T. (Candidate Senior Architectural Technologist)
CANT	C.Arch. (Candidate Architect)
PAD	Pr.Arch.D. (Professional Architectural Draughtsperson)
PAT	Pr.Arch.T. (Professional Architectural Technologist)
PSAT	Pr.S.Arch.T. (Professional Senior Architectural Technologist)
PrArch	Pr.Arch. (Professional Architect)

Other

ARC	Audit and Risk Committee
BE	Built Environment
BN	Board Notice
CI	Corporate Identity
CoC	Code of Conduct
CPD	Continuing Professional Development
EduCom	Education Committee
HDI	Historically Disadvantaged Individuals
HoD	Heads of Departments (at ALSs)
InvCom	Investigating Committee
MOU	Memorandum of Understanding
MTR	Monthly Training Record
PDI	Previously Disadvantaged Individuals
PPE	Professional Practice Exam
PDP	Performance Development Plan
RP	Registered Person
SR	Stakeholder Relations
WSP	Workplace Skills Plan
YM	Your Membership Customer Relationship Management (CRM)

► Foreword by the President



To those taking the time to review the significant milestones and performance indicators achieved this year by the 4th Term Council and its administration, I thank you for the interest you show and in many cases the enormous support you have offered the collaborative effort I lead to realise the vision of people-centred architecture in South Africa.

Collaboration in the pursuit of excellence is the key enabler of SACAP's mission to transform, promote and regulate the architectural profession. There are many ways to approach and define collaboration; for our Council, it is a process that relies on multiple stakeholders within multiple disciplines who offer unique perspectives that together create new possibilities. It relies on being committed to the need for shared and/or overlapping objectives, rather than comfort. This includes a willingness to enter sometimes painful conflict – the kind that ultimately serves to expand the limits of what may be possible. Respect for one another is the most fundamental value in this regard.

SACAP's strategy and performance within the Built Environment

The administration have made enormous strides in utilising the Annual Performance Plan to meet Council's strategic objectives and associated programmes; the most significant milestone achieved this year by our Council was its delivery on the promise to do what is necessary to make a Recognition of Prior Learning (RPL) programme available and accessible to architectural professionals throughout South Africa. It is Council's key transformation strategy whereby persons excluded from past prejudices are able to better their lives and their communities. The lack of representation within the profession is not just apparent, it is very real.

Thorough consultative engagement between the 4th Term Council and its recognised Voluntary Associations (VAs) resulted in SACAP developing and BETA testing the mechanisms of RPL's

new online self-assessment platform, announcing them to the media in December 2016. We are immensely proud that we are the first Council for the Built Environment Professions (CBEPs) to do so.

Strategic relationships

SACAP has identified education and training as key areas to overcome some of the greatest challenges facing the profession now days. One of the most significant strategic relationships has been the relationship with the Canberra Accord (CA). In this regard we keenly anticipate full signatory status of the CA this year.

A strengthened relationship with SAQA and the CHE is vital to align competence with respect to NQF levels. This is important for both the validation standards as well as to ensure high standards of competence in Recognition of Prior Learning.

We are encouraged that we have enjoyed synergistic engagements with our sister CBEPs; after all, we face common challenges. Collaboration between sister CBEPs that fall under the harmonisation of the CBE is essential for holistic transformation.

SACAP meanwhile also honoured its commitment to position the SA architectural profession within the global community and achieved doing so by entering a MOU with the Architects' Council of Europe (ACE). The MOU commits both regulatory bodies to work towards an agreement that will facilitate sharing of knowledge and skills; engaging in dialogue on critical issues facing the sustainability of the profession; establishing international standards, norms and benchmarks and promotion of excellence in architecture, to name a few areas of mutual interest. Through its validation process, it assures professional qualifications criteria and national syllabi based on international standards, such as the UNESCO/UIA Charter for Architectural Profession and the Canberra Accord (CA).

Challenges

A critical issue of concern for the public and all those in the profession, including myself as practicing professional Architect, is SACAP's publication of an IDoW Policy. In the reported period, SACAP withdrew its IDoW Policy application for exemption with the Competition Commission in favour of the development of an alternate Policy in line with international benchmarking. Under consideration is the introduction of the Protection of Titles with an associated Scope of Professional Competencies for each registration category. Stakeholders are being engaged and consulted in this regard. Before it is gazetted, SACAP must be sure it also meets with the approval of the Competition Commission.

Meanwhile, due to the existing Professional Fees Guideline Framework also being deemed anti-competitive by the Competition Commission, research for a new Framework has begun. This also relies on a thorough consultative process with all affected stakeholders and SACAP looks forward to its imminent Fees Lekgotla. It is very important to me that professional qualifications and competencies are rewarded in order to make the profession both attractive for the youth and sustainable for those practicing within it. The new Fees Framework must also reward professional experience, thereby ensuring the sustainability of the profession for seasoned professionals.

The reputation of the profession and the integrity of SACAP as a regulatory body deserves vigilant protection. SACAP is grateful to the independently chaired Audit and Risk Committee (ARC) for its stewardship of the process that ensures the highest calibre of corporate governance. During the year under review, the organisation was the subject of reports of alleged maladministration against the leadership. Our administration welcomed its advice that these matters be internally investigated. As a result, more rigorous audits were undertaken by the independent internal auditors and independent external auditors who all report to the ARC. SACAP is pleased to report that it received the assurance of an unqualified audit for the 2016/17 year.

The year ahead

We are committed to continue raising public awareness on the value associated with appointing appropriately qualified, experienced and registered architectural professionals. Our Stakeholder Relations Unit has identified cost effective communication platforms to achieve this more effectively.

We anticipate that our National Architectural Student Forum (NASF) will grow and actively engage in critical dialogue on academic and professional matters.

▶▶ The most significant milestone achieved this year by our Council was its delivery on the promise to do what is necessary to make a Recognition of Prior Learning (RPL) programme available and accessible to architectural professionals throughout South Africa.

We have recently begun engagement with private institutions offering architectural studies in order to inform them of SACAP's validation protocols, CHE accreditation requirements and articulation on the NQF. SACAP anticipates formalising new specialised categories of registration for Interior Architects and Designers, Heritage Practitioners, Urban Designers and Building Control Officers.

Acknowledgements and appreciation

I would like to thank my fellow Council members who travelled a challenging journey with me, as well as those who remain steadfast to the objectives of our Council, and also members of the various industrious committees and their Task Teams who have enabled the implementation of our far-reaching vision.

I thank all our stakeholders for their willingness to articulate their sentiments, engage meaningfully, and partnering with us to advance and improve the sustainability of our profession and, ultimately, the built environment. Redress and spatial transformation may only be possible through your continued constructive engagement.

I sincerely thank management and administration who remain committed to working tirelessly towards achieving the strategic objectives of Council.



Mr Yashaen Luckan

President

20 September 2017

▶ Registrar/CEO Overview



General financial review of SACAP

SACAP has, for the seventh consecutive year, received an unqualified audit of its financial report. This can be attributed to having applied robust methodologies to manage the finances and related operations.

Collections and revenue were in line with expectations. The ongoing realisation of delivery on our mandates and Council's strategic objectives was achieved within the constraints of a limited budget.

It is important to note that SACAP is self-funded with income derived solely from registration fees paid by registered professionals.

It is important to note that SACAP's Registered Persons operated within a challenging economic environment.

The Industrial Development Corporation's (IDC's) report on economic trends, published in March 2017, reflects these trying times faced by the profession. According to the report, the value of building plans passed during 2016 declined by 0.4% in real terms compared to 2015, with the planning of additions and alterations contracting by 3%. New residential and non-residential building plans recorded marginal increases of 0.5% and 0.4%, respectively. The value of buildings completed increased by 1.8% in 2016 in real terms, with new residential and non-residential buildings expanding by 2% and 2.2%, respectively. Additions and alterations rose by only 0.4%. The physical size of non-residential building additions and alterations declined by 15.4% to 776 000 square metres, the lowest since 1993, when the data started being collected.

Spending trends of SACAP

ICT

At the end of October 2016, SACAP moved into its new offices in Rivonia and is satisfied that the premises is a powerful enabler of its operational needs. Key new systems (and in some cases

online software) now ensure greater service delivery for both RPs and the public. SACAP's expenditure on mitigating general ICT risks was a priority and we invested in the installation of fibre and an automatic and transparent failover and fallback system and secured email.

Human resources

We are always challenged with balancing the delivery of our mandate against available human resources. Due to the transformational programmes Council identified to realise the actualisation of SACAP's strategic objectives, more demands were placed on current resources and additional resources have been required. The recent appointment of a HR Officer has proven to be a valuable return on investment. For the first time, a Workplace Skills Development Plan has been submitted to the Department of Labour and a comprehensive training programme that fosters more productivity and effectiveness has also been implemented.

Recognition of Prior Learning Programme

SACAP works tirelessly on delivering on its strategic objectives, wherein Transformation and excellence lie at the core. Having worked hard to fulfil our mandates, as well as realise the 4th Term Council's transformation objectives that are aligned to the National Development Plan, we are now focused on realising the potential to increase demographic representation of HD groups, and that of women, on SACAP's Register. The development, BETA testing and announcement of SACAP's RPL online self-assessment platform was in line with this objective and is offered via YM.

Educational Bursary Fund

Once again SACAP distributed a total of R440 000 to 11 ALSs – the Universities and Universities of Technology that are validated by SACAP to offer architectural education. They distribute these funds to PDI students who meet established criteria and thus advance transformation. Being aware of the dire need that our country's aspiring architectural students have for funding, we are looking to increase this contribution as much as possible, through collaboration with other stakeholders. At the close of 2016, SACAP convened a ThinkTank, inviting all representatives from its recognised stakeholders to discuss future funding models for architectural education in the context of the #feesmustfall and #decolonisationofeducation campaigns.

Promoting and creating awareness of the profession

The strategic objective of the Stakeholder Engagement Programme is to create a positively engaged, well informed stakeholder base that collaborates for the realisation of SACAP's vision, mission and regulatory mandates. Positive engagement rests on the SR Unit's regular contact and constructive consultation with SACAP's entire stakeholder base, using various identified communication platforms. Collaboration rests on the spirit of inclusion with all those who can influence holistic transformation and the realisation of people-centred architecture. Informing all those who could potentially access the inherent value offered by the architectural profession is achieved through creating awareness amongst the general public. This programme also aims to educate school leavers and students about the profession, SACAP and its mandates. The programme also safeguards SACAP's integrity in the public domain by defending its reputation where need be.

Capacity constraints and challenges facing SACAP

High volume of agenda items

SACAP made great strides in its turn-around strategy, restructuring efforts and the development of identified transformation programmes. A higher than normal volume of agenda items for Council meant an extra ordinary number of meetings were convened and yet it was not always possible to attend to each and every item in the allocated time. It was therefore resolved that an EXCO be appointed by Council to expedite decisions for Council resolution/ratification. Council experienced a number of seats being vacated (for a variety of reasons) during the period which placed additional pressure on the very dedicated remaining President and Councillors.

Education and registrations

In carrying out its mandate to assess the quality and relevance of each of the architectural qualifications offered by each ALS, SACAP visits each of those institutions on a rotating basis, within a five year cycle. This ensures that their qualifications enable architectural candidacy, and eventual professional registration and practice. It is encouraging to see the high standards and emergence of innovative transformational programmes being offered. Five ALSs assessed

received unconditional continued validation during the period; namely the architectural faculties of UCT, WITS, UP, DUT and CPUT. This particular five year cycle will end in March 2018.

Meanwhile YM, SACAP's online CRM is "always on" and continues to improve service delivery for registered persons, making it more convenient for professionals to submit their CPD applications and for candidates to update their MTRs. This paperless MTR system has relieved candidates from laboriously submitting each of their records manually.

Notwithstanding reports of good service, the Registrations, CPD and Professional Statutory Services Unit is committed to maintain high standards while experiencing enormous pressure, as it strives to meet its service delivery targets with current HR capacity constraints.

New registrations increased this year following Council's decision to allow for a Candidacy period of maximum four years. It was encouraging to see that 395 Candidates upgraded after completing their Candidacy and passing the PPE, whereas only 354 did so in 2015/16 and 239 in 2014/15.

Records show that the cumulative number of candidates and professionals on our register remained basically consistent year on year (9 988 in 2016/17 compared with 9 995 in 2015/16)

IDoW Policy and Professional Fees Guideline

An important issue affecting both RPs and the public is SACAP's publication of an IDoW Policy. In the reported period, SACAP withdrew its IDoW Policy application for exemption with the CC in favour of the development of a new Policy in line with international benchmarking. One that would introduce a Policy on the Protection of Titles and Scope of Professional Competencies for each registration category, in relation to the NQF and in line with The Act. This new IDoW framework is being developed in consultation with stakeholders and requiring CC approval prior to being gazetted.

Meanwhile, due to the existing Professional Fees Guideline Framework also being deemed anti-competitive by the CC, research on a new Framework is underway. This relies on a thorough consultative process with all affected stakeholders and SACAP looks forward to making significant progress in this regard next year.

New or proposed activities

Increased stakeholder engagements

SACAP's SR Unit is increasingly active in ensuring that all engagements with stakeholders are in line with strategic objectives and to ensure SACAP achieves its mandates. Our recognised VAs especially play an important role within the profession and late last year we invited all 13 of them to a VA Forum. During this Forum SACAP officially recognised FACE as a new VA with the signing of a MOU.

Refining annual targets and performance indicators

In line with the new APP reporting format, SACAP's executive management will continue to identify research that informs the setting of realistic targets against which its annual performance can be measured in the next reporting period.

Supply chain management

SACAP has a Council approved Procurement Policy which is rigorously adhered to.

Legislative requirements based on The Act are applied to Council's procurement processes and run in tandem with the principles contained in the King Report on Governance (King III).

Challenges experienced and how they were resolved

Protection of the public

SACAP's Legal and Compliance Unit has applied a multi-pronged approach in terms of how it addresses its public protection mandate, including extensive consultation with RPs, VAs and the CBE undertaken by Council. Revised Rules of Inquiry into alleged improper conduct have now been published by BN 64 of 2017. The Code of Professional Conduct for RPs (BN 154 of 2009) is also currently under review and will be published in due course.

Complaints processed by the Legal and Compliance Unit increased from 51 last year to 118 this year. We attribute that in part to the investment SACAP made into software, under tight management, that enables the systematic tracking of legal documents and processes. An increase in the number of complaints and other matters recommended for disciplinary enquiry (from 33 last year to 97 this year) is an indication of an increasing level of trust by the public in SACAP's ability to protect them. The unit opened 20 cases with the SAPS against persons who are not registered as a result of complaints lodged by the public. Through our MOU with SAPS, SACAP will act to ensure that our mandate of public protection is enforced through strengthening collaborations with the National Prosecuting Authority.

Collaboration with BCOs will ensure that they are adequately qualified and competent as well as aware of their roles and responsibilities in terms of the requirements of The Act. To this end the Unit addressed the BCO Convention convened by the NRCS as well as made submissions on the draft Municipal Staff Regulations and Guidelines incorporating the Competency Framework for Local Government Occupational Streams.

Audit Report matters

The reputation of the profession and the integrity of SACAP as a regulatory body deserves vigilant protection. SACAP is grateful to the independently chaired Audit and Risk Committee for its stewardship of the process that ensures the highest calibre of corporate governance. During the year under review, the organisation was the subject of reports of alleged maladministration against SACAP's leadership. Our administration welcomed its advice that these matters be internally investigated. As a result, more rigorous audits were undertaken by the independent internal auditors and independent external auditors who all report to the ARC. SACAP received the assurance of an unqualified audit for the 2016/17 year.

Economic viability

I am confident that SACAP has proven to be economically feasible, innovative and sustainable for further financial resources to be invested into the organisation.

Acknowledgement/s or appreciation

I would like to thank Council members for their leadership, the committees who have been diligent and committed to realising their respective objectives, my fellow management executives for their hard work and support and all the administrative staff who are the backbone of the regulatory body.



Ms Marella O'Reilly
Registrar/CEO
20 September 2017

► Statement of Responsibility and Confirmation of Accuracy for the Annual Report

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

All information and amounts disclosed in the annual report is consistent with the Annual Financial Statements audited by the external auditors.

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

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

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

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

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

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

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year that ended 31 March 2017

Yours faithfully



Ms Marella O'Reilly
Registrar/CEO
20 September 2017



Mr Yashaen Luckan
Council President
20 September 2017

► Strategic Overview

Vision

People-centred architecture for South Africa

Mission

SACAP will **Transform**, promote and regulate the architectural profession through collaborative engagement in the **Pursuit of Excellence**.

Values

- **Responsibility:** being accountable for our decisions and actions
- **Excellence:** promoting high standards
- **Integrity:** ethical behaviour, honesty and trustworthiness
- **Respect:** ethos of dignity, tolerance and consideration
- **Transparency:** appropriate disclosure of information and open debate
- **Cohesiveness:** shared, coherent values and aspirations

Strategic objectives



▶ Legislative and Other Mandates

The Architects Act 1970, Act 35 of 1970 established the South African Council for Architects on 1 March 1971. This legislation, with amendments, remained in force for almost 30 years.

The Architectural Profession Act, 2000 (Act No. 44 of 2000) was published on 1 December 2000 and came into operation on 26 January 2001. The new Council renamed, The South African Council for the Architectural Profession (SACAP) was established with effect from 12 September 2001.

The new Act includes all the Architectural Professionals – which are as follows; Professional Architects, Professional Senior Architectural Technologists; Professional Architectural Technologists and Professional Architectural Draughtspersons, whereas the previous professional legislation had only allowed for the registration of architects.

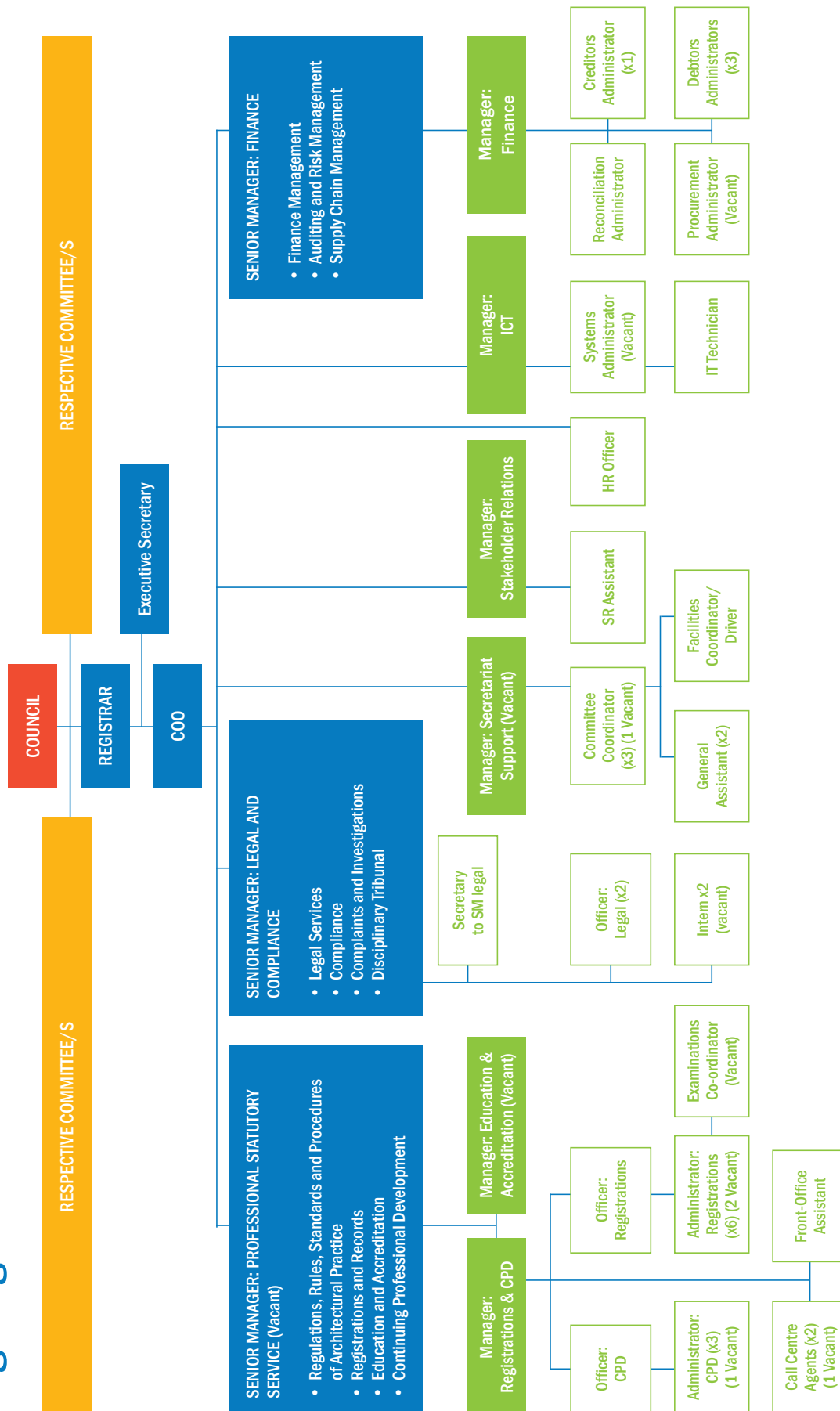
The protection of the public is intrinsic to this new Act. In as much as the rules of the Act are appropriately instituted, applied and administered and therefore succeed in protecting the public, they equally protect the registered persons.

Furthermore, these rules reinforce the development and sustainability of the Architectural Profession as a whole, and enhance the integrity and status of SACAP registered persons.

SACAP's mandates

1. Education, including:
 - ▶ Accreditation and validation of ALSs
 - ▶ Research
2. International Recognition
3. Continuing Professional Development
4. Professional Practice Exam
5. Recognition of Prior Learning
6. Recognition of Voluntary Associations
7. Professional Registration
8. Identification of Work
9. Professional Code of Conduct
10. Investigations and Disciplinary Tribunals
11. Professional Fees





► Executive Management



Ms Marella O'Reilly
Registrar/CEO



Ms Barbara van Stade
Chief Operations Officer (COO)

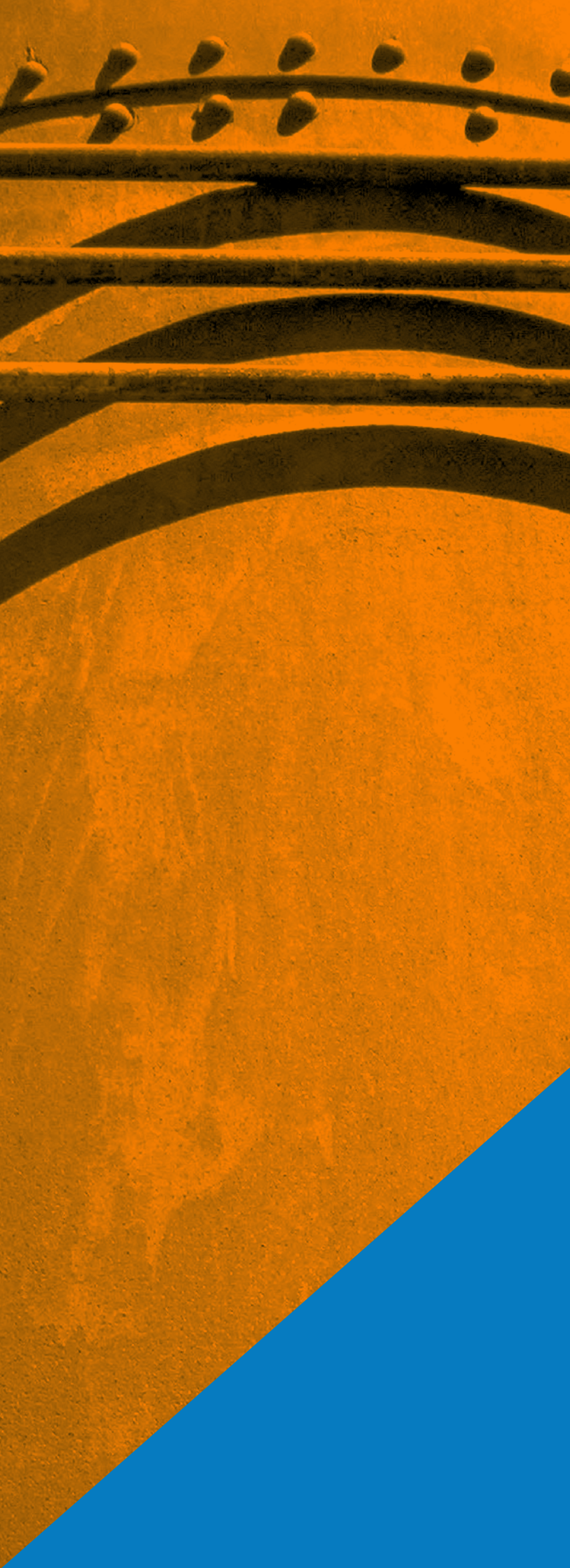
► Senior Management



Mr Tshepo Tefo
Senior Manager:
Finance



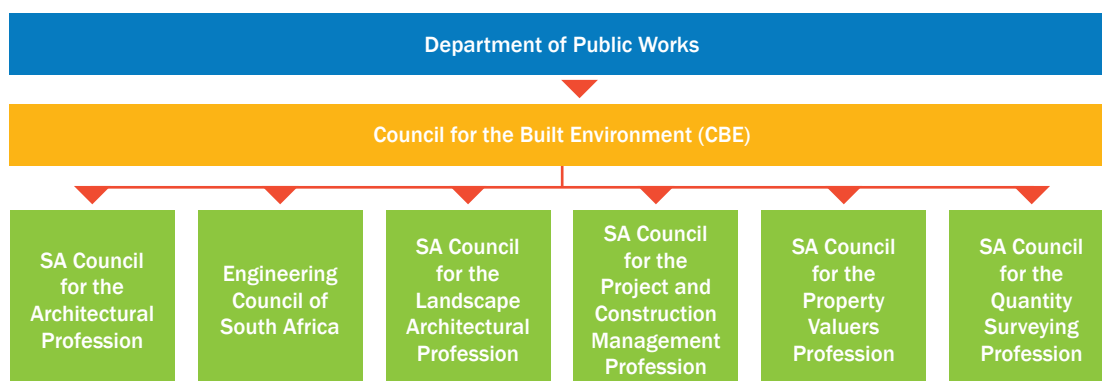
Adv. Toto Fiduli
Senior Manager:
Legal and Compliance



Part B

Performance Information

Situational Analysis



Service delivery environment

In this reported year, every one of SACAP's Units has made great strides to implement key systems and, in some cases, online software to ensure greater service delivery for both RPs and the public. This has been driven largely due to the fact that SACAP (along with its fellow CBEP's) adopted and implemented an Annual Performance Plan to manage its performance, mitigate against risk and ensure compliance.

SACAP's Council and Executive management are satisfied that by utilizing the APP methodology, SACAP has definitely enhanced the operationalisation of its Strategic Plan for the period 2014-2019. This is due to its ability to respond to a number of priorities from the CBE, DPW and the NDP.

At the close of this reporting period, each strategic objective of the 4th Term Council's five programmes now has performance targets and indicators set which ensure consultative transformation, regulation and development of standards. These indicators have been set by SACAP's Executive management and, like any new system, will be further refined in the year to come.

At the end of October 2016, SACAP moved into its new offices in Rivonia and is satisfied that the premises is a powerful enabler of its operational needs. Key new systems (and in some cases online software) now ensure greater service delivery for both RPs and the public:

- ▶ Mitigation of general IT risks including reliance on fibre and an automatic and transparent failover and fallback system and secured email
- ▶ Creation of a convenient "always on" online platform for MTR submissions
- ▶ Country wide access to RPL through an online self-assessment portal
- ▶ Installation of Legal Case Management software that enables the Legal and Compliance Unit to efficiently manage and track case documents.
- ▶ Appointment of an HR Officer who developed HR Policies, and for the first time in SACAP's history submitted a Workplace Skills Development Plan to the Department of Labour. A training programme that fosters more productivity and effectiveness was also implemented and an in-house payroll programme reduced absenteeism by managing employees' applications for leave and records thereof.
- ▶ Installation of video conferencing software that enable SACAP's stakeholders, while off site, to engage, wherever possible, in low cost meetings. It was inaugurated and used to facilitate a national "Think Tank" on education amongst SACAP's stakeholders in December 2016
- ▶ Development of a new Corporate Identity and media relations programme that communicates "People Centred architecture".

Organisational environment

SACAP made great strides in its turn-around strategy and restructuring efforts and the development of identified transformation programmes. Such improvements in operational efficiencies naturally placed a great demand on Council (and the committees that each Councillor chairs) to resolve on all arising matters – ideologically and practically. This is an indication of an entity fully engaged in holistic transformation. A higher than normal volume of agenda items for Council meant an extra ordinary number of meetings were convened and yet it was not always possible to attend to each and every item in the allocated time. It was therefore resolved that an EXCO should be appointed by Council to expedite decisions for Council resolution/ratification.

Council experienced a number of seats being vacated during the reported period (for a variety of reasons) which placed enormous pressure on the very dedicated remaining President and Councillors.

An important issue affecting both RPs and the public is SACAP's publication of an IDoW Policy. In the reported period, SACAP withdrew its IDoW application for exemption with the Competition Commission in favour of relooking at the IDoW. Council resolved to consider Protection of Titles and Scope of Professional Competence of each category. This new IDoW framework is still to be developed for approval by the CC and will be gazetted thereafter.

Meanwhile, due to the existing Professional Fees Guideline Framework being deemed anti-competitive by the CC, research for a new framework has begun. This relies on a thorough consultative process with all affected stakeholders and SACAP looks forward to making significant progress in this regard next year.

SACAP continues to urge new and upcoming architectural professionals to continue practising in their respective fields – to maintain their individual credibility and reputation, to remain at the forefront of the latest and developing trends, as well as to maintain the integrity of their profession.

During the reported year, SACAP did not deregister any CPD non-compliant member due to the changes in the guidelines in progress to align to the program of transformation. The suspension of the InvCom in January 2017 also meant that a number of Disciplinary Tribunals findings could not be put before Council for resolution.

Key policy developments and legislative changes

There have been no legislative changes in this year that affect SACAP's mandate.

Meanwhile the development of SACAP's transformational policies is an ongoing process and of great importance to the 4th Term Council. Its RPL programme is Council's key transformation strategy which will significantly change the complexion of the architectural profession landscape and aims to increase the representation of PDIs by race and gender on the register. Other transformational programmes include Women in Architecture South Africa (WiASA) and the National Architectural Student Forum (NASF) which actively addresses the #Feesmustfall and #decolonisationofeducation calls. SACAP's established RPL policy gave rise this year to the development and announcement of the online RPL self-assessment platform. A first amongst all CBEP's.

Whilst the transformation agenda of SACAP's 4th Term Council is driven by each and every committee, SACAP is advancing women architectural interests through WiASA, which is inclusive of all categories of registration. The WiASA Task Team was established but dissolved in the reported year to rather reside in the Stakeholder Relations Committee and the Stakeholder Relations Unit, which drives its programme implementation on a national basis, in consultation with its various recognised Voluntary Associations and, soon, the Department of Women in the Presidency. The National Architectural Student Forum (NASF) where students of all Architectural Learning Sites are represented, will also drive the recognition and awareness campaign of WiASA between the students.

Collaboration amongst stakeholders will continue to assist SACAP to achieve its vision and objectives.

Strategic outcome-orientated goals of the Council

Strategic Goal 1	Transform the profession and architecture in society (collaboration)
Goal statement	Increase demographic representation of historically disadvantaged groups and that of women in the architectural profession
Link to national outcome(s)	<ul style="list-style-type: none"> ▶ Decent employment through inclusive growth ▶ An efficient, competitive and responsive economic infrastructure network ▶ Responsive, accountable, effective and efficient local government ▶ Protect and enhance our environmental assets and natural resources ▶ Quality based education ▶ A skilled and capable workforce to support an inclusive growth path ▶ A diverse, socially cohesive society with a common national identity
Strategic Goal 2	Grow and develop architecture and the profession
Goal statement	Increase membership, determine and publish the IDoW, publish the fees schedule.
Link to national outcome(s)	<ul style="list-style-type: none"> ▶ Decent employment through inclusive growth ▶ An efficient, competitive and responsive economic infrastructure network ▶ Responsive, accountable, effective and efficient local government ▶ Protect and enhance our environmental assets and natural resources ▶ Quality based education ▶ A skilled and capable workforce to support an inclusive growth path ▶ A diverse, socially cohesive society with a common national identity
Strategic Goal 3	Regulate the architectural profession to protect the public
Goal statement	Regulate the profession to protect the public. Protecting the public is an objective derived directly from SACAP's mandate.
Link to national outcome(s)	<ul style="list-style-type: none"> ▶ Protect and enhance our environmental assets and natural resources ▶ A comprehensive, responsive and sustainable social protection
Strategic Goal 4	Ensure public awareness of architecture and the profession
Goal statement	Promote the architectural profession
Link to national outcome(s)	<ul style="list-style-type: none"> ▶ Quality basic education ▶ Decent employment through inclusive growth ▶ A skilled and capable workforce to support an inclusive growth path ▶ An efficient, competitive and responsive economic infrastructure network ▶ A diverse, socially cohesive society with a common national identity
Strategic Goal 5	SACAP institutional excellence
Goal Statement	Implement processes and systems to ensure the smooth functioning of SACAP
Link to national outcome(s)	<ul style="list-style-type: none"> ▶ Decent employment through inclusive growth ▶ Vibrant, equitable, sustainable rural communities contributing to food security for all ▶ Sustainable human settlements and improved quality of household life ▶ Responsive, accountable, effective and efficient local government ▶ Protect and enhance our environmental assets and natural resources

► Performance Information by Programme

Programme 1: Transformation

Strategic Goal: Transform the profession and architecture in society (through collaboration)

Goal statement/objective: Increase demographic representation of historically disadvantaged groups and that of women in the architectural profession

Purpose of the programme

For the 4th Term Council, transformation does not rely on one specific programme roll out. Transformation rests on a multi-pronged approach.

The aim is to transform the profession and architecture in society through collaborative engagement. SACAP's has therefore invested in three specific broad transformation programmes that assist SACAP to increase the demographic representation of historically disadvantaged groups, and that of women within the architectural profession over the long-term. These aim not only to correct imbalance in racial and gender representation among candidates and professionals, and accelerate their entry into the profession, but also to transform how architectural education itself is offered in South Africa and how its international benchmarking makes it globally relevant. Ultimately, this assists the profession transform on the local and global Built Environment. SACAP's own transformation meanwhile is approached through the fifth programme, namely Institutional Excellence in all spheres of change. And SACAP's Stakeholder Engagements programme transform the relationships that enable all of the above.

Through a number of transformation programmes such as RPL, WiASA and NASF, SACAP strives to leverage from collaborating work with ALSs, VAs and the Registered Professionals.

Key performance indicators, planned targets and actual achievements

Programme performance indicator	Actual achievement 2016/17	Planned target 2016/17	Deviation from planned target to actual achievement for 2016/17	Long-term strategic plan target 2018/19	Comment on deviation
1.1 Increased representation on the level of registration within the PDI, including race and gender	Of total register: 17% is Black 6% is Coloured 8% is Asian 6% of the register are PDI women	Grow representation on the register in the historically disadvantaged groups, including race and gender	No accurate benchmarks from CBE initially available SACAP does not have a research unit	CBE to provide baseline study from which to set targets SACAP to undertake research to identify research targets	RPL online self-assessment system will be implemented in new financial year
1.2 Availability of an integrated transformation strategy and implementation plan	Developed cornerstone components of this strategy (RPL, WiASA and NASF programmes). Implementation plans for all three are in progress	Continuous development of the strategy and implementation plan	Strategies designed and implemented through stepped implementation	Implementation of devised approved programmes	Realistic strategy and implementation of these three programmes rely on collaborative engagement from stakeholder groups

Programme performance indicator	Actual achievement 2016/17	Planned target 2016/17	Deviation from planned target to actual achievement for 2016/17	Long-term strategic plan target 2018/19	Comment on deviation
1.3 Implementation of RPL programme enabling SACAP registered professionals from HD groups (specifically women) to upgrade their registration designation	RPL Policy was approved by Council and online self-assessment application developed and announced	RPL Online self-assessment implementation	RPL tested and announced, but not yet launched in period under review	65 upgrades through RPL	RPL Online self-assessment to be further tested for successful implementation
1.4 Development of an architectural student register	<p>Elections for representatives on NASF at SACAP sponsored AZA Student Congress in Sept 2016</p> <p>First NASF workshop convened in March 2017 to determine terms of reference</p> <p>Best Architecture Student Awards given at four ALSS in early 2017</p> <p>Bursary Fund allocated to ALSS for distribution to HDIs</p> <p>Convened a Thinktank on #Feesmustfall with NAFS, (December 2016)</p> <p>Public talks by Registrar at ALSS and industry Expos</p>	<p>EduCom to establish a NASF with terms of reference</p> <p>Inspire excellence amongst students</p> <p>Distribute bursary funds to ALSS</p> <p>Create discussions forums among key stakeholders who could shape future architectural education in new ways</p> <p>Raise awareness amongst student base on The Act and architecture</p>	None	Development of a special architectural student register	Achieved
1.5 Development of a special programme to encourage the re-entry and rise of women in Architecture	Established and publicised a WiASA Task Team. Enhanced awareness by women regarding RPL	WiASA Task Team established to ensure that SACAP has an entity to advocate for interests of female architectural RPs	Dissolved Task Team	WiASA programme advocating for women in architecture	Dissolved Task Team on merit of creating a special national WiASA programme

Strategy to overcome areas of underperformance

- ▶ SACAP is refining the online self-assessment platform for RPL applicants and making it accessible through clear instruction manuals.
- ▶ The SR Unit is establishing a specific framework to engage high level stakeholders who are at the centre of collaborative transformational efforts, including DPW, CBE and other identified stakeholders.
- ▶ The SR Unit to encourage and collaborate with VAs and their membership to also host activities such as Educational Think Tanks that seek to raise the awareness of the architectural profession.
- ▶ Seek meeting with Government Ministries, especially that of Women and DPW to explore opportunities to collaborate.
- ▶ Partner with school initiatives to raise awareness and interest among school learners with a focus on learners from previously disadvantaged groups.

Changed to planned targets

Lack of available research meant setting of realistic targets has been delayed.

Linking performance with budgets

The programme budget increased by 7% from the previous financial year in order to invest in the delivery of transformation programme mechanism.

Programme 2: Growth

Strategic Goal: Grow and develop architecture and the profession

Goal statement/objective: *Increase membership, determine and publish the IDoW, publish the fees schedule*

Purpose of the programme

The strategic objective of this growth programme is to develop people-centred architecture and both retain and grow the profession who conceptualise and plan for the Built Environment.

Due to architectural professionals being supported to develop by SACAP, through CPD activities, the public's safety is ensured. Council also strives to protect the profession's commercial interests. The Architectural Act prescribes various mandates in this regard and the 4th Term Council strives to offer the profession further opportunities for growth by way of leveraging other relevant Acts (for example SAQA and the Higher Education Act).

By delineating clear areas of competencies and appropriate market-related fee guidance for the public, SACAP can assist the public to appoint the right registration category of architectural professional, at the appropriate price, for each stage of their project work. To achieve this SACAP must ensure it does so with thorough engagement with collaborating stakeholders, and in a way that does not contravene the Competitions Act.

Ultimately this will retain and increase the number of registered persons as well as the registration categories that SACAP offers and thereby increase resources for greater effectiveness and a larger portfolio.



Bryan Wallis, SAIA Director of Practice and Sindile Ngonyama, President SAIA at SACAP Voluntary Association Forum September 2016

Key performance indicators, planned targets and actual achievements

	Programme performance indicator	Actual achievement 2016/17	Planned target 2016/17	Deviation from planned target to actual achievement for 2016/17	Long-term strategic plan target 2018/19	Comment on deviation
2.1	Grow the register (candidates and professionals)	9 988 Registered persons	10 000 registered persons	1 578 architectural registrations were cancelled in terms of Section 20 (1) (a)(iii) due to RPs not paying their Annual Fee	Grow the register to 10 500 members through combined initiatives in the up and downstream of the profession	Cancellations were effected after several communications with RPs and according to the mandates of SACAP
2.2	Determination of the IDoW Policy following stakeholder engagement	SACAP withdrew IDoW application for exemption with the CC in favour of reviewing the IDoW. Council resolved to consider Protection of Titles and Scope of Profession of each category, in relation to the Act	Resolution of review of the IDoW Engagement with stakeholders	CC rejected IDoW Policy framework	Gazette a new IDoW Policy for implementation	New IDoW framework still to be developed for approval by CC
2.3	Determine the recommended Fees Guideline Framework	Research for the new fee structure started due to the existing published framework being deemed anti-competitive by CC	Fees Guideline to be published for 2016/17	CC rejected Fees Guideline, deeming it anti-competitive	Gazette a new Fees Guideline following research/consultation with target of publishing and for implementation	Research for new Fees Guideline still in process
2.4	Redress for HDI registered professionals	RPL Policy developed and announced	RPL online self-assessment platform developed	None	Online RPL self-assessment platform implemented	Online RPL self-assessment platform revised for successful implementation
2.5	Validation of ALSs	100% compliance with validation protocols at 4 ALSs scheduled for 2016/17	Compliance by ALSs with competency outcomes as outlined in validation protocols	None	For SACAP to become a full signatory of the CA	Achieved
		CA benchmarking started	Initialised CA benchmarking			
		Review of The Purple Book (used for Validation Board visits)	Review The Purple Book			

Programme performance indicator		Actual achievement 2016/17	Planned target 2016/17	Deviation from planned target to actual achievement for 2016/17	Long-term strategic plan target 2018/19	Comment on deviation
2.6	Engagements with HoS to align qualifications and competencies	Education Lekgotla (Aug 2016) HoS Meeting (May)	2 Engagements	None	Full co-operation with industry and ALSs to identify synergies	Achieved
2.7	Increase number of registration categories	Included all members of the IID that qualified to be registered in the category Draughtsperson on a once-off basis while reviewing academic qualifications for IID	Target of two additional specified categories	Registration of IID members still in progress. Once registered those can apply through RPL for upgrade to other categories if they meet the requirements	Finalise specified category for full registration	Qualifications of IID professionals to be reviewed and included in future Validation Board visits to ALSs
2.8	Increase number of first time registrations	682 new Candidate registrations	Target of 700 new registrations	Increase from baseline of 598 in 2015/16	Grow to at least 800	Target figure not achieved, but new registration figures this year show a positive trajectory
2.9	Upgrade Candidates to Professionals	Council resolved to allow for a Candidacy period of maximum four years	Reduce number of Candidates exceeding four years in Candidate category	395 Candidates upgraded after completing Candidacy and passing PPE. Only 354 in 2015/16 and 239 in 2014/15	Candidates to apply for Upgrades directly after completing their two/three year Candidacy	Achieved

Strategy to overcome areas of underperformance

- ▶ More rigorous PR activities with ALS students
- ▶ Generally ensuring only registered professionals may practice in the architectural field
- ▶ Legal and Compliance Unit to start auditing each architectural practice and their architectural employees to ensure all are registered with SACAP
- ▶ Motivate and create awareness amongst Candidates to upgrade Candidates to Professionals directly after completion and meeting the requirements of their Candidacy period.

Change to planned targets

More rigorous activities aimed at growing the register. Public awareness of using only registered professionals for their own protection.

Linking performance with budgets

As in Programme 1, a 7% increase was applied to the previous financial year in this programme. The increase is not merely inflation-based but also a resource commitment required for growing the profession through a number of activities and initiatives. This programme principally aims to grow the profession in terms of the register as well as of the awareness of architecture. This year SACAP has renewed its commitment in growing the profession and has therefore initiated numerous events in this regard.

Programme 3: Regulation and Oversight of the Architectural Profession

Strategic Goal: Regulate the architectural profession to protect the public

Goal statement/objective: Regulate the profession to protect the public. Protecting the public is an objective derived directly from SACAP's mandate

Purpose of the programme

Regulating the architectural profession and protecting the public are objectives derived directly from SACAP's mandate and will ensure a safer built environment with responsible architectural professionals who prioritize public safety. It will also restore public confidence in SACAP.

Key performance indicators, planned targets and actual achievements

Programme performance indicator	Actual achievement 2016/17	Planned target 2016/17	Deviation from planned target to actual achievement for 2016/17	Long-term strategic plan target 2018/19	Comment on deviation
3.1 Attend to complaints received from the public	Attended to 70% of all complaints received from the public. The remaining complaints were settled and others submitted to SAPS for their investigation	Attend to enforcing the Act to ensure RPs adhere to it and their Code of Conduct	None	Compliance to legislation Ensure architectural professionals' compliance to the Act, SACAP's rules and Code of Conduct for registered persons. Strengthen SAP's collaboration nationally	Achieved
3.2 Engage with law enforcement agencies and local authorities to sensitise them on the requirements for submitting plans and prosecution of unregistered persons posing as architectural professionals	Engagements with SALGA, SAPS and NPA to enforce compliance	Engage at least three law enforcement agencies and local authorities	None	Ensure compliance to the legislation within the scope of SACAP's mandates. Also ensure professionals' compliance to SACAP Rules that will ultimately reduce the number of incidents reported	Achieved
3.3 Refine investigative process	Implemented electronic case management system	Implementation of Case Management software	None	An integrated database to manage complaints received against RPs	Achieved

	Programme performance indicator	Actual achievement 2016/17	Planned target 2016/17	Deviation from planned target to actual achievement for 2016/17	Long-term strategic plan target 2018/19	Comment on deviation
3.4	Publication of practice notes to alert registered persons to the Code of Professional Conduct	Three practice notes were published on the website	Guide and advise registered persons	None	SACAP's provision of tools to the profession to assist its growth and public impact	Achieved
3.5	Publication of a 'Terms of appointment' document	A contract setting out Terms of Appointment has been drafted by the Fees Committee	Making a free contract available via SACAP's website for use by RPs	Still in draft format	SACAP's provision of tools to the profession to assist its growth	Still being revised
3.6	Revision of The Rules of Inquiry into alleged improper conduct (BN 127 of 2005)	BN 64 of 2017 published.	Revise BN on Rules of Inquiry	None	Revision of Rules following consultation with stakeholders and Council resolution	Achieved
3.7	Review CoC for RPs (BN 154 of 2009)	Consulted extensively with RPs, VAs and CBE	Publish revised BN	To be published	Revised BN on CoC	Revised, still to be published
3.8	Collaboration with Local Authorities to ensure that BCOs are adequately qualified and competent, as well as aware of their roles and responsibilities in terms of the requirements of the Act	Made submissions on the draft CoC to Municipal Staff Regulations and Guidelines incorporating the Competency Framework for Local Government Occupational Streams	Ensured that the competencies which are developed by Local Government for building control functionaries are informed and aligned to those prescribed by SACAP for registered professionals. This is will in turn ensure that persons who are appointed to perform building control functions within Local Government are competent and skilled	Achieved	Ensure that building control functionaries have essential skills and knowledge required to perform building control functions and on awareness of the Act	None

Strategy to overcome areas of underperformance

Further engagement with SAPs nationally to improve the successful finalisation of matters referred to them.

Change to planned targets

- ▶ Legal and compliance unit not adequately capacitated to attend to audits of architectural practices.
- ▶ More rigorous activities to engage and inform BCOs on the CoC and the Act.

Linking performance with budgets

Regulation and oversight of the profession is one of the main missions of SACAP as a statutory body. Investigations and Tribunals constitute the biggest budget drivers within this programme. From the previous financial year, the budget allocation to this programme has grown by 7%, not only with inflation but also due to an increase in legal costs for the Tribunals and Appeals.

Programme 4: Stakeholder engagement

Strategic Goal: Ensure public awareness of architecture and the profession

Goal statement/objective: Promote the architectural profession

Purpose of the programme

The strategic objective of the Stakeholder Engagement Programme is to create a positively engaged, well informed architectural profession stakeholder base that collaborates for the realisation of SACAP's vision, mission and regulatory mandates.

Positive engagement rests on the SR Unit's regular contact and constructive consultation with SACAP's entire stakeholder base, using various identified and selected platforms. Collaboration rests on the spirit of inclusion with all those who can influence holistic transformation and the realisation of people-centred architecture. Informing all those who could potentially access the inherent value offered by the architectural profession is achieved through creating awareness amongst the general public in need of appointing SACAP registered professionals. It also includes informing them of the necessity to sign terms of appointment contracts and the availability of the Legal and Compliance Unit to investigate any SACAP RP who has failed to uphold the Code of Conduct. This Stakeholder engagement programme also aims to educate school leavers and students about the profession and SACAP's mandates and thereby ensure the profession attracts excellence and transforms in terms of race, youth and age. The programme also safeguards SACAP's integrity in the public domain by defending its reputation where need be.

Within this programme, SACAP has developed a number of initiatives.



Students from Architectural Learning Sties (ALSs) at the SACAP stand – AZA 2016



SACAP President Yashaen Luckan signed an MOU with ACE President Luciano Lazzari on 22 April 2016 at the ACE General Assembly in Berlin



Dr Yashaen Luckan, SACAP President, together with representatives from Freedom Architecture Consulting (FACE) and Marella O'Reilly, at SACAP Voluntary Association Forum.



Cell C – Take a Girl Child to Work Day, students, staff and SACAP Registrar, Marella O'Reilly at the offices of Boogertman + Partners, JHB

Performance indicators and their corresponding long-term targets

Programme performance indicator	Actual achievement 2016/17	Planned target 2016/17	Deviation from planned target to actual achievement for 2016/17	Long-term strategic plan target 2018/19	Comment on deviation
4.1 A comprehensive SR strategy and communication plan for the public entity in alignment with the 4 th Term Council's Transformation objective	Development of an interim communications and media relations strategy and SR activity plan – which reached stakeholders across 9 platforms – and which was implemented by SR Unit, in consultation with communication specialists	Implement an interim communications and media relations strategy and SR activity plan, using relevant platforms	None	Development and implementation of SR strategy and annual communication plans, including policies and procedures	Internal processes underway for Council resolution
4.2 Open and active communication platforms that reach key stakeholders and deliver SACAP's regulatory information and news of the 4 th Term Council's activities	Ongoing regular communication activities via the following platforms: 1. Website updates 2. Social media updates 3. Editorials in traditional media (print, online, radio and television) 4. Newsletters from Registrar/CEO 5. VA Forums	Implementation of a PR strategy and SR Unit's Activity plan to raise awareness about the architectural profession and promote SACAP's regulatory mandates amongst external stakeholders	None	SACAP's SR Unit works collaboratively with all internal Units to enable the realization of the SR and communication plan's objectives	Achieved, developed strategic partnerships (incl. media) to raise public awareness of SACAP's regulatory requirements
4.3 Stakeholder Engagements as per SR Strategy and activity plan	Sponsorship of special events attended by BE candidates and professionals, with emphasis on architecture ▶ Presence at Career and industry expos ▶ Participation at CSI events ▶ Direct engagements with VAs ▶ Secured various public speaking opportunities for SACAP spokespersons	Directly engage stakeholders in the BE to maintain and further build constructive relationships in order to achieve SACAP's strategic objectives	None	Stakeholder Engagements as envisaged by SR strategy and communication plan	The revised completed SR and Communication strategic plan will provide targets for additional specific outcomes

Programme performance indicator	Actual achievement 2016/17	Planned target 2016/17	Deviation from planned target to actual achievement for 2016/17	Long-term strategic plan target 2018/19	Comment on deviation
4.4 Upgraded CI implemented across all platforms, in line with vision for people-centred architecture	Development of new CI manual for roll out across all brand touch points	Completion of new CI development to reposition SACAP amongst its stakeholders	None	Roll out of CI elements across all brand touch points to reposition SACAP in line with its vision, mission and values	Implementation to begin as per project plan
4.5 SACAP's Annual Report published in accordance with CBE's template including the APP for CBEPs	Publication of SACAP's Annual Report	Publish SACAP's Annual Report	None	Annual publication for presentation to Portfolio Committee and DPW Minister	Achieved
4.6 BNs published by way of Government Gazette, as determined by The Act and according to Council's committees' resolutions	Gazetting of various BNs as required	Gazetting of various BNs as required	None	Gazetting of various BNs as and when required	Achieved

Strategy to overcome areas of underperformance

- ▶ Stakeholder and communication strategy to address the targeted markets.
- ▶ Impactful activities to realise increased awareness of the architectural profession.

Change to planned targets

Under-resourced and budget constraints – notwithstanding the 7% increase in the budget, the public awareness mandate is hampered by ever increasing market-related costs. Achieving penetration in a dynamic market is challenging with resource and budget constraints.

Linking performance with budgets

As a regulatory body, stakeholder engagement is vital to SACAP's functioning and the realisation of its vision, mission and the fulfilment of its values. This programme relies on a variety of communication platforms and channels, including stakeholder engagement initiatives, in order to reach the multiple recognised groupings. These platforms and channels enable SACAP to raise the architectural profession's profile and the awareness of the value it delivers to the built environment. From the previous financial year, the budget allocation to this programme has grown by 7%, not only with inflation but also due to an increase in the number of stakeholder engagement events that SACAP sponsored and SACAP's participation in more student expos.

Programme 5: Institutional excellence

Strategic Goal: SACAP institutional excellence

Goal statement/objective: Implement processes and systems to ensure the smooth functioning of SACAP

Purpose of the programme

The strategic objective of the Institutional Excellence Programme is to implement processes and systems to ensure the smooth functioning of SACAP. The programme also includes various initiatives to establish the legitimacy of Council to fulfil SACAP's mandates as excellence rests on registered persons accepting Council's legitimacy. Excellence encompasses mostly internal operations and their respective desired outcomes. The intended outcome is effective governance and processes, skillful and driven staff, adequate IT capability and efficient service delivery.

Performance indicators and their corresponding long-term targets

Programme performance indicator	Actual achievement 2016/17	Planned target 2016/17	Deviation from planned target to actual achievement for 2016/17	Long-term strategic plan target 2018/19	Comment on deviation
5.1 Procurement of new offices for SACAP	Purchased offices in Rivonia	Adequate and secure premises to meet SACAP's operational needs	None	Acquire an asset for SACAP that will enable its operational needs	Achieved
5.2 Staff performance appraised	100% of staff's performance appraised	100% appraisal of staff's performance	None	100% of staff's appraisal to be achieved on an annual basis	Achieved
5.3 A clean audit report	An unqualified audit	An unqualified audit report	None	Consistent unqualified audit reports year-on-year	Achieved
5.4 Improvement in service delivery	SACAP ran the "What it looks like when it's fixed" training programme with a service provider via workshops with all staff	Create a common model and frame of reference amongst staff that enables improved service delivery to stakeholders	None	Increased levels of service delivery	Modular plan, still ongoing
5.5 ICT as main driver of registration	Implementation and ongoing streamlining of YM platform for service delivery	Increases service to RPs	None	Effective use of YM by all RPs	Achieved
5.6 Automatic and transparent failover and failback system 99% uptime of application systems, was 87% previously	Installation of a fibre link and 3G Wireless Broadband failover system	Installation of fibre link and 3G Wireless Broadband failover system	None	Maintenance and continuing refinement of failover and failback system	Achieved

Programme performance indicator		Actual achievement 2016/17	Planned target 2016/17	Deviation from planned target to actual achievement for 2016/17	Long-term strategic plan target 2018/19	Comment on deviation
5.7	An online MTR System	Implementation of online system which logs MTRs “on the go, anytime, anywhere”	Implement online MTR system	None	Maintenance and continuing refinement of this system	Achieved
5.8	Secure email system	Installation of Email management system	Installation of a secure email system	None	Maintenance of email system	Achieved
5.9	Implementation of PDP and WSP	Staff went on training. Work Skills Plan (WSP) submitted on time to Department of Labour – first time in history of SACAP	Staff training target met WSP submitted	None	Registration with Services SETA. Staff benefitting from Training	Achieved

Strategy to overcome areas of underperformance

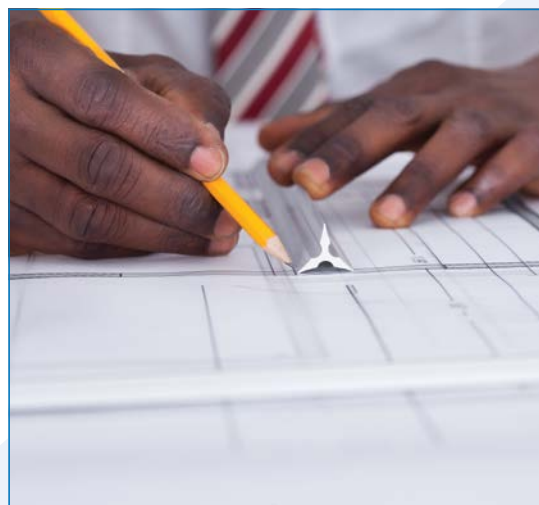
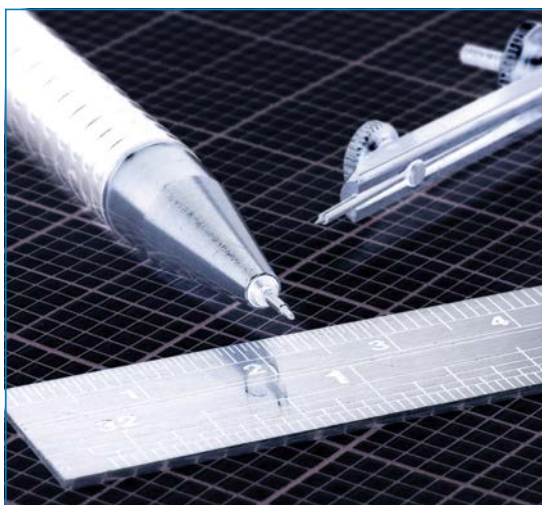
Mitigate the risk of data loss through cost-effective offsite back-up.

Change to planned targets

Budget constraints in investing in updated IT system for improved service delivery.

Linking performance with budgets

This programme has benefited from a 7% increase in resources allocation. The spending focus of this programme over the medium term is investment into improving systems and processes for better service delivery. Skills development is one of the main cost drivers that equips internal capabilities for SACAP’s delivery of quality service. The acquisition of integrated information systems and software updates were also major cost drivers to ensure institutional excellence. Finally, the relocation to new premises also contributed to the increase in resources allocated to this programme. In the medium term, SACAP is looking to invest even more in information technology to make its services more accessible and convenient to various stakeholders.

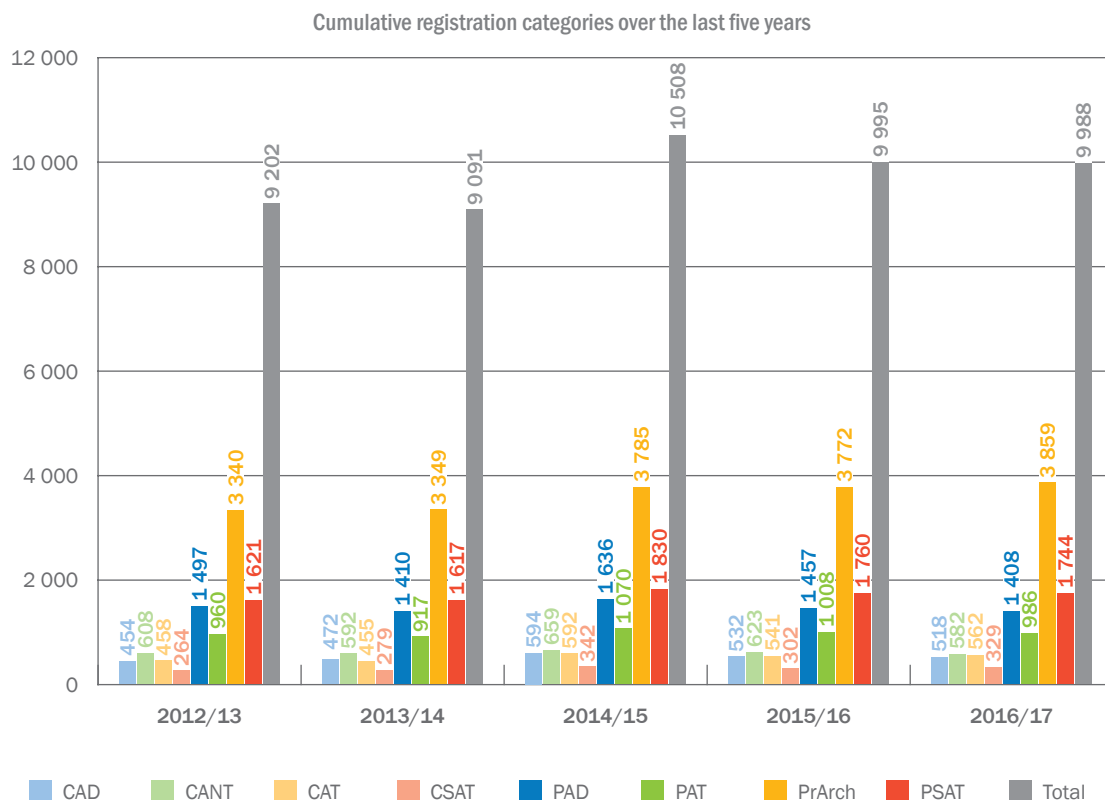
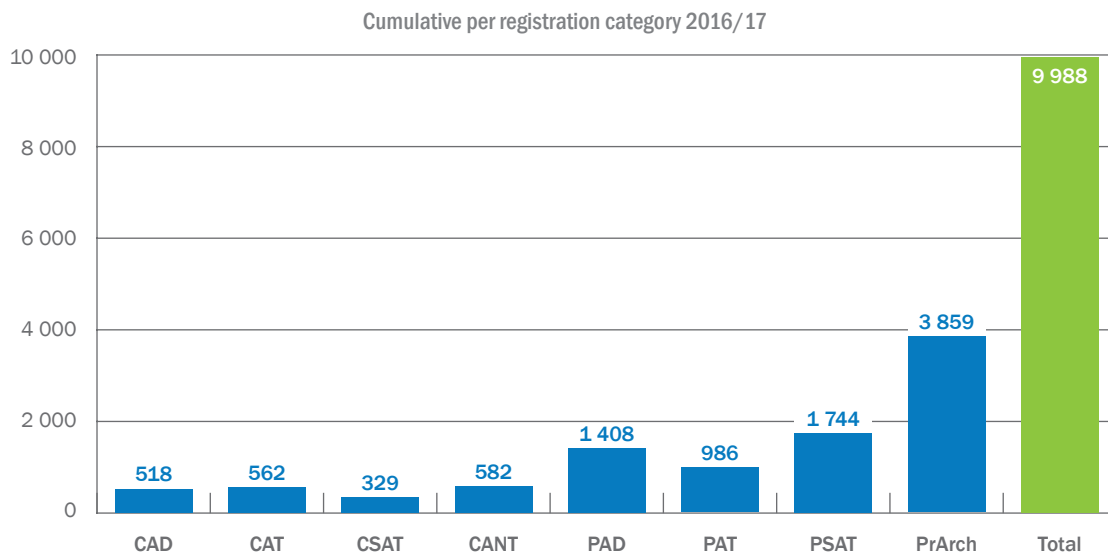


Registrations 2016/17

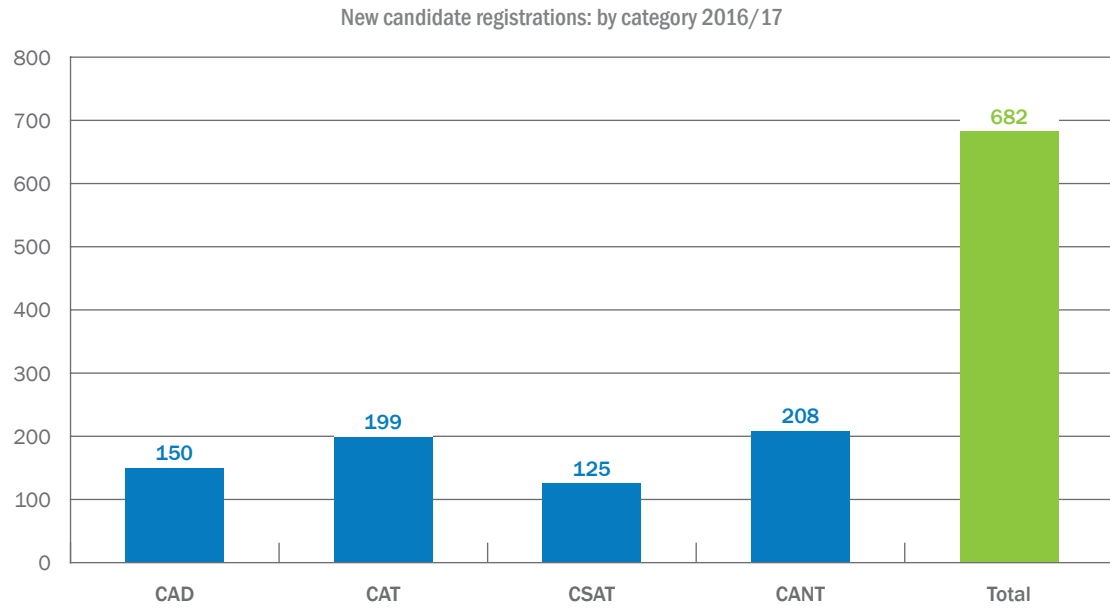
Persons applying for registration must first be registered in a Candidate registration category. This category is determined by the applicant's recognised architectural qualification. Once registered all Candidates must complete a pre-determined period of internship. During the period of internship Candidates must submit MTRs, which must be verified and signed off by the Candidate's mentor. Candidates are also required to write and pass the PPE, before they can apply to be upgraded to a Professional registration category.

The registrations for the 2016/17 financial year are broken down in the below tables and graphs.

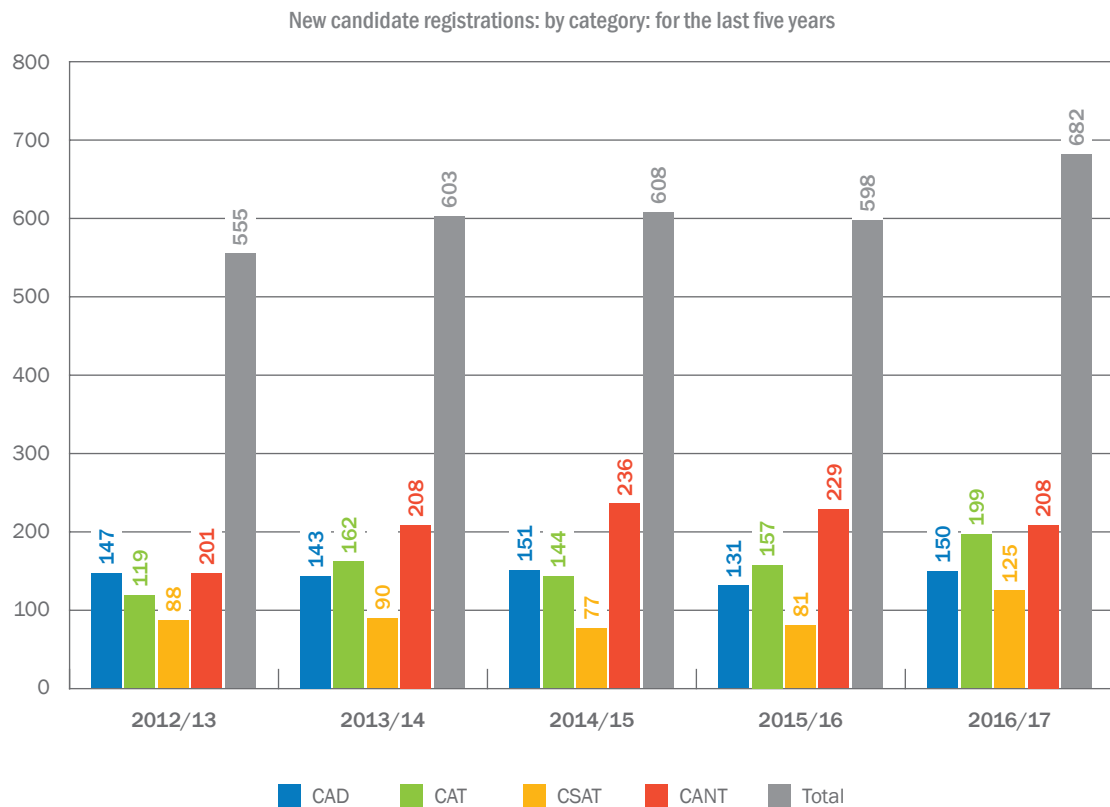
Cumulative statistics for 2016/17 in goodstanding



New candidate registrations per category in 2016/17

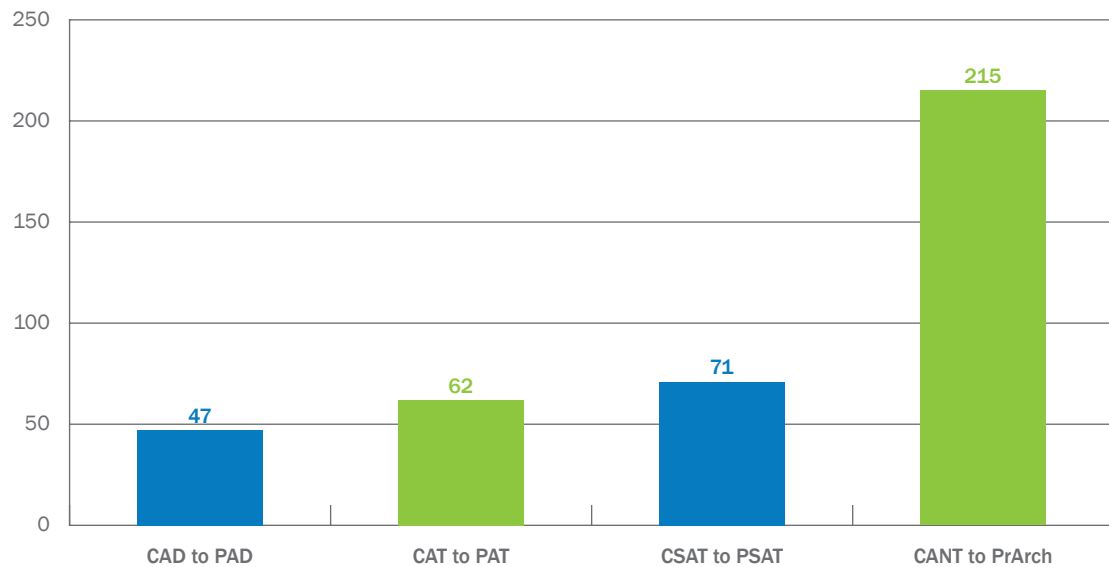


Although the number of CANTs decreased, the 2016/17 total is still higher than the previous years.

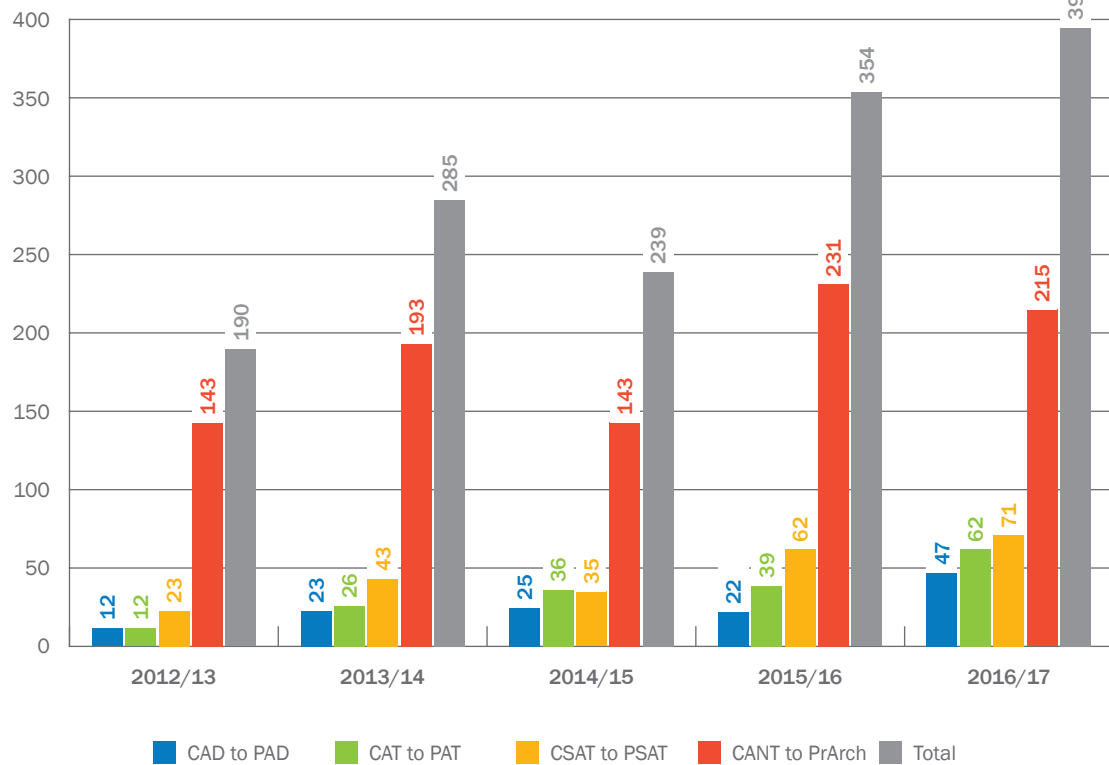


Upgrades: PPE

Upgrades done after the applicant completed Candidacy and passed PPE in 2016/17 as well as over the last five years



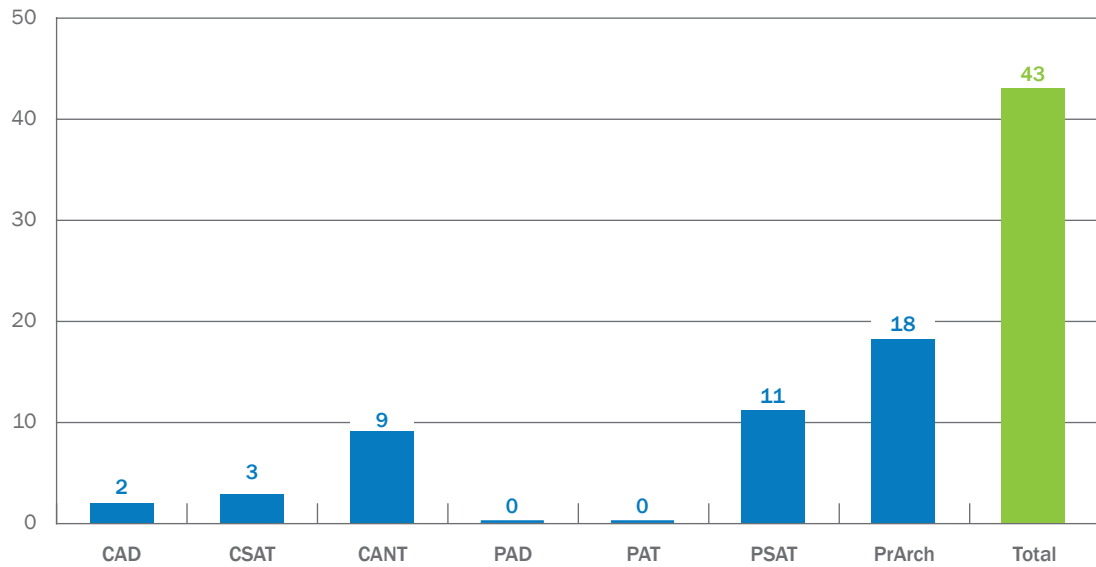
Upgrades after Candidacy and passing PPE in the last five years



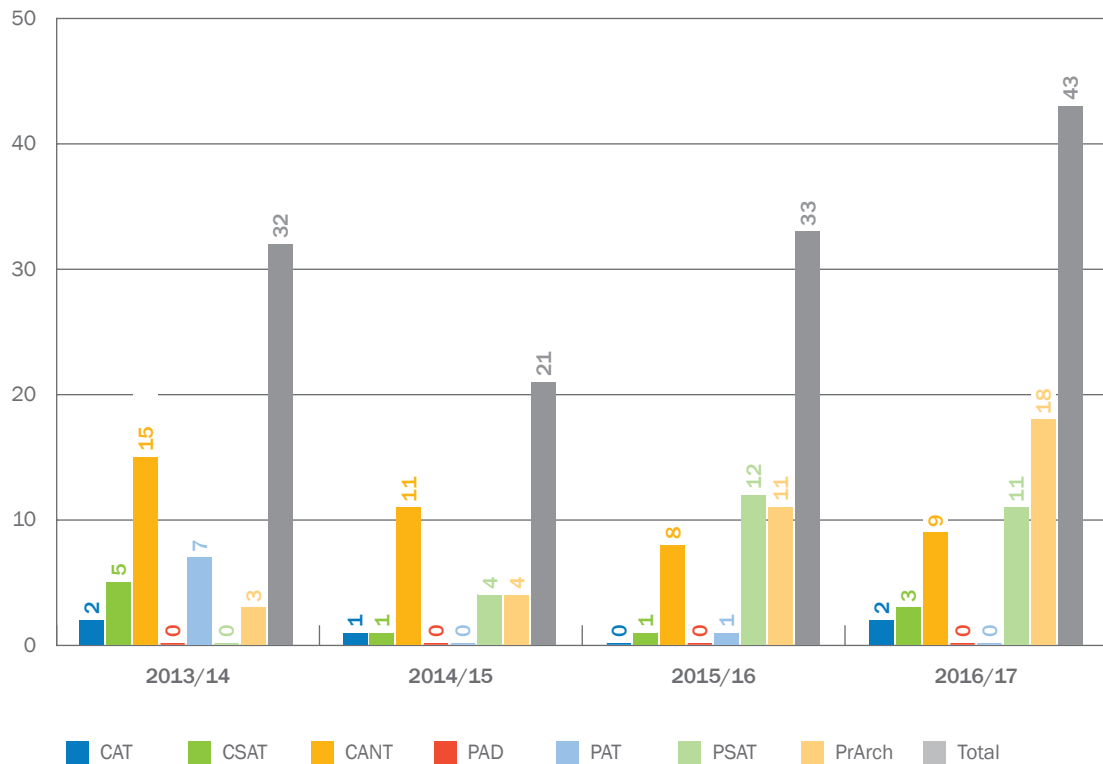
Explanatory note: This comparison illustrates the effect of implementing the 4th Term Council's resolution at the end of March 2015 to limit Candidacy to four years which then forced those who were registered as Candidates for more than four years across all candidacy registration categories to either re-register as Candidates or to complete with what is necessary to apply for an upgrade to Professional status.

Upgrades: Obtaining further architectural qualification

Upgrades done after the applicant obtained a further architectural qualification in 2016/17

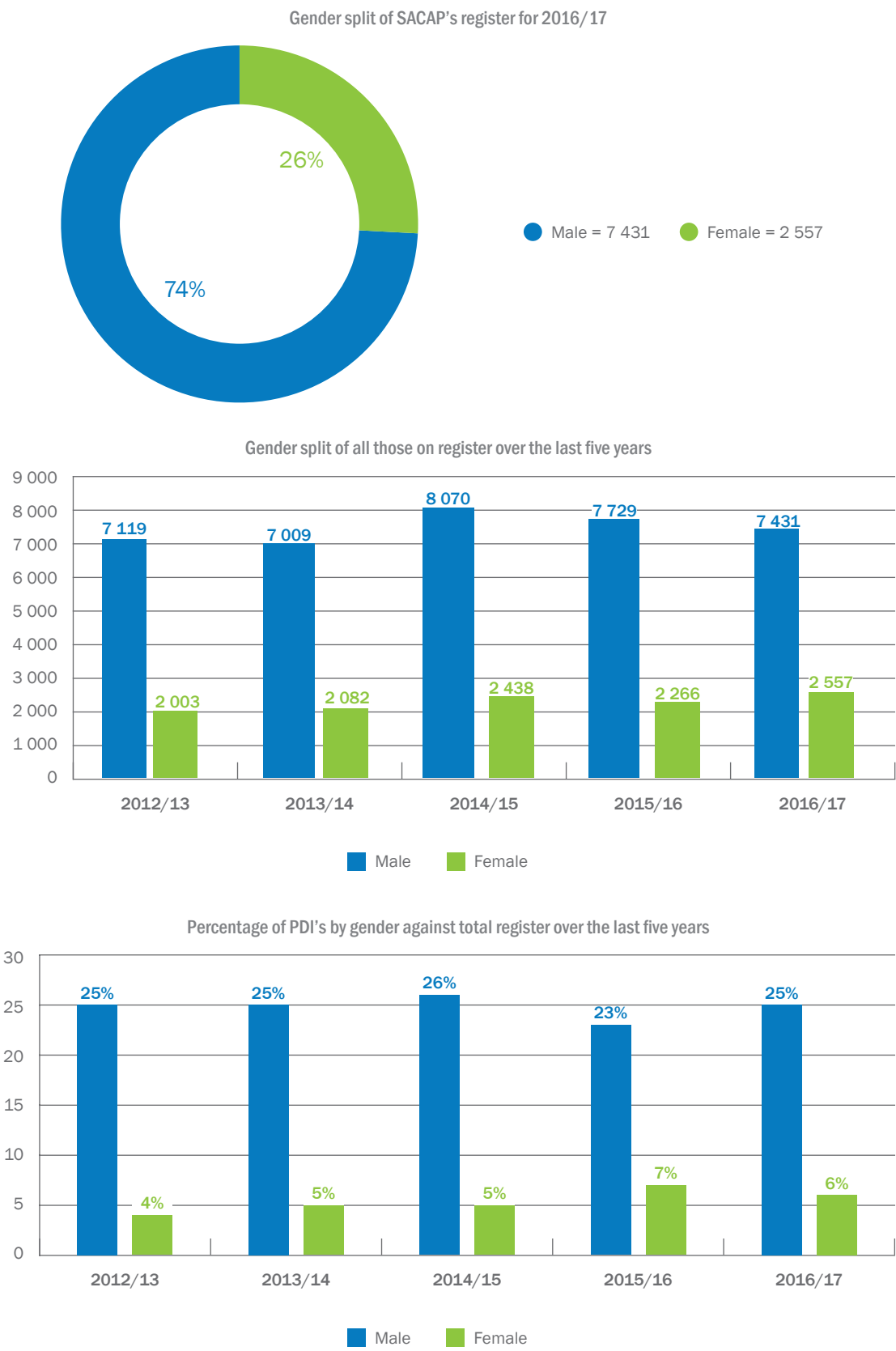


Upgrades done after the applicant obtained further architectural qualifications (last five years)*



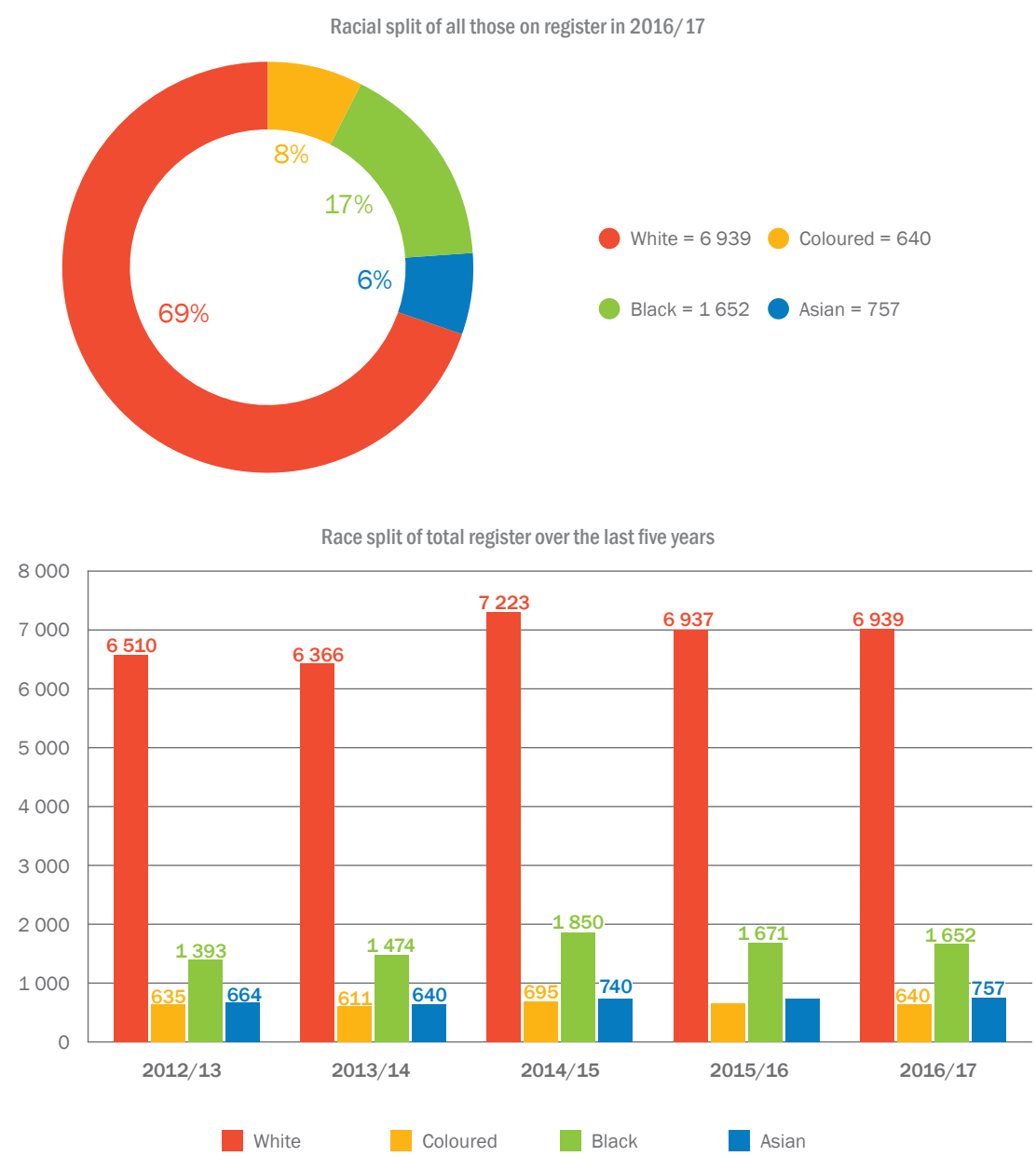
*2012/13 figures not available.

Gender



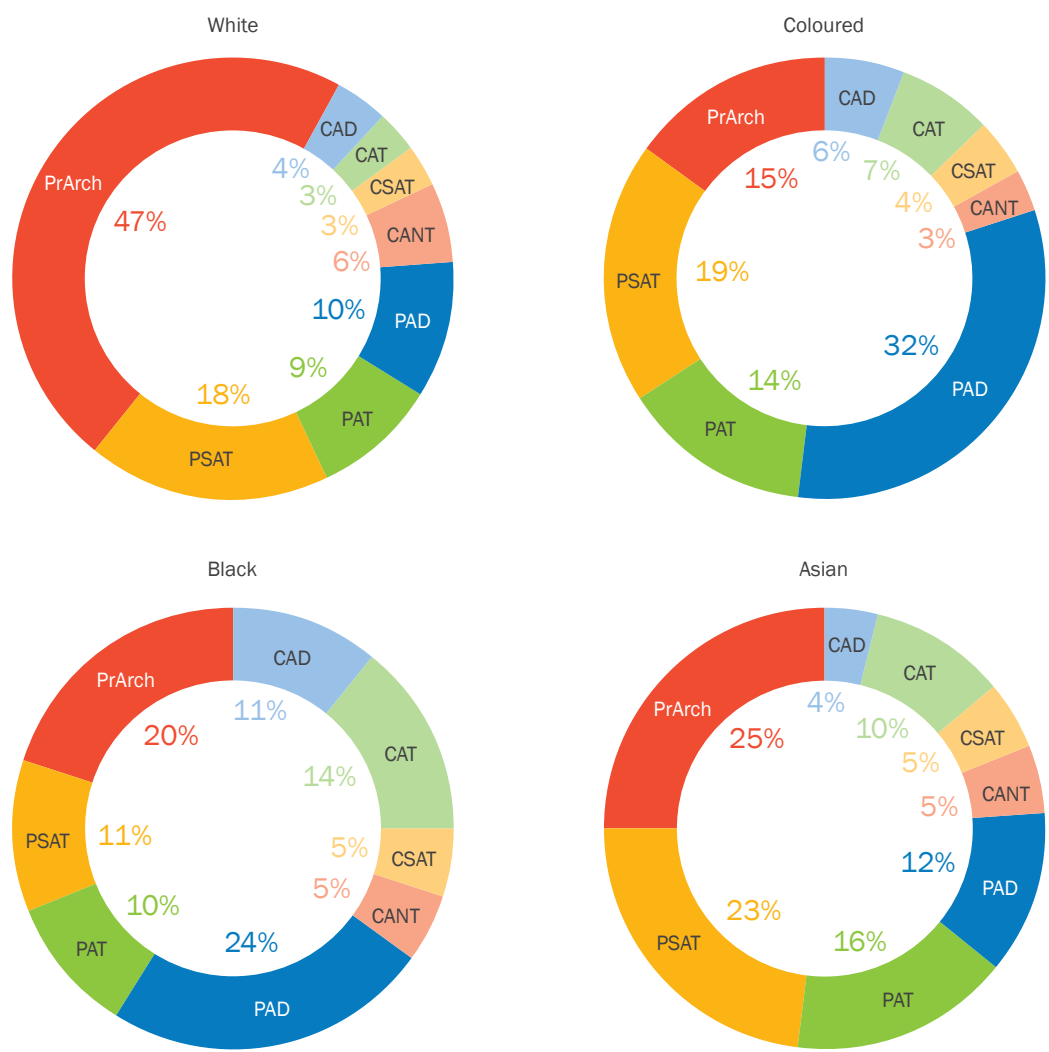
Explanatory note: The percentage of PDI females shows an encouraging, albeit small, increase over the five-year period.

Race



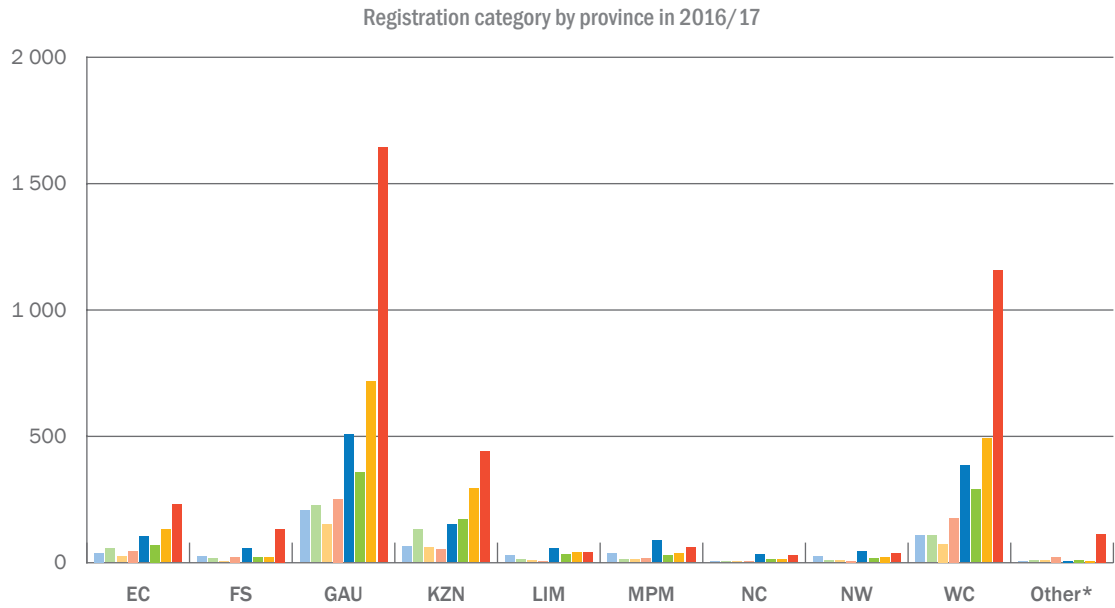
Explanatory note: This graph shows the total register over the last five years with an indication of racial representation.

Race: by registration category 2016/17



Explanatory note: These show how registration categories differs within each race group during 2016/17.

Province

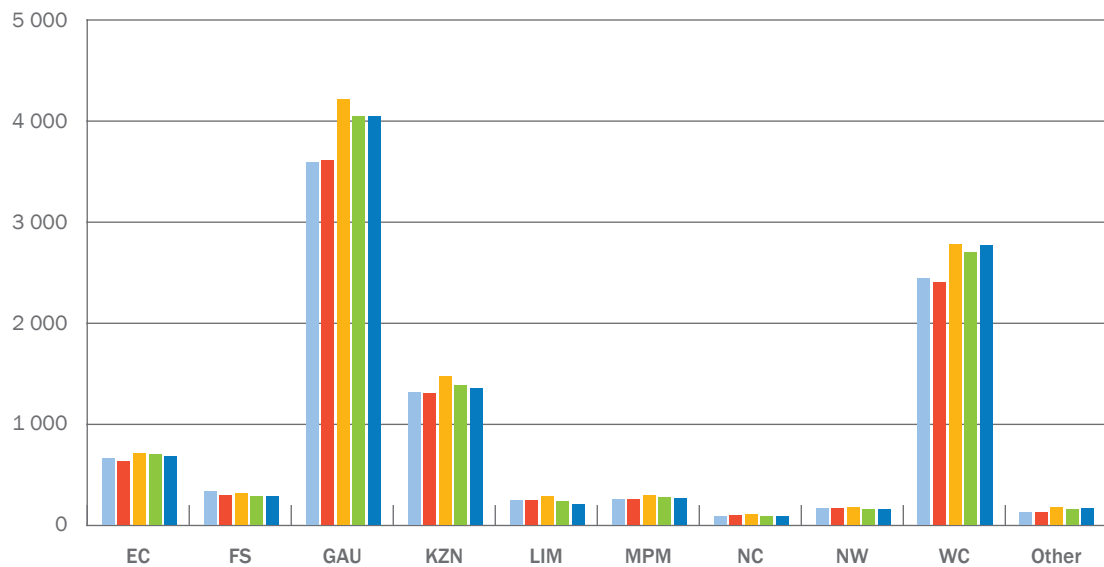


	EC	FS	GAU	KZN	LIM	MPM	NC	NW	WC	Other*	Total
CAD	36	22	205	63	27	33	3	23	104	2	518
CAT	55	15	223	130	10	10	3	6	104	6	562
CSAT	21	3	148	57	6	9	3	5	72	5	329
CANT	44	20	250	51	2	13	3	4	175	20	582
PAD	101	53	506	149	54	86	29	43	383	4	1 408
PAT	68	19	356	169	30	25	11	14	286	8	986
PSAT	128	18	714	290	38	33	9	20	490	4	1 744
PrArch	229	131	1 642	437	38	57	25	34	1 155	111	3 859
Total	682	281	4 044	1 346	205	266	86	149	2 769	160	9 988

*Other: Registered persons residing/practising outside of South Africa.

Explanatory note: Gauteng, Western Cape and KwaZulu-Natal continue to attract the majority of SACAPs register.

Registration category by province over the last five years



Year	EC	FS	GAU	KZN	LIM	MPM	NC	NW	WC	Other	Total
2012/13	661	334	3 585	1 314	247	256	86	163	2 434	122	9 202
2013/14	631	288	3 603	1 300	241	257	93	159	2 397	122	9 091
2014/15	710	316	4 211	1 469	284	293	104	177	2 771	173	10 508
2015/16	697	283	4 044	1 376	232	268	89	151	2 698	157	9 995
2016/17	682	281	4 044	1 346	205	266	86	149	2 769	160	9 988

Continuing Professional Development

The revised CPD conditions for the renewal of registration was published in the Government Gazette on 17 March 2017, as Board Notice 43 of 2017. Prior to that, SACAP had engaged the profession through a specially convened Stakeholders Forum (10 March 2016) that was the result of a lengthy consultative process during which CPD and the amended CPD conditions were amongst the subjects discussed.

The purpose of CPD is to continuously develop the skills of a registered professional in the best interest of people-centred architecture. CPD is compulsory for all architectural Professionals in all categories of professional registration. This differs to Candidates registered with SACAP who submit MTRs.

The implementation of a new online system whereby RPs may perform all their transactions, including the submission of CPD credits, and the renewal of their registration in terms of CPD, has proved successful and SACAP has received a large number of online submissions.

However, the main challenges experienced are:

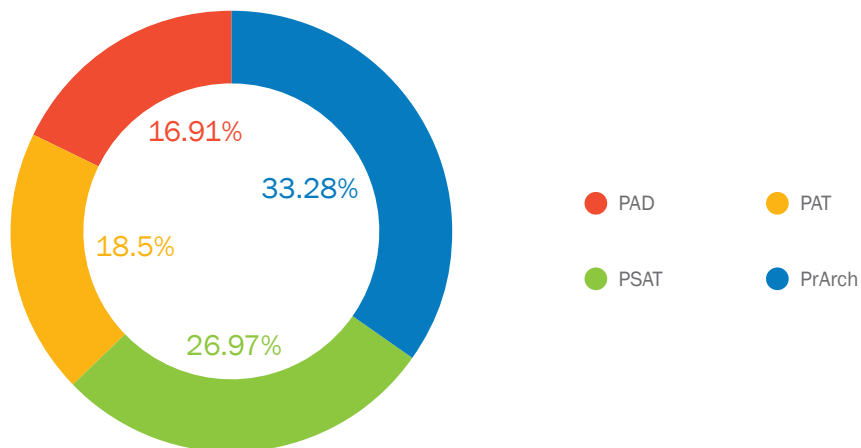
- ▶ RPs not adhering to deadlines.
- ▶ Not complying with the requirements of Category One of the CPD requirements.
- ▶ Despite the implementation of an online system, SACAP still receives a number of CPD submissions that are not logged online. The professionals are then requested to capture the credits directly on their YM Profile on the SACAP website.

A total of 1 358 RPs were due for renewal of their registration by January 2017, in terms of the CPD conditions. This figure went slightly down from the initial figure, after the removals and re-instatements were effected.

Renewal of registration applications received

Category	Complied	Renewed	Extension	Exemptions
PrArch	215	204	11	0
PSAT	72	65	7	0
PAT	32	27	5	0
PAD	46	35	10	1
Total	365	331	33	1

Percentage of registered professionals who complied with CPD requirements as at 31 March 2017



SACAP is endeavouring to make free online CPD activities available to all professionals, which is expected to increase the CPD compliance rate.

Non-compliance can be broken down into two main categories:

1. Failure to submit annual CPD claim form

Although registration is only renewed once every five years, RPs are required to submit their CPD credits on an annual basis.

2. Failure to apply for renewal of registration

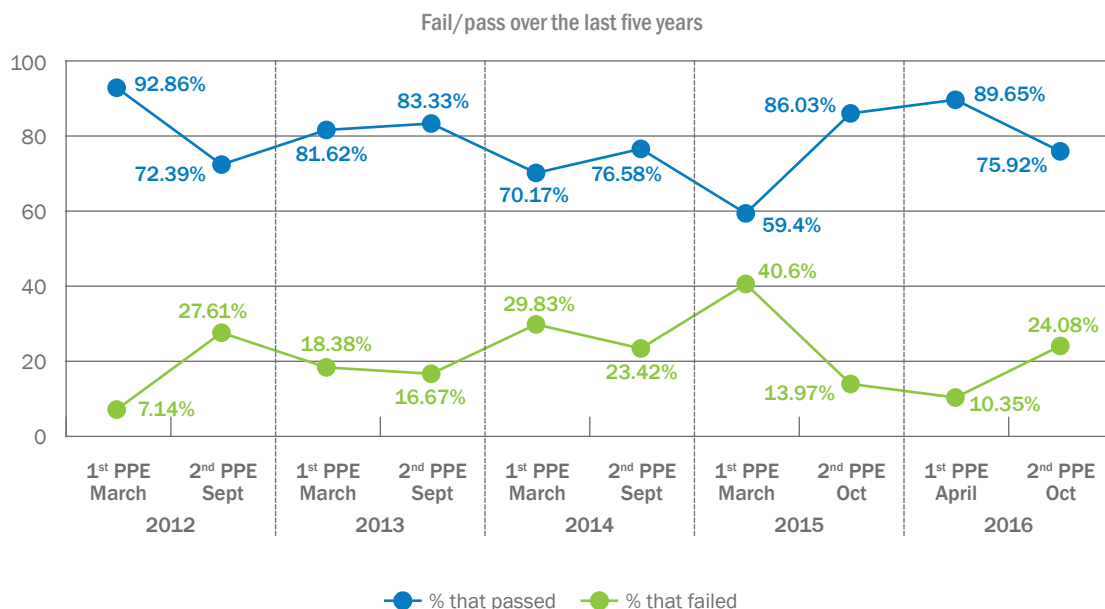
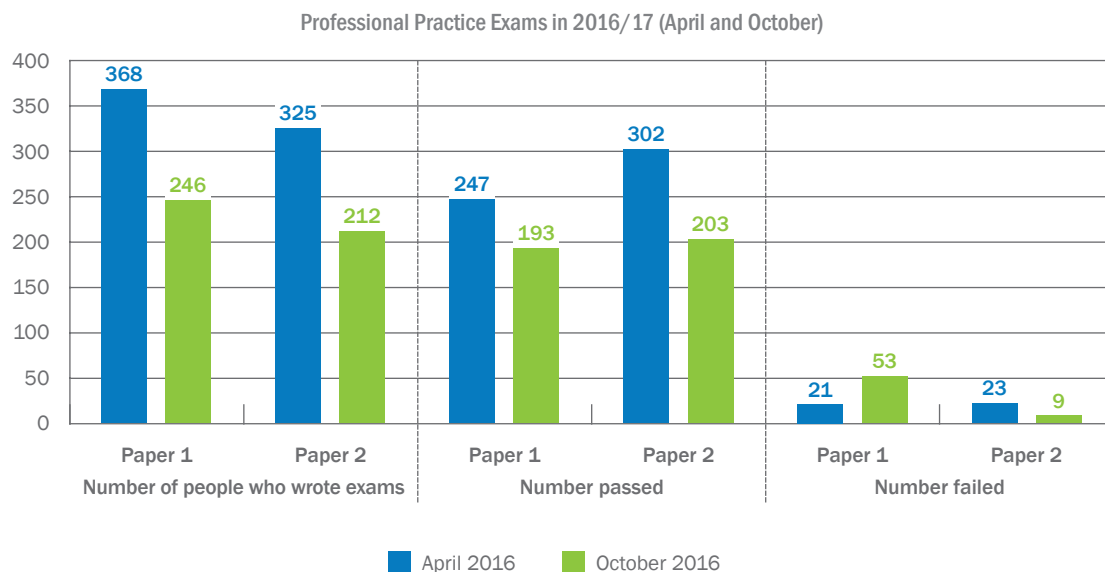
At the end of the five-year cycle, professionals are required to apply for renewal of registration with the accumulation of stipulated minimum CPD points.

Professional Practice Examination (PPE)

The Professional Practice examination is a compulsory requirement for registration in a Professional registration category and ensures that professionals are familiar with the basic practice and contractual obligations. The PPE can only be written once a Candidate has complied with the requirements of internship and the submission of Monthly Training Records.

The first paper which is a closed book examination deals with the architectural professional as practitioner and architectural service to the client and the second paper, an open book examination, deals with Construction Law and the JBCC Standard Form of Contract, the Resolution of Building Disputes.

Two examinations were written in the year and administered in local and international centres.



The results of 2016/17 PPE show consistency when measured against the results of the previous four years.

► Accreditation and Validations of Architectural Learning Sites

An overarching strategic objective of the 4th Term Council is to realise transformation in every sphere of its influence and architectural education is no exception. Council's vision is for excellent architectural education that develops and grows people-centred architecture which in turn enables the spatial transformation of South Africa's historically segregated Built Environment.

11 ALSs are assessed by Validation Board every five years

There are currently 11 SACAP accredited Architectural Learning Sites (ALSs) around the country. In terms of the Architectural Profession Act, 2000 (Act 44 of 2000), SACAP is mandated to assess the quality and relevance of each of the architectural qualifications offered by each ALS, on a rotating basis, within a five year cycle. Such qualifications enable architectural candidacy, and eventual professional registration and practice. This five year cycle will be complete at the end of March 2018.

2016/17 accreditation visits by the Validation Board

Sections 5 and 7 of the Higher Education Act provide for Council conducting education visits to ALSs and either conditionally or unconditionally grant, refuse or withdraw previous SACAP accreditation to such Institutions.

SACAP's Validation Board was satisfied it could validate five of these ALSs' programmes in the reported year. Please see the full list of ALSs below. All five ALSs assessed received unconditional continued validation; namely the architectural faculties of UCT, WITS, UP, DUT and CPUT.

The Validating Board

For these visits, Council is represented by the Chairman of the Education Committee, together with the Education Manager, Registrar and members of a Validation Board (selected from a Validation Panel consisting of academics and architectural professionals in practise). In line with international standards, they visit each ALS once every five years (with interim visits as, and when, required) to assess whether their accreditation can be renewed. SACAP recognises that the outlined competencies may differ from institution to institution – however the validation process confirms that students have requisite competencies for registration as Candidates. The CBE in its harmonisation role participates in the process and the specific validation procedures are outlined in the prescribed: Validation Procedures by SACAP.

Each visiting body has a specific mandate to assess whether the standard of graduates – their knowledge and skills – comply with the minimum level of competencies that SACAP requires in order to register a person as a candidate in one of the four current professional categories.

Transformation within ALSs

Council's Education Committee is encouraged to see the way in which its ALSs' transformational programmes are meeting objectives, and further impressed by the new programmes which are in place to meet the needs of previously disadvantaged students. Some of the ALSs offer a bridging year to support learners who have demonstrated potential but do not have the requisite skills. The academic support programme is aimed at significantly curbing the number of first year drop outs to meet the challenges faced by students entering university from disadvantaged backgrounds who are ill-prepared for the rigours of academic life and need the bridging year to skill for requirements of university life. Students for this bridging year are chosen from the regular intake of applicants after being identified as being at-risk of failing, based on their final school results or on other types of testing or portfolios submissions.

By undertaking the bridging year, these students skill themselves with what it takes to perform in the following year. The Educational Committee noticed that those who completed such a bridging programme and who continue to the second year of their degree are then excelling. As the validating body, SACAP is encouraged to see that the foundation is addressing the needs of the disadvantaged students. We are hoping to see this boost the number of programmes for graduates.

Research undertaken by the CBE identified the four areas of environmental, sustainability, health and safety and labour intensive subjects which need to be incorporated into the architectural curriculum and will impact the built environment going forward.

International recognition

SACAP's validation procedures have been revised to be in line with updated international benchmarks to ensure that the validated ALSs can deliver cohorts to compete in the South African economy and abroad. The candidacy and mentorship programme supports this drive for competent professionals being unleashed into the South African economy.

In this reported year SACAP maintained its Memorandum of Understanding (MOU) with the Commonwealth Associations of Architects (CAA) and Royal Institute of British Architects (RIBA). Representatives of the CAA have therefore been participating in SACAP's Validation Board visits.

SACAP has a long standing relationship and joint validation agreement with the CAA, whose members include those of the South African Development Community (SADC). Architectural practitioners from eastern and southern Africa registered with accrediting bodies that are governed by the CAA can apply to SACAP for registration in South Africa. The growing intra-regional agreements have great potential to foster innovation and new knowledge generation, while promulgating practice excellence in these regions. It facilitates the portability of educational credentials amongst participating member countries by recognising the similarity of professional architecture degrees between accreditation agencies.

Validation Board accreditation visits 2016/17

These ALSs were validated in the reported year.

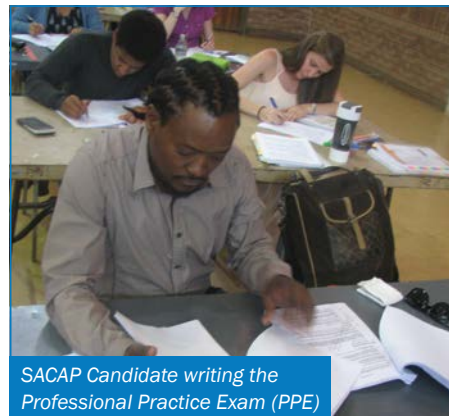
Date of Validation Board accreditation visit	Institution	Qualification accredited	Type of validation
07–09 September 2016	University of Cape Town	1. Bachelor of Architectural Studies (BAS) 2. Bachelor of Architectural Studies [BAS (Hons)] 3. Master of Architecture (Professional) (M.Arch)	Unconditional continued validation
12–14 September 2016	University of the Witwatersrand	1. Bachelor of Architectural Studies (BAS) 2. Bachelor of Architectural Studies [BAS (Hons)] 3. Master of Architecture (Professional) (M.Arch)	Unconditional continued validation
28–30 September 2015 and 15–16 August 2016	Cape Peninsula University of Technology (CPUT)	1. National Diploma: Architectural Technology 2. Bachelor of Technology: Architectural Technology	Conditional continued validation (in 2015) Unconditional continued validation (in 2016)
27 February–01 March 2017	University of Pretoria (UP)	1. Bachelor of Architectural Studies (BAS) 2. Bachelor of Architectural Studies [BAS (Hons)] 3. Master of Architecture (Professional) (M.Arch)	Unconditional continued validation
17–20 April 2016	Durban University of Technology (DUT)	1. National Diploma: Architectural Technology (ND: Architectural Technology) 2. Bachelor of Technology: Architectural Technology (BTech: Architectural Technology)	Unconditional continued validation

Validation Board accreditation visits in rest of the five year cycle

Date of Validation Board accreditation visit	Institution	Qualification accredited	Type of validation
24–27 May 2015	Nelson Mandela Metropolitan University (NMMU)	1. Bachelor of Architectural Studies (BAS) 2. Master of Architecture (March)	Unconditional Validation
16–18 November 2015	University of KwaZulu-Natal (UKZN)	1. Bachelor of Architectural Studies (BAS) 2. Master of Architecture (March)	Unconditional continued validation
Scheduled for August 2017	Tshwane University of Technology	1. Bachelor of Architectural Studies (BAS) 2. Bachelor of Architectural Studies [BAS (Hons)] 3. Master of Architecture (Professional) (M.Arch)	Unconditional continued validation
Scheduled for April 2017	University of Free State (UFS)	1. Bachelor of Architectural Studies (BAS) 2. Bachelor of Architectural Studies [BAS (Hons)] 3. Master of Architecture (Professional) (M.Arch)	Unconditional validation
Scheduled for March 2018	University of Johannesburg (UJ)	1. National Diploma: Architectural Technology 2. BTech: Architectural Technology 3. MTech: Architectural Technology	To be confirmed March 2018



Inaugural meeting of the ALS student representatives at the National Architectural Student Forum at the AZA 2016



SACAP Candidate writing the Professional Practice Exam (PPE)



National Architectural Student Forum (NASF) representatives – AZA 2016

► Identification of Work

Clients of architectural professionals have the right to go to any registered person who offers architectural services. The role of educating the public as to the different skills, qualifications and expected performance levels between the categories of professionals lies with the professionals, the recognised VAs and the Council.

By delineating clear areas of competencies and appropriate market-related fee guidance for the public, SACAP can assist the public to appoint the right registration category of architectural professional, at the appropriate price, for each stage of their project work. To achieve this SACAP must ensure it thoroughly engages collaborating stakeholders, and formulates a Policy in a way that does not contravene the Competitions Act, which exists in order to provide all South Africans with equal opportunity to participate fairly in the national economy and to freely select the quality and variety of goods and services they desire.

SACAP's IDoW previous Policy was deemed anti-competitive by the CC and within the reported year, SACAP withdrew its application for exemption of this Policy with the CC, in favour of reworking the Policy. The 4th Term Council resolved to consider Protection of Titles and Scope of Profession of each category, in relation to the Act, and a new IDoW framework will be developed accordingly, for approval by the CC. The 4th Term Council is therefore currently engaging in a public participation process and hopes to Gazette a new IDoW Policy after the participation is completed.

► Professional Fees Guideline

The Guideline Professional Fees are charged by registered professionals providing architectural services and are thus negotiable between professionals and their clients.

Important milestones in policy implementation

The Guideline Professional Fees were published in the Government Gazette in 2015. As a result of the rejection of the previous Professional Guidelines Fees by the CC the new Professional Guideline Fees for 2016/17 was not published. The CBE, on behalf of all its member Councils was undertaking an appeal process against the rejection of the Professional Fees Guideline by the CC. This was suspended in order for CBEPs to challenge the CC directly.

What is the basis of calculation of fees?

A total recalculation (in comparison with the 2011 Guideline Fees) was used to determine the Guidelines Fees for 2015/16 and for the 2016/17 financial year the CPI was used. However, the Guideline Fees had not been published because of the rejection of the previously submitted Guideline Fees received from the CC.

The rate of escalation of proposed 2016/17 fees was compiled and attended to by the Professional Fees Committee. The committee took into consideration the inflation rate of the last four years. The CPI was taken as an appropriate increase and the committee compiled the draft Guideline Fees for 2016/17, but could not be published in the reported year.

► Voluntary Associations

VAs are autonomous organizations which promote and protect the interests of their members. They have an important role to play in, amongst other things, the implementation of CPD, in that they can accredit and offer Category One CPD activities.

During the period under review, the existing VA recognition was extended until 31 July 2016 during which time, SACAP published the Board Notice (BN) 86 of 2016 – Requirements for Recognition and Maintenance of Recognition of a VA in terms of Section 25, Read with Section 14 (d) of the Act.

SACAP invited 17 VAs to apply in terms of the published BN and 13 applications were received from architectural VAs. The 13 VA's met the requirements of the BN in terms of Section 25 of the Act.

Thereafter, on 30 September 2016, SACAP together with the leadership of the 13 VAs, met at its first VA Forum in terms of the new BN, to discuss the objectives of the SACAP and VA Memorandum of Understanding (MOU).

The MOU has been established to administer the requirements of the Act, including the development of the architectural profession in line with the spirit of the South African Constitution, clarifying and defining the roles of the respective parties in the realization of SACAP's vision of 'People-centred architecture for South Africa'.

The following VAs attended the VA Forum on 30 September 2016:

1. SAIA Border Kei (BKIA).
2. The Cape Institute for Architecture ClfA, a Region of SAIA (The South African Institute of Architects).
3. PIA a Region of SAIA.
4. Gauteng Institute for Architecture a Region of SAIA (GiFA).
5. SAIA Eastern Cape, Eastern Cape Region of the South African Institute of Architects.
6. SAIA Free State.
7. SAIA KZN, KZN Region of the South African Institute of Architects.
8. South African Institute of Architects (SAIA).
9. South African Institute of Draughting NPC (SAID).
10. The African Institute of Interior Design Professions (IID).
11. The South African Institute of Architectural Technologist NPC (SAIAT).
12. South African Institute of Building Design (SAIBD).
13. Freedom Architecture Consulting Empowerment (FACE).

SACAP is honoured to have FACE as a first-time recognition VA.



SACAP's stakeholders who attended the showcase of SACAP's online self assesment platform for RPL in December 2016



Debate amongst SACAP stakeholders during the engagement.

► Recognition of Prior Learning

By December 2016, the 4th Term Council of SACAP announced that it had successfully developed the first Recognition of Prior Learning online self-assessment platform – a first among South Africa’s Councils for Built Environment Professionals. The development was the culmination of a lengthy period of consultation between the 4th Term Council and its recognised VAs. It followed a lengthy moratorium on the transformational programme instituted in 2010 by a previous Council. The outcome of the consultative process was the agreement that new RPL software would enable the first phase of the programme.

RPL a key of the NQF

RPL is a key fundamental of the National Qualification Framework (NQF) and, particularly in as far as accelerated learning, ensures the redress of past inequalities with a view to providing an opportunity to articulate to the next level of SACAP professional registration. Learning can take place through a myriad of mediums in formal, informal and non-formal settings.

Therefore, the process of recognising prior learning is about:

- Identifying what the applicant knows and can do;
- Matching the applicant’s skills, knowledge and experience to specific standards and the associated assessment criteria of a qualification;
- Assessing the applicant against those standards; and
- Crediting the applicant for skills, knowledge and experience built up through formal, informal and non-formal learning.

RPL allows for access to elevated professional registration

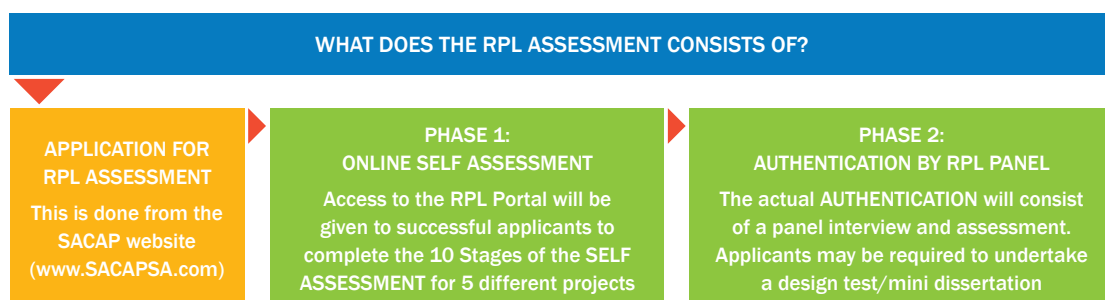
The RPL programme allows only for access to elevated professional registration and is not immediately an academic qualification. Articulating within the profession will uplift the professional status of successful applicants and is expected to help them unlock more lucrative work opportunities. The highest registration category is that of Professional Architect.

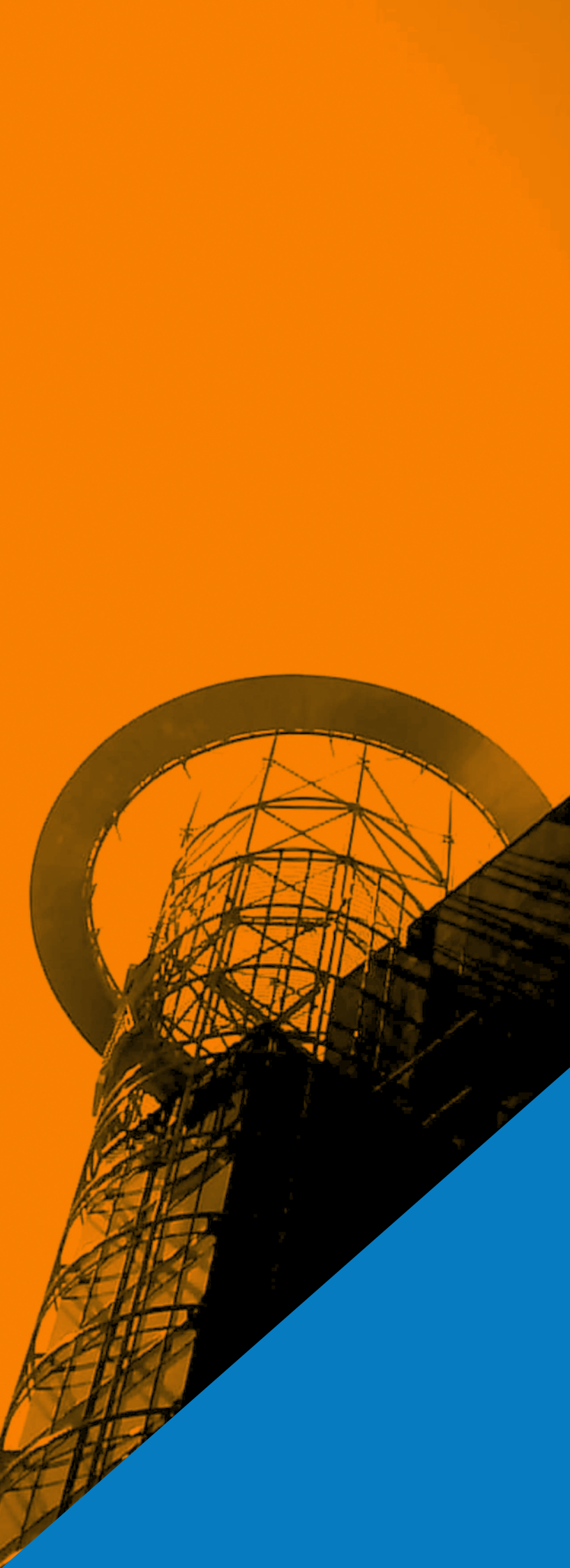
Practical redress for the “Missing Middle” in architecture

Through its research, SACAP estimates that a significant portion of the register across the country, commonly referred to as “The Missing Middle” in architecture, need access to equal opportunity and practical redress for past imbalances and are eager to take their first steps on SACAP’s innovative RPL online platform. Each will have to demonstrate a portfolio of work from the last three to five years, depending on their registration category.

First RPL applicants

Six architectural professionals who took part in the final testing phase of the online programme will be the first to formally submit their online self-assessment applications to SACAP’s Professional Statutory Services Unit in the next financial year.





Part C

Governance

► Introduction

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on the Architectural Professions Act, 2000 (Act No. 44 of 2000), corporate governance with regard to public entities is applied and run in tandem with the principles contained in the King Report on Corporate Governance. Governance is the system by which SACAP is controlled and directed through sustainability as a citizen creating value in the architectural environment.

This Annual Report focuses on qualitative and quantitative issues arising in 2016/17 that are material to SACAP's business operations and strategic objectives.

Materiality was determined through extensive consultation with stakeholders, and by taking into consideration SACAP's core objectives and the way in which its value chain operates. The South African Council for the Architectural Profession (SACAP) reports to the Portfolio Committee on the Department of Public Works (DPW), through the coordination of the Council for the Built Environment (CBE).

The CBE reported to the Portfolio Committee in the second quarter of the year under review.

► Executive Authority

In terms of the Council for the Built Environment Act, 2000 (Act No. 43 of 2000) the CBE is the over-arching Accounting Authority for all six Built Environment Councils. The CBE acts as the coordinator for SACAP to advise the Portfolio Committee on issues relating to the operations of SACAP.

► The Accounting Authority/Board

Composition of the Council

The 4th Term Council has been established in terms of Section 3 of The Act, and comprises of seven registered persons, excluding candidates, of which at least four must actively practise in the architectural profession, two professionals in the service of the State nominated by any sphere of government, of whom at least one must be nominated by the department; and two members of the public nominated through a public participation process.

The Role of the Council

Council sets the overall strategic direction for the organisation, provides input and makes decisions about matters of strategic importance including: Registration, Fees and Charges, Architectural Education, Code of Conduct (CoC) and Recognition of Voluntary Associations.

Council Charter

In March 2014, the 3rd Term Council introduced the Council Charter which outlines the main corporate governance practices that are in place for the South African Council for the Architectural Profession and to which the Council, Committees and the Executive management are collectively committed.

The Charter sets out the Code of Conduct for Council and Committee members.

The Council subscribes to the King III Report, whereby ethics and integrity set the standards for compliance.

Council continuously reviews and adapts its structures and processes to facilitate effective leadership and sustainability within its structure.

Composition of the Council

Name	Designation (in terms of the public entity Board Structure)	Date appointed	Qualifications	Other committees or task teams (e.g: Audit Committee/ Ministerial Task Team)	No. of meetings attended
Mr Yashaen Luckan	(President)	15 April 2014	Masters of Arch, BTech Arch, Nat Dip in Arch	Executive Committee, IDoW Committee (ex-officio), RPL Committee, Education Committee	17
Ms Maureen Gerrans	(Vice President)	15 April 2014	N3	Executive Committee, Finance Committee, SR Committee, Investigating Committee, Audit and Risk Committee, IDoW Committee, CPD Committee	18
Ms Gillian Bolton	(Treasurer) <i>(absent with leave of absence granted)</i>	15 April 2014	Bach of Arts, Bach of Law, Masters of Business Admin	Executive Committee, Finance Committee, SR Committee, Investigating Committee, Audit and Risk Committee, HR/ Remuneration Committee	0
Mr Rowen Ruiters	Chairperson: SR Committee and CPD Committee (since July 2016)	15 April 2014	Nat Dip Arch Tech, BTech Project Management, BTech Arch	Executive Committee, Finance Committee, CPD Committee	16
Mr Linda Mampuru	Council Member <i>Vacated: 24 June 2016</i>	15 April 2016	Masters of Arch		0
Ms Diane Arvanitakis	Chairperson: CPD Committee (November 2015– March 2016)	19 December 2014	Bach Arch, B Arch Studies, Nat Dip Arch Tech, Dip Masters of Management	RPL Committee	7
Mr Niel Lombard	Council Member <i>Resigned: 9 June 2016</i>	15 April 2014	Intro to Arch Dwg, NTC 3	IDoW Committee, CPD Committee	1
Ms Sushma Patel	Chairperson: Professional Fees and Investigating Committees <i>Vacated: 02 March 2017</i>	15 April 2014	B Arch	Executive Committee, Investigating Committee	14
Mr Rakau Lekota	Chairperson: Education Committee and HoS	15 April 2014	MTech Arch, BTech Arch, Nat Dip in Arch	IDoW Committee, RPL Committee, H.o.S Committee	20
Mr Krish Ranchod	Chairperson: HR/ Remuneration Committee	8 September 2014		Education Committee, RPL Committee	17

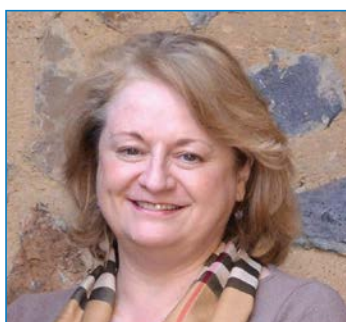
Council Members 2016/17



Dr Yashaen Luckan (Pr.Arch)
President



Ms Maureen Gerrans (PSAT)
Vice President



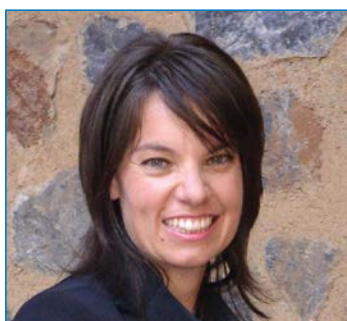
Ms Gillian Bolton
(Public representative) (Treasurer)
(Absent with leave of absence granted)



Mr Rowen Ruiters (PAT)
Chairperson: SR/CPD Committee



Mr Krish Ranchod
(Public representative)
Chairperson: HR/Remuneration
Committee



Ms Diane Arvanitakis (Pr.Arch)
Chairperson: CPD Committee
(Resigned: March 2016)



Ms Sushma Patel (Pr.Arch)
Chairperson: Professional Fees
(Vacated 2 March 2017)



Mr Rakau Lekota (Pr.Arch)
Chairperson: Education Committee



Mr Niel Lombard (PAD)
Council Member
(Resigned 9 June 2016)



Mr Linda Mampuru (Pr.Arch)
Council Member
(Vacated 24 June 2016)

Council Meeting Attendance

Name	Number of Council and committee meetings attended	Number of special SR events attended	Total Honoraria paid to each Councillor for each Council Meeting and SR Events meeting
Mr Y Luckan	19	15	R282 064
Ms M Gerrans	27	5	R132 071.92
Ms G Bolton (Treasurer)			–
Mr L Mampuru			–
Ms D Arvanitakis	7	1	R14 568
Mr R Ruiters	17	9	R65 236.38
Mr N Lombard	1		R1 821
Ms S Patel	16	5	R62 605
Mr R Lekota	21	11	R82 899
Mr K Ranchod	19	3	R49 167

Remuneration of Council members

In terms of section 10 of the Act, the Council may determine the remuneration and allowances payable to its members or the members of any committee of the Council. All Council and committee members are remunerated by payment of Honoraria for attending meetings. Council members are fully reimbursed for travel expenses. Travel is paid at R3.29 per kilometre as per the SARS guidelines.

SACAP turned to the Department of Public Service and Administration (DPSA) for its recommendation on what Honoraria to be paid to all Council members who chair committees that drive the mandates of the Act. Honoraria are not paid on a set monthly rate, but according to the delivery of specific and variable work performed in each of the meetings.

Honoraria paid to each Council member, per meeting

- ▶ President of Council= R7 732
- ▶ Vice President of Council = R3 642
- ▶ Treasurer of Council = N/A
- ▶ Chairperson of the Audit and Risk Committee = R7 732
- ▶ Audit and Risk Committee Members = R6 443
- ▶ Chairpersons of Committees = R3 642
- ▶ Council and Committee Members = R1 821

Council Portfolio Committees

Committee	No of meetings held	Dates of each meeting	No of members per committee	Names of committee members
Executive	None	–	5	Mr Y Luckan, Ms M Gerrans, Ms G Bolton, Mr R Ruiters, Ms S Patel
Remuneration Committee	2	9 November 2016 and 8 February 2017	5	Mr G Bolton absent with leave of absence granted), Ms M Gerrans, Mr R Ruiters, Mr Ranchod, Ms J Makapan (resigned 6 February 2017)

Committee	No of meetings held	Dates of each meeting	No of members per committee	Names of committee members
Audit and Risk Committee	3	14 April 2016, 26 July 2016 and 8 February 2017	5	Mr P Serote, Ms M Gerrans, Ms G Bolton (absent with leave of absence granted), Adv F Mukaddam, Mr C Motau
Finance Committee	1	14 April 2016	4	Ms S Patel, Ms M Gerrans, Mr Ruiters, Ms G Bolton (absent with leave of absence granted)
HR Remuneration (this was the first and the last meeting HR REMCO integrated with Finance Committee to form Remuneration Committee)	1	13 April 2016	4	Mr K Ranchod, Ms G Bolton, Ms J Makapan (resigned 6 February 2017), Ms C Hayward (until June 2016)
Heads of Schools (HOS)	2	11 May 2016 and 25 August 2016	13	Mr R Lekota, Dr F Saidi, Prof. S Umenne; Dr H le Roux; Prof. H Pretorius; Ms M di Ruvo; Mr L du Plessis; Mr L Ogunsanya; Mr J Pansegrouw; Mr B Varghese; Prof. P Jenkins; Prof. C du Plessis; Prof. S Schmidt
Education	4	20 May 2016, 25 August 2016, 18 November 2016 and 27 January 2017	6	Mr R Lekota, Mr Y Luckan, Mr K Ranchod, Prof. R Fisher, Ms H Dodd, Mr J Manning
Investigating	4	28 April 2016, 9 June 2016, 2 August 2016 and 1 November 2016	6	Ms G Bolton (Apologies), Ms S Patel, Ms M Gerrans, Prof. G Le Roux (Until June 2016), Ms K Mahlangu (until June 2016), Mr Pranash Ramanundh (until December 2016)
Identification of Work (IDoW)	2	19 May 2016 (converted to workshop), 18 November 2016	6	Ms M Gerrans, Mr Y Luckan, Mr R Lekota, Mr N Lombard (until 8 June 2016), Mr T Marokane (until June 2016), Mr M Campbell (until June 2016)
Professional Fees	2	6 May 2016 and 8 November 2016	4	Ms S Patel, Ms H Grimsel du Toit, Ms S Rawat, Mr K Moloi
Recognition of Prior Learning (RPL) Subcommittee of Education	2	20 May 2016 and 27 January 2017	8	Mr Y Luckan, Mr R Lekota, Mr K Ranchod, Prof. R Fisher, Ms H Dodd, Mr J Manning
Stakeholder Relations	2	21 July 2016 and 9 December 2016	6	Mr R Ruiters, Ms M Gerrans, Ms G Bolton (absent with leave of absence granted), Mr P Ramanundh (until 16 January 2017), Ms O van der Haar
Continuing Professional Development (CPD)	2	19 May 2016 and 9 December 2016	9	Mr R Ruiters, Mr N Lombard (until 8 June 2016), Ms M Gerrans, Mr R Ruiters, Ms s Rawat, Prof. C Vosloo, Mr P Lategan

► Risk Management

As per SACAP's governance protocols, an Audit and Risk Committee operated in this reporting period with an independent Chairperson and conducted its affairs in compliance with the adoption of its Charter.

In the previously reported year, after a careful procurement process in line with SACAP's strict corporate governance policies, SACAP's Council continued to use an Internal Audit service provider to develop a Risk Management Plan, including an internal Risk Register.

The provision of these ensure that the public entity's risks are identified, registered, managed and mitigated against. There are formulated and implemented policies by each of SACAP's Units to ensure that process and controls are in place to mitigate against unacceptable levels of risk. The system of controls is designed to provide assurance that assets are safeguarded, laws are complied with, information is reliable and liabilities are efficiently managed. In line with the King III Report on Corporate Governance requirements, Internal Audit provides the Audit and Risk Committee, Council and management with the assurance that the internal controls are appropriate and effective and that it identifies corrective actions to be taken by SACAP where necessary.

► Internal Control

SACAP's Chief Operations Officer oversees SACAP's various internal Units which ensures SACAP fulfils its mandates and monitors them on a daily basis according to an internal Risk Register developed in consultation with the Internal Audit service provider.

In the reporting period the work performed by the Internal Control Unit, according to the Internal Audit Plan included:

- Management of Human Capital – follow up review
- Legal and Compliance Review
- Professional Statutory Services
- External Audit Findings – follow up review
- Revenue Management
- SCM, Procurement and Asset Management
- Financial Controls
- IT General Controls – follow up review
- Performance Information
- Governance and Compliance – follow up review

Reports on all audits performed by the Internal Auditors are submitted to the Audit and Risk Committee where the Internal Auditors are also invited to present their report.

► Legal, Compliance and Complaints

Key function

The South African Council for the Architectural Profession Act, 2000 (Act No. 44 of 2000) (the Act) enjoins SACAP to refer matters relating to improper conduct by registered persons to the InvCom, appointed by the SACAP Council. Through delegated powers from Council, the InvCom investigates complaints to determine contraventions of the Code of Professional Conduct and makes recommendation to Council.

Investigation of complaints

Complaints of improper conduct against registered persons are lodged by any aggrieved member of the public in an affidavit form, under oath or affirmation. The InvCom is mandated to investigate all complaints of improper conduct and to obtain evidence to determine whether or not, in its opinion, a registered person may be charged with improper conduct for contravention of the Code of Professional Conduct and, if so, whether it seeks to lay a charge (or charges) of improper conduct against the registered person.

Furthermore, the InvCom undertakes measures to determine trends in relation to contraventions of the Code of Professional Conduct in the architectural profession, and initiates preventative steps against acts of improper conduct. To this end continuous engagements with registered persons through the publication of practice notes is being undertaken to alert registered persons to the Code of Professional Conduct.

The investigation of complaints of improper conduct and subsequent actions against registered persons found guilty of improper conduct are intended to protect the public and safeguard the reputation or image of the architectural profession and maintain professional standards.

2016/17 statistics

Number of complaints	2016/17
Complaints processed	118
Complaints Investigated and reported on	97
Disciplinary hearings concluded	22
Pleas of Guilt secured	31
Cases opened with the SAPS against persons who are not registered and about who the public have lodged complaints.	20
Investigated complaints against persons who practise architecture during the period in which their registration is cancelled and reported to police.	16
Complaints currently under investigation.	21
Appeal currently pending Council's resolution.	1

Complaints received per category of registration in 2016/17

Professional Category of registration	Number of complaints
Professional Architect	13
Candidate Architect	1
Professional Senior Architectural Technologist	20
Candidate Senior Architectural Technologist	1
Professional Architectural Technologist	14
Candidate Architectural Technologists	4
Professional Architectural Draughtsperson	37
Candidate Architectural Draughtsperson	10
Complaints against persons who are not registered	20
Total	120

Note: Two of the complaints received were against Candidates and Professionals

Amendment of the Rules for Disciplinary Proceedings

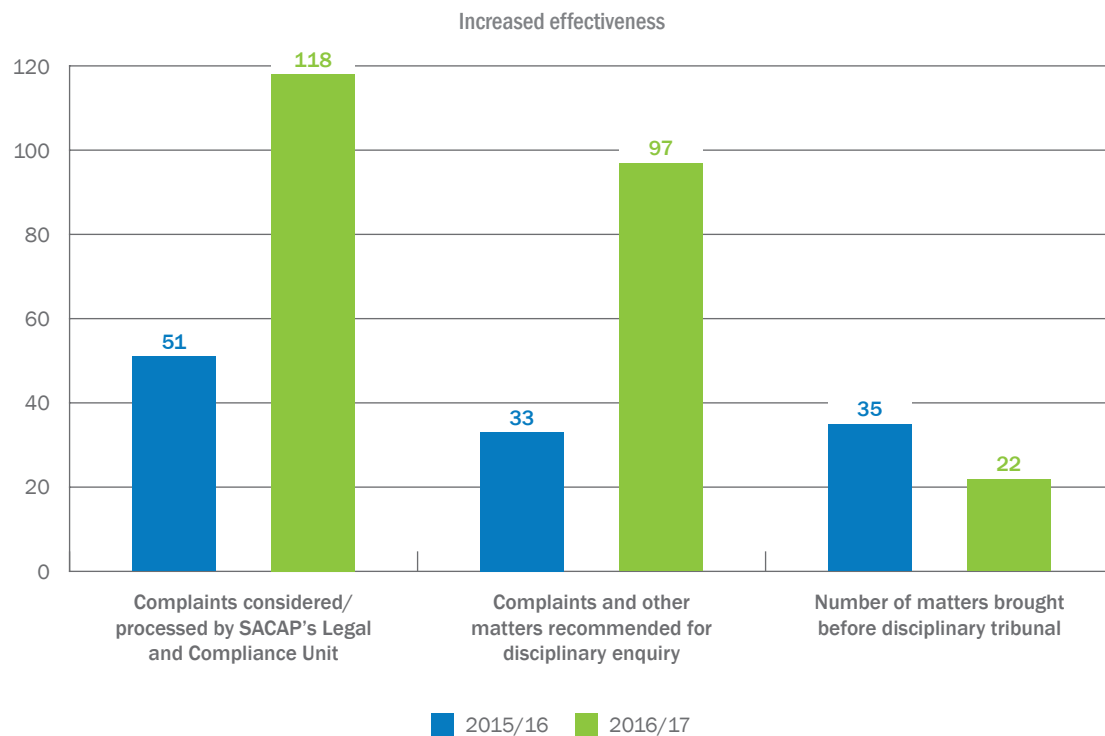
The Rules of Inquiry into alleged improper conduct, Board Notice 127 of 2005 had been amended. The revised rules have been published in Board Notice 64 of 2017.

Amendment of the Code of Professional Conduct

The Code of Professional Conduct for Registered Persons, Board Notice 154 of 2009 is currently under review. Council undertook extensive consultation with Registered Persons, Voluntary Associations and the Council for the Built Environment. The revised Board Notice will be published in due course.

Developing an integrated database with Legal Case Management software

To expedite case processes, ensure a more secure and compliant method of managing case documents and develop an integrated database, the 4th Term Council invested in a Legal Case Management software system in 2015/16. During the reporting year it was refined by SACAP's Legal and Compliance Unit. It is a matter-centric system and provides the information that SACAP's Legal and Compliance Unit needs while working effectively on their case files. Council is satisfied that it assists with approvals, appeals, reproduction, and editing of case documents, based on case precedent created by the Disciplinary Tribunal and protocols. Document templates enable SACAP's legal staff to easily create and edit reports, subpoenas, affidavits, and decisions. An important aspect of case management system is managing caseloads, scheduling, and measuring the time between case filing and disposition.



The above graph shows less Tribunals held in the 2016/17 period than in the previous year. This was due to Council's Investigating Committee becoming inquorate after the resignation of a committee member in January 2017.

Education of stakeholders around legal issues

In the reporting year, the Legal and Compliance Unit:

- ▶ Approached the NPA to train prosecutors in The Act and will continue to do so until this is achieved.
- ▶ Continued developing relationships with the SAPS to ensure its understanding of RPs Code of Conduct.
- ▶ Addressed the BCO Convention, convened by the NRCS
- ▶ Made submissions on the draft Municipal Staff Regulations and Guidelines incorporating the Competency Framework for Local Government Occupational Streams.
- ▶ Worked with the Registrar/CEO's office and SR Unit through the year to issue statements and press releases advising and educating RPs, VAs and municipalities and the public on legal issues.
- ▶ Advised the Registrar's office on critical issues regarding the MOU SACAP signs with its VAs.

► Fraud and Corruption

During the period under review a Fraud Prevention Policy has been developed. Management is responsible for the detection and prevention of fraud and corruption. The internal risk register monitors the possibilities of unpredictable risks of fraud and corruption.

Fraud awareness is promoted through direct line managers' sensitising their direct reports on a monthly basis. Specific mechanisms for staff to confidentially report their suspicions about fraud and corruption are within SACAP's operational management system.

Council and Executive management encourage all their stakeholders to report any perceived threat of fraud and corruption through the Legal and Compliance Unit.

Future improvements is a Fraud Hotline.

► Minimising Conflict of Interest

The procurement policy is strictly adhered to when goods and services are procured for SACAP, as well as during tender processes. The following outlines the stipulated process:

A requisition is raised, accompanied by three quotations. The delegated person approves the requisition. Upon receipt of the requisition, the order is raised with the relevant identified and selected supplier. Upon delivery of the goods and services, an invoice is signed off by the requester of goods and services. Thereafter, the invoice is payable by the Finance Unit.

No conflict of interest had been identified in the process during the reported period.

► Code of Conduct

Council has developed a Code of Conduct, which purpose is to provide a framework to regulate the behaviour of members of Council and other persons appointed to SACAP Committees by the Council in a way which supports SACAP, its vision, mission and objectives.

By accepting appointment as a SACAP Councillor or Committee member, a person will automatically be required to abide by this Code and SACAP's policies in general and to sign a copy of the Code in confirmation of his/her undertaking to be bound by the Code. The Code applies to all Councillors and Committee members and as such, all Councillors and Committee members sign this Code and relevant annexures on their appointment as a Councillor or as a member of a Committee.

A Council member will be in breach should they act in contradiction of the following behavioural areas noted and defined in the Code of Conduct:

- General conduct exemplifying honesty and integrity.
- Personal dealings with SACAP without expectation of preferential treatment.
- Respectful regard for SACAP resources.
- Attendance at all Council meetings.

► Health Safety and Environmental Issues

Internal: SACAP staff

The South African Council for the Architectural Profession as an employer considers its employees to be its most valuable assets and undertakes to safeguard them through providing and maintaining a working environment that is safe and without risk to the health of its employees.

In ensuring a safe and healthy working environment, all the Council employees work closely together with the employer in minimising any risk that might jeopardise the health and safety of employees of the Council.

Management of SACAP ensures that activities are undertaken to ensure compliance with the Occupational, Health and Safety Act.

To this end, in the reporting period:

- An emergency evacuation plan was compiled and circulated to all staff members.
- Two Health and Safety Representatives were appointed and went for training in April 2017
- When Council and committee meetings commence, members are taken through the evacuation procedure by the relevant Committee Coordinator.

Council also reports that in the period under review there were:

- No reported cases of accidents or incidents.
- No reported cases of adverse health incidents or incidents.

► Social Responsibility

Outside of the scope of SACAP's responsibilities to fulfil the mandates of The Act and realising the 4th Term Council's strategic objectives, the public entity's leadership is committed to also use its resources to benefit and uplift communities in need of assistance.

Cell C 'Take a Girl Child to Work Day

This year SACAP also once again participated in Cell C's Take a Girl Child to Work Day when the Registrar took four young Grade 12 female learners from disadvantaged backgrounds, studying at Kwa Bhakilanga Secondary School in Alexandra with her to visit Boogertman + Partners. The learners were selected due to their aptitude in Maths and Science and interest in the architectural profession. The firm collaborated with SACAP in the CSI initiative by offering the young learners the opportunity to job shadow the practice's candidate and professional architectural draughtpersons, technologists, senior technologists and architects. Cell C 'Take a Girl Child to Work Day' is a national annual corporate social investment movement in its 14th year with nearly 650 companies participating, including government entities. All the organisations involved organised for female learners (school pupils), usually from disadvantaged backgrounds, to spend the day at their place of work on the last Thursday of May.

Mandela Day

In celebration of Mandela Day, commemorated around the world each year on the 18th July (Nelson Mandela's birthday) SACAP donated food and clothing to the Siyazigabisa Orphanage in Thembisa. Registrar/CEO Marella O'Reilly, joined by senior members of staff gave of their time to visit the orphanage.

SACAP's Education Fund

In 2014 SACAP's current 4th Term Council re-instated a Bursary Fund that had been discontinued by its previous Council. Every year since, SACAP distributes a total of R440 000 to 11 Architectural Learning Sites (ALSs) through an Education Fund (Please see the *Education Fund Financial Statements on pages 112 to 123 of this report*). These are the Universities and Universities of Technology that are validated by SACAP to offer architectural education. The AISs distribute these funds to PDI students who meet established criteria and this advances transformation. Being aware of the dire need that our country's aspiring architectural students have for funding, we are looking to increase this contribution as much as possible, through collaboration with other stakeholders. At the close of 2016 SACAP convened a Think Tank, inviting all representatives from its recognised stakeholders to discuss future funding models for architectural education in the context of the #feesmustfall and #decolonisationofeducation campaigns.



Nelson Mandela Day donations



Cell C Take A Girl Child to Work 2016



Students attending the Architectural Student Congress (ASC) which formed part of the ArchitectureZA 2016 (AZA16). SACAP was a co-sponsor of the ASC together with the University of Witwatersrand (WITS)



SACAP President, Dr Yashaen Luckan and Registrar/CEO, Marella O'Reilly together with Jason Wiggin, President of the The African Institute of Interior Design Professions (IID) signing the SACAP VA MOU

Audit and Risk Committee Report

The Audit and Risk Committee is pleased to present our report for the financial year ended 31 March 2017.

Audit and Risk Committee attendance 2016/17

The table below discloses relevant information on the Audit and Risk Committee members.

Name	Internal or external	Date appointed	No. of meetings attended
Mr Paul Serote	Independent Member (External)	1 Oct 2014	2
Mr Charles Motau	Independent Member (External)	1 Oct 2014	3
Adv Fay Mukaddam	Independent Member (External)	1 Oct 2014	3

Audit and Risk Committee responsibility

The Audit and Risk Committee's role and responsibilities include statutory duties per the terms of reference, and further responsibilities assigned to it by the Council.

The Committee executed its duties in terms of its terms of reference.

The Effectiveness of Internal Control

The system of controls is designed to provide assurance that assets are safeguarded, laws are complied with, information is reliable and liabilities are efficiently managed. In line with the King III Report on Corporate Governance requirements, Internal Audit provides the Audit and Risk Committee and management with the assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

Having considered the above, the Audit and Risk Committee has, as part of their work during the year under review, highlighted areas of concern pertaining to the control environment. The escalation to and intervention of council assisted in minimising the impact of the issues raised on the organisation.

During the year under review, the organisation was the subject of reports of alleged maladministration against the leadership of the organisation. The Audit and Risk Committee has advised that these matters be investigated and that the organisation ensures that any areas of concern identified are dealt with and that the internal control environment be strengthened.

Internal Audit

The Audit and Risk Committee is responsible for ensuring that SACAP's outsourced Internal Audit function is independent and has the necessary resources, standing and authority within the organisation to enable it to discharge its duties. Furthermore, the committee oversees cooperation between the internal and external auditors, and serves as a link between the Council and these functions.

The outsourced Internal Audit function reports to the Audit and Risk Committee functionally and to the Registrar administratively. During the period under review the Audit and Risk Committee approved the three year rolling plan and annual audit plan to enable Internal Audit to perform its function and provide assurance to the Committee and the organization as whole, on the internal control environment.

The Internal Audit function has operated effectively and has elevated key areas requiring management attention.

The following internal audits were completed during the year under review:

- ▶ Legal and compliance
- ▶ Professional statutory services
- ▶ Human Capital Management (follow up review)
- ▶ External audit findings (follow up review)
- ▶ Governance and Compliance (follow up review)
- ▶ Performance Information
- ▶ Revenue management
- ▶ Financial controls
- ▶ IT General Controls (follow up review)
- ▶ SCM, Procurement and Fixed Asset Management.

Evaluation of Annual Financial Statements

The Audit and Risk Committee has:

- ▶ Reviewed and discussed the audited financial statements to be included in the annual report with the external auditors and the Council,
- ▶ Reviewed the external auditors management letters and management's responses thereto,
- ▶ Reviewed the appropriateness of accounting policies and practices adopted, and;
- ▶ Reviewed all adjustments resulting from the audit.

Auditor's Report

Nexia SAB&T are the SACAP council's appointed external auditors. The Committee has met with the auditors on various occasions.

The audit committee has satisfied itself that the external auditor was independent of the organisation.

Requisite assurance was sought and provided by the auditor that internal governance processes within the audit firm support and demonstrate its claim to independence.

The committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the 2017 financial year.

We reviewed the Council's implementation plan for audit issues raised in the prior year and we are satisfied that the material matters raised have been adequately resolved. It should be management's priority to ensure that issues raised pertaining to the control environment, e.g. performance of all monthly reconciliations are addressed to ensure a sustainable financial controls environment.

The Audit and Risk Committee concurs and accepts the conclusions of the external auditor on the annual financial statements and is of the opinion that the audited financial statements be accepted and read together with the independent Auditor's Report.

Appreciation

The Audit and Risk Committee express its sincere appreciation to the Council, Registrar, senior management team, Internal Audit and external auditor for their co-operation towards us achieving the requirements of our Charter as mandated.



Mr Paul Serote

Chairperson of the Audit Committee
SACAP
20 September 2017



Part D

Human Resource Management

Introduction

HR Priorities under review

Given that the 4th Term Council's over-arching vision is to realise people-centred architecture for South-Africa, the public entity has committed to demonstrate leadership by continually improving its own employee engagement and fostering a people-centred and learning work environment, which rely on SACAP's values of responsibility, excellence, integrity, respect, transparency and cohesiveness.

In order for SACAP to perform its regulatory functions against the 4th Term Council's vision and identified strategic objectives (that include a programme of Institutional Excellence), it was a priority in this reported year to appoint an HR Officer who would prioritise:

- ▶ Amending existing HR policies to align with labour and public finance management legislation.
- ▶ Finalising an HR Manual
- ▶ Creating a training programme to foster more productivity and effectiveness in line with SACAP's employee's Personal Development Plans (PDP).
- ▶ Implement an in-house payroll programme that also manage employees' applications for leave and records thereof.

Workforce planning framework and key strategies

With the appointment of an HR Officer in place, SACAP achieved success against the following key strategies:

- ▶ Attract new talent, in line with the Employment Equity Act and other labour legislation.
- ▶ Retain and develop existing employees with institutional memory and talent.
- ▶ Submit a Workplace Skills Development (WSD) Plan to the Department of Labour.

Employee performance management framework

The Performance Management Plan first instituted in 2014 is still a framework that increases accountability between management and employees by setting targets and tracking and rewarding outstanding performance. Key tactics this year included:

- ▶ Disrupting apathy and building accountability with a team coaching intervention focused on the guiding question: "What it looks like when it's fixed?" and a map that showed every employee's contribution to creating positive outcomes for SACAP and its stakeholders.
- ▶ Establishment of a Staff Welfare Committee.
- ▶ Focus on continuous feedback and coaching (annual appraisals) for those employees not meeting their performance targets. This has improved the manager/employee trust relationship.

Employee wellness programmes

To increase the health, safety and wellbeing of all its employees, and balance it with productivity and effectiveness, SACAP has needed to foster a workplace culture based on shared responsibility. To this end, HR appointed a Staff Welfare Committee and tasked it with creating workplace programmes and initiatives for all staff members. Some of the indicators of the committee's success are employees making healthier lifestyle choices that will help them perform better in their professional roles. Together with the PDP, the initiatives of this Staff Wellness Committee are realising improvements in staff health, morale, and overall productivity.

Policy development

- ▶ SACAP's HR Manual has been finalised and signed off by Council.
- ▶ Policies are being updated as per the legislations and new applicable policies that are being developed.
- ▶ Special workshops are being conducted with employees to familiarise and educate them on the HR policies.



SACAP Council and entire staff at new office opening 2016

Highlight achievement

The long-awaited appointment of the HR Officer to SACAP allowed for the statutory body to purchase an in-house payroll system. Previously, its payroll management had been outsourced (due to the HR Officer position previously being vacant). The VIP Payroll system now minimises risk and also has the added benefit of ensuring that employees' leave applications and records are managed and stored through the online Employee Self Service system. This has eliminated the manual leave management system that was used at SACAP in previous years.

SACAP has also already showed an improvement of 13 employees being trained in 2016/17, versus four employees in the 2015/16 financial year. This is in addition to the "What it looks like when it's fixed" coaching/training for the entire staff complement.

Future HR plans and goals

Planning for the year ahead encompass HR focussing on:

- ▶ Continued engagement with line managers to observe the daily performance of their staff and provide HR with input on any need for training.
- ▶ Deregistration from the Construction SETA and registration with the Services SETA (ongoing challenge).

Change is a constant thus HR plays a pivotal role in ensuring that SACAP's employees are equipped with necessary skills and knowledge for effective delivery on SACAP strategic objectives.

Human Resource Oversight Statistics

Personnel cost by programme/activity/objective

Programme/activity/objective	Total Personnel Expenditure (R)	Personnel exp. as a % of total expenditure	No. of employees	Average personnel cost per employee (R)
Support Services	5 281 087	33.98%	17	310 652
Operational Services	10 261 376	66.02%	28	366 476

Personnel cost by salary band

Level	Personnel expenditure (R)	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R)
Executive Management	5 991 717	38.55%	4	1 497 929
Professional qualified	3 759 692	24.18%	8	469 962
Skilled	5 621 687	36.17%	31	181 345
Semi-skilled	169 367	1.08%	2	84 694
Unskilled	0	0	0	0
Total	15 542 463	100%	45	345 388

Training costs

Programme/activity/objective	Personnel expenditure (R)	Training expenditure (R)	Training expenditure as a % of personnel cost	No. of employees trained	Avg training cost per employee (R)
SLA Training	8 563 629	121 997	1.42%	13	9 384
Other Training	15 542 463	201 856	1.29%	45	4 486

Employment and vacancies

Programme/activity/objective	2015/16 no. of employees	2016/17 approved posts	2016/17 no. of employees	2016/17 vacancies	% of vacancies
Executive Management	4	5	4	1	2.17%
Professional qualified	7	10	8	2	4.3%
Skilled	21	29	22	7	15.22%
Semi-skilled	2	2	2	0	0
Unskilled	0	0	0	0	0
Total	34	46	36	10	21.69%

There are currently ten positions that need to be filled within SACAP as per the approved organogram. We anticipate to have all the positions filled in the 2017/18 financial year. The HR Officer position that was critical has been filled in the 2016/17 which has brought improved relationship between management and employees within SACAP.

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Executive Management	4	0	0	4
Professional qualified	6	1	0	7
Skilled	21	10	10	21
Semi-skilled	1	2	0	3
Unskilled	0	0	0	0
Total	32	13	10	35

The following appointments were made in the financial year:

- ▶ Nthabi Molokwane – Human Resources Officer
- ▶ Bongzi Zukane – Creditors Administrator
- ▶ Ishmael Baloyi – IT Technician
- ▶ Tasneem Morgan – Front Office Assistant
- ▶ Rogan Hudson – Secretary to Senior Manager: Legal & Compliance
- ▶ Matilda Bila – Reconciliation Administrator
- ▶ Yonela Ndabana – Debtors Administrator
- ▶ Lebogang Rakgetsi – Debtors Administrator
- ▶ Oscar Nkosi – CPD Administrator
- ▶ Irene Mogodi – General Office Assistant
- ▶ Nadine Lewis – Temp: General Office Assistant
- ▶ Percyval Mabizela – Temp: Stakeholder Assistant
- ▶ Lerato Mogodi – Temp: Finance Administrator.

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0
Resignation	5	13.88%
Dismissal	4	11.11%
Retirement	0	0
Ill health	0	0
Expiry of contract	1	2.77%
Other (Retrenchment)	0	0
Total	10	27.76%

The following employees were terminated during the financial year:

- ▶ Zanele Bosman – Accounts Clerk
- ▶ Eva Meno – Contact Centre Administrator
- ▶ Omeshnee Govender – Facilities Officer
- ▶ Mahlodi Buthelezi – Committee Coordinator
- ▶ Philasande Nodada – Registrations Administrator
- ▶ Freddie Pietersen – CPD Administrator
- ▶ Sandra Gwebu – Contact Centre Administrator
- ▶ Mmathabo Seleke – Contact Centre Administrator
- ▶ Rogan Hudson – Secretary to Senior Manager: Legal & Compliance
- ▶ Percyval Mabizela – Temp: Stakeholder Assistant.

Labour relations: misconduct and disciplinary action

Nature of disciplinary action	Number
Verbal warning	4
Written warning	5
Final written warning	2
Dismissal	4

Equity target and employment equity status

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Executive Management	2	0	0	0	0	0	0	0
Professional qualified	1	1	0	1	0	1	0	0
Skilled	5	0	5	0	0	0	0	1
Semi-skilled	0	1	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
Total	8	2	5	1	0	1	0	1

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Executive Management	0	1	1	0	0	0	1	0
Professional qualified	4	1	0	1	1	0	2	1
Skilled	14	0	5	1	1	2	1	0
Semi-skilled	1	1	1	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
Total	19	3	7	2	2	2	4	1

Levels	Disabled staff			
	Male		Female	
	Current	Target	Current	Target
Executive Management	0	0	0	0
Professional qualified	0	0	1	1
Skilled	0	1	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
Total	0	0	0	0



Part E

Financial Information

SACAP Financial Statements

South African Council for the Architectural Profession

(Established under the Architectural Profession Act, 2000 (Act No. 44 of 2000))

Consolidated Annual Financial Statements for the year ended 31 March 2017

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General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Statutory body that regulates the registration of Architectural Profession in South Africa
Council	Y Luckan – President M Gerrans – Vice-president G Bolton-Treasurer – Standing apology R Lekota L Mampuru – Vacated (June 2016) K Ranchod R Ruiters D Arvanitakis (Resigned 28 March 2017) N Lombard (Resigned 09 June 2016) S Patel (Vacated 02 March 2017)
Registered office	51 Wessel Road Right Wing Rivonia 2128
Business address	51 Wessel Road Right Wing Rivonia 2128
Bankers	First National Bank, Nedbank and Investec
Auditors	Nexia SAB&T Registered Auditors
Level of assurance	These Annual Financial Statements have been audited in compliance with the applicable requirements of the Architectural Profession Act, 2000 (Act No. 44 of 2000).
Preparer	The Annual Financial Statements were independently compiled by: Tshepo Tefo – Senior Manager: Finance
Published	20 September 2017

► Independent Auditor's Report

To the persons registered with the South African Council for the Architectural Profession
(established under the Architectural Profession Act)

Report on the audit of the consolidated and separate Financial Statements

Opinion

We have audited the consolidated and separate Financial Statements of South African Council for the Architectural Profession, set out on pages 80 to 103, which comprise the consolidated and separate Statement of Financial Position as at 31 March 2017, and the consolidated and separate Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and the notes, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate Financial Statements present fairly, in all material respects, the consolidated and separate financial position of South African Council for the Architectural Profession as at 31 March 2017, and its consolidated and separate financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Architectural Profession Act, No. 44 of 2000.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements* section of our report. We are independent of the Council in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of consolidated 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 International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Council is responsible for the other information. The other information comprises the Registrar's Report set out on pages 78 to 79 as required by the Architectural Profession Act, No. 44 of 2000 and the supplementary information set out on pages 104 to 105. The other information does not include the consolidated and separate Financial Statements and our auditor's report thereon.

Our opinion on the consolidated and separate 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 consolidated and separate Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 consolidated and separate Financial Statements

The Council is responsible for the preparation and fair presentation of the consolidated and separate Financial Statements in accordance with International Financial Reporting Standards and the requirements of the Architectural Profession Act, No. 44 of 2000, and for such internal control as the Council determine is necessary to enable the preparation of the consolidated and separate Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate Financial Statements, the Council is 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 management either intends to liquidate the entity, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 entities 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 Councils' use of the going-concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate 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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate Financial Statements, including the disclosures, and whether the consolidated and separate Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Council to express an opinion on the consolidated and separate Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in *Government Gazette Number 39475* dated 04 December 2015, we report that Nexia SAB&T has been the auditors of the South African Council for the Architectural Profession for four years.

Nexia SAB&T

Nexia SAB&T

Y Soma

Director

Registered Auditor

Date: 20 September 2017

119 Witch-Hazel Avenue

Highveld Technopark

Centurion

► Council members' Responsibilities and Approval

The Council members are required by the Architectural Profession Act, 2000 (Act No. 44 of 2000) to maintain adequate accounting records and are responsible for the content and integrity of the Consolidated Annual Financial Statements and related financial information included in this report. It is our responsibility to ensure that the Consolidated Annual Financial Statements satisfy the financial reporting standards as to form and content and present fairly the consolidated and separate Statement of Financial Position, results of operations and business of the Group, and explain the transactions and financial position of the business of the Group at the end of the financial year. The Consolidated Annual Financial Statements are based on appropriate accounting policies consistently applied throughout the Council and supported by reasonable and prudent judgements and estimates.

The Annual Financial Statement are prepared in accordance with International Financial Reporting Standards and are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Council members 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 Council members 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 Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that, in all reasonable circumstances, is above reproach.

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

The Council members are of the opinion, based on the information and explanations given by management and the external auditors, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate Annual Financial Statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going concern basis has been adopted in preparing the Financial Statements. Based on forecasts and available cash resources the Council members have no reason to believe that the Group will not be a going concern in the foreseeable future. The Consolidated Financial Statements support the viability of the Group.

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

The Financial Statements have been audited by the independent auditing firm, Nexia SAB&T, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board of Council members and committees of the Board. The Council members believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditors' unqualified audit report is presented on page 75 to 76.

The consolidated and separate Annual Financial Statements as set out on pages 80 to 103 were approved by the Council on 20 September 2017 and were signed on their behalf by:



Y Luckan
President

Registrar's Report

The Registrar present her report for the year ended 31 March 2017.

1. Review of activities

Main business and operations

The entity is a statutory body that regulates the registration of architectural professionals in South Africa and there were no major changes herein during the year.

The South African Council for the Architectural Profession (the entity) is a regulatory body that was established by the Architectural Profession Act, 2000 (Act No. 44 of 2000), which was published on 1 December 2000 and came into effect on the 26 January 2001.

Mission

SACAP will transform, promote and regulate the architectural profession through collaborative engagement in the pursuit of excellence.

Vision

People-centred architecture for South Africa.

The Council is tasked with making the major decisions within the organisation. Council members serve a term of four years.

The operating results and Consolidated Statement of Financial Position of the Council are fully set out in the attached Annual Financial Statements and do not in our opinion require any further comment.

Net surplus/(deficit) was (R1,502,454) (2015/16: (R1,231,579)).

2. Going concern

The consolidated and separate 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.

3. Events after the reporting date

The Council members are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the Group.

4. Council members

The members of the Council during the year and to the date of this report are as follows:

Y Luckan – President
M Gerrans – Vice-president
G Bolton – Treasurer – Standing apology
R Lekota
L Mampuru – Vacated (June 2016)
K Ranchod
R Ruiters
D Arvanitakis (Resigned 28 March 2017)
N Lombard (Resigned 09 June 2016)
S Patel (Vacated 02 March 2017)

5. Auditors

Nexia SAB&T were the auditors for the year under review.

6. Annual Financial Statements

The Annual Financial Statements are classified as follows:

- The South African Council for the Architectural Profession, including balances and transactions of the SACAP Education Fund is categorised as "Consolidated".
- The South African Council for the Architectural Profession, excluding balances and transactions of the SACAP Education Fund is categorised as "Council".

Statement of Financial Position

as at 31 March 2017

	Note(s)	Consolidated		Council	
		2017 R	2016 R	2017 R	2016 R
Assets					
Property, plant and equipment	5	17,699,314	1,891,876	17,699,314	1,891,876
Intangible assets	6	209,157	47,319	209,157	47,319
		17,908,471	1,939,195	17,908,471	1,939,195
Current assets					
Other financial assets	7	10,271,471	28,606,576	7,615,903	25,842,442
Trade and other receivables	8	7,641,537	2,067,447	7,641,537	2,067,447
Cash and cash equivalents	9	2,111,906	3,868,775	2,070,740	3,656,937
		20,024,914	34,542,798	17,328,180	31,566,826
Total assets		37,933,385	36,481,993	35,236,651	33,506,021
Equity and liabilities					
Equity					
Retained earnings		27,180,238	28,682,692	24,483,506	25,746,722
Non-current liabilities					
Finance lease obligation	10	237,772	413,236	237,772	413,236
Current liabilities					
Trade and other payables	12	10,407,649	7,324,748	10,407,647	7,284,746
Current portion of finance lease obligation	10	68,447	61,317	68,447	61,317
Bank overdraft	9	39,279	-	39,279	-
		10,515,375	7,386,065	10,515,373	7,346,063
Total equity and liabilities		37,933,385	36,481,993	35,236,651	33,506,021

Statement of Comprehensive Income

for the year ended 31 March 2017

	Note(s)	Consolidated		Council	
		2017 R	2016 R	2017 R	2016 R
Revenue	13	24,524,332	23,975,767	24,524,332	23,975,767
Other income	14	472,075	735,881	472,075	734,167
Operating costs		(28,100,382)	(28,159,385)	(27,659,260)	(27,718,260)
Operating deficit	15	(3,103,975)	(3,447,737)	(2,662,853)	(3,008,326)
Finance income	16	1,639,516	2,227,961	1,437,632	2,047,141
Finance costs	17	(37,995)	(11,803)	(37,995)	(11,803)
Deficit for the year		(1,502,454)	(1,231,579)	(1,263,216)	(972,988)

Statement of Changes in Equity

for the year ended 31 March 2017

	Retained earnings R	Total R
Consolidated		
<i>Balance at 01 April 2015</i>	29,914,271	29,914,271
Total comprehensive income for the year		
Deficit for the year	(1,231,579)	(1,231,579)
Total comprehensive income for the year	(1,231,579)	(1,231,579)
<i>Balance at 31 March 2016</i>	28,682,692	28,682,692
<i>Balance at 01 April 2016</i>	28,682,692	28,682,692
Total comprehensive income for the year		
Deficit for the year	(1,502,454)	(1,502,454)
Total comprehensive income for the year	(1,502,454)	(1,502,454)
<i>Balance at 31 March 2017</i>	27,180,238	27,180,238
Council		
<i>Balance at 01 April 2015</i>	26,719,710	26,719,710
Total comprehensive income for the year		
Deficit for the year	(972,988)	(972,988)
Total comprehensive income for the year	(972,988)	(972,988)
<i>Balance at 31 March 2016</i>	25,746,722	25,746,722
<i>Balance at 01 April 2016</i>	25,746,722	25,746,722
Total comprehensive income for the year		
Deficit for the year	(1,263,216)	(1,263,216)
Total comprehensive income for the year	(1,263,216)	(1,263,216)
<i>Balance at 31 March 2017</i>	24,483,506	24,483,506

Statement of Cash Flows

for the year ended 31 March 2017

	Note(s)	Consolidated		Council	
		2017 R	2016 R	2017 R	2016 R
Cash utilised in operating activities					
	18	(4,905,517)	(493,774)	(4,424,395)	(94,363)
Investment income		1,639,516	2,227,961	1,437,632	2,047,141
Finance costs		(37,995)	(11,803)	(37,995)	(11,803)
Net cash from/(in) operating activities		(3,303,996)	1,722,384	(3,024,758)	1,940,975
Cash flows from investing activities					
Property, plant and equipment acquired	5	(16,440,383)	(788,177)	(16,440,383)	(788,177)
Intangible assets acquired	6	(218,540)	(29,828)	(218,540)	(29,828)
Increase in financial asset		18,335,105	(1,422,184)	18,226,539	(1,689,769)
Net cash generated by/(utilised in) investing activities		1,676,182	(2,240,189)	1,567,616	(2,507,774)
Cash flows from financing activities					
Loans (repaid)/obtained		(168,334)	349,436	(168,334)	349,436
Net cash in/(from) financing activities		(168,334)	349,436	(168,334)	349,436
Decrease in cash and cash equivalents		(1,796,148)	(168,369)	(1,625,476)	(217,363)
Cash and cash equivalents at beginning of the year		3,868,775	4,037,143	3,656,937	3,874,300
Cash and cash equivalents at end of the year	9	2,072,627	3,868,775	2,031,461	3,656,937

Accounting Policies

1. General information

The consolidated and separate Annual Financial Statements have been prepared in accordance with all applicable International Financial Reporting Standards (IFRS) and the Architectural Profession Act, 2000 (Act No. 44 of 2000). A summary of significant accounting policies is set out in note 3.

2. Basis of preparation

The consolidated and separate Annual Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) applicable to entities reporting under IFRS. The consolidated and separate Annual Financial Statements have been prepared using the historical cost convention.

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate Annual Financial Statements are disclosed in note 4.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate Annual Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 New standards and interpretations

Standards and interpretations effective and adopted in the current year

At the date of authorisation of these Financial Statements for the year ended 31 March 2017, the following IFRSs were adopted:

IFRS/IFRIC	Title and details	Effective	Expected impact
IAS 1 (Amendment)	Presentation of Financial Statements	Annual periods commencing on or after 01 January 2016	Not material
IAS 7	Statement of Cash Flows	Annual periods commencing on or after 01 January 2017	Not material

Standards and interpretations not yet effective

The Group has not applied the following new, revised or amended pronouncements that have been issued by the IASB as they are not yet effective for the financial year beginning 01 April 2016 (the list does not include information about new requirements that affect interim financial reporting or first-time adopters of IFRS since they are not relevant to the Group). The Group anticipates that the new standards, amendments and interpretations will be adopted in the Group's Consolidated Financial Statements when they become effective. The Group has assessed, where practicable, the potential impact of all these new standards, amendments and interpretations that will be effective in future periods.

IFRS/IFRIC	Title and details	Effective
IFRS 9 – Financial instruments	Financial Instruments – A final version of IFRS 9 which replaces IAS 39.	Annual periods commencing on or after 01 January 2018
IFRS 15	Revenue from Contracts from Customers	Annual periods commencing on or after 01 January 2018
IFRS 16	Leases	Annual periods commencing on or after 01 January 2019
IAS 7	Statement of Cash Flows	Annual periods commencing on or after 01 January 2017

All applicable standards will be complied with in the Financial Statements of the period ending 31 March 2018. Compliance with these amendments, revisions and improvements require additional disclosure compared to that required in terms of existing IFRS. Management will perform an assessment of the impact of all applicable standards that will apply for the period ending 31 March 2017.

3.2 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in other income in the Statement of Comprehensive Income.

Assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year-end.

Depreciation is provided on the straight-line basis which, it is estimated, will reduce the carrying amount of the property, plant and equipment to their residual values at the end of their useful lives. Items of property, plant and equipment are depreciated from the date that they are installed and available for use. Where an item of property, plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment.

The major categories of property, plant and equipment are depreciated at the following rates:

Motor vehicles	5 years
Office equipment	5 years
Computer equipment	3 years
Leasehold Improvements	5 years
Furniture and fittings	10 years

3.3 Intangible assets

An intangible asset is an identifiable, non-monetary asset without physical substance. Intangible assets are identifiable resources controlled by the Group from which the Group expects to derive future economic benefits.

An intangible asset is identifiable if it either is separable, i.e. is capable of being separated or divided from the Group and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the Group intends to do so or arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Group or from other rights and obligations.

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably.

The Group assesses the probability of expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Intangible assets that are acquired and have finite useful lives are initially recognised at cost with subsequent measurement at cost less any accumulated amortisation and any impairment losses.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Intangible assets are amortised at the following rates:

Software	3 years
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3.3.1 Amortisation

Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.4 Financial assets

Classification

The Group classifies its financial assets in the following categories: fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

3.4.1 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the Statement of Financial Position.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Assets carried at amortised cost

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

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the Consolidated Statement of Comprehensive Income. If a loan

or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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 (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

3.4.2 Trade and other receivables

Trade and other receivables are initially measured at fair value and, after initial recognition, at amortised cost less impairment losses for bad and doubtful debts, if any, except for the following receivables:

- Interest-free loans made to related parties without any fixed repayment terms or the effect of discounting being immaterial, that are measured at cost less impairment losses for bad and doubtful debt, if any; and
- Short-term receivables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount less impairment losses for bad and doubtful debt, if any.

At each reporting date, the Group 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.

3.4.3 Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with the bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, bank overdrafts which are repayable on demand form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

3.4.4 Impairment of financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would consider otherwise, indications that a debtor or issuer will enter into bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for security.

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-to-maturity investment securities) at both a specific asset and collective level. All individually significant assets are assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. Deficits are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3.5 Financial liabilities

3.5.1 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

3.5.2 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

3.6 Post-employment benefits and short-term employee benefits

Post-employment benefit plans

The Group provides post-employment benefits through a defined contribution plan.

Defined contribution plans

The Group pays fixed contributions into independent entities in relation to individual employees. The Group has no legal or constructive obligation to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

3.7 Interest-bearing borrowings

Interest-bearing borrowings, mainly bank loans and overdrafts, are measured initially at fair value less transaction costs and, after initial recognition, at amortised cost, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excludes taxes or duty. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements and has pricing latitude.

Exam fees

Revenue is recognised when the Group's right to receive the payments is established, which is generally the time a person is eligible to stand for an exam and has paid the fee.

Revenue comprises net invoiced sales to customers excluding VAT and other non-operating income.

Registration and re-registrations

Revenue is recognised when the registration or re-registration takes effect.

Renewals

Revenue is recognised when renewals take effect.

3.8 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

4. Critical accounting judgements and key sources of estimation uncertainty

The Group's management makes assumptions, estimates and judgements in the process of applying the Group's accounting policies that affect the assets, liabilities, income and expenses in the Consolidated Annual Financial Statements prepared in accordance with IFRS. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While management reviews their judgements, estimates and assumptions continuously, the actual results will seldom equal the estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision policy affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Useful lives of property, plant and equipment

As described above, the Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the Council determined that the useful lives of certain items of equipment should be extended due to the assets still being in use.

Notes to the Annual Financial Statements

5. Property, plant and equipment

Consolidated

	2017			2016		
	Cost R	Accumulated depreciation R	Carrying value R	Cost R	Accumulated depreciation R	Carrying value R
<i>Owned assets</i>						
Land and buildings	15,911,880	-	15,911,880	-	-	-
Motor vehicles	537,005	223,751	313,254	537,005	116,350	420,655
Furniture and fittings	955,710	442,640	513,070	807,590	377,467	430,123
Leasehold improvements	-	-	-	410,642	230,844	179,798
Office equipment	551,698	160,920	390,778	613,273	104,262	509,011
IT equipment	1,132,902	562,570	570,332	988,449	636,160	352,289
	19,089,195	1,389,881	17,699,314	3,356,959	1,465,083	1,891,876

The carrying amounts of property, plant and equipment can be reconciled as follows:

2017 reconciliation – Consolidated

	Carrying value at beginning of year R	Additions R	Disposals R	Depreciation R	2017 Carrying value at end of year R
<i>Owned assets</i>					
Land and buildings	-	15,911,880	-	-	15,911,880
Motor vehicles	420,655	-	-	(107,401)	313,254
Furniture and fittings	430,123	179,558	(12,857)	(83,756)	513,070
Leasehold improvements	179,798	-	(145,137)	(34,661)	-
Office equipment	509,011	74,459	(107,985)	(84,707)	390,778
IT equipment	352,289	381,166	-	(163,122)	570,332
	1,891,876	16,547,063	(265,979)	(473,647)	17,699,314

2016 reconciliation – Consolidated

	Carrying value at beginning of year R	Additions R	Disposals R	Depreciation R	2016 Carrying value at end of year R
<i>Owned assets</i>					
Motor vehicles	528,056	-	-	(107,401)	420,655
Furniture and fittings	401,842	101,861	-	(73,580)	430,123
Leasehold improvements	239,215	-	-	(59,417)	179,798
Office equipment	132,915	503,794	-	(127,697)	509,011
IT equipment	269,243	182,522	-	(99,476)	352,289
	1,571,271	788,177	-	(467,571)	1,891,876

Assets subject to finance lease (net carrying amount)

	Consolidated		Council	
	2017 R	2016 R	2017 R	2016 R
Canon (C5051i) digital multifunctional printer	185,596	234,013	185,596	234,013
Canon (C5051i) digital multifunctional printer	185,596	234,013	185,596	234,013
Total	371,192	468,025	371,192	468,025

Council

	2017			2016		
	Cost R	Accumulated depreciation R	Carrying value R	Cost R	Accumulated depreciation R	Carrying value R
<i>Owned assets</i>						
Land and buildings	15,911,880	-	15,911,880	-	-	-
Motor vehicles	537,005	223,751	313,254	537,005	116,350	420,655
Furniture and fittings	955,710	442,640	513,070	807,590	377,467	430,123
Leasehold improvements	-	-	-	410,642	230,844	179,798
Office equipment	551,698	160,920	390,778	613,273	104,262	509,011
IT equipment	1,132,902	562,570	570,332	988,449	636,160	352,289
	19,089,195	1,389,881	17,699,314	3,356,959	1,465,083	1,891,876

The carrying amounts of property, plant and equipment can be reconciled as follows:

2017 reconciliation – Council

	Carrying value at beginning of year R	Additions R	Disposals R	Depreciation R	2017 Carrying value at end of year R
<i>Owned assets</i>					
Land and buildings	-	15,911,880	-	-	15,911,880
Motor vehicles	420,655	-	-	(107,401)	313,254
Furniture and fittings	430,123	179,558	(12,857)	(83,756)	513,069
Leasehold improvements	179,798	-	(145,137)	(34,661)	-
Office equipment	509,011	74,459	(107,985)	(84,707)	390,778
IT equipment	352,289	381,166	-	(163,122)	570,332
	1,891,876	16,547,063	(265,979)	(473,647)	17,699,313

2016 reconciliation – Council

	Carrying value at beginning of year R	Additions R	Disposals R	Depreciation R	2016 Carrying value at end of year R
<i>Owned assets</i>					
Motor vehicles	528,056	-	-	(107,401)	420,655
Furniture and fittings	401,842	101,861	-	(73,580)	430,123
Office equipment	132,915	503,794	-	(127,698)	509,011
IT equipment	269,243	182,522	-	(99,476)	352,289
	1,571,271	788,177	-	(467,572)	1,891,876

During the period the entity purchased land and buildings as follows:

Land and buildings

	Consolidated		Council	
	2017 R	2016 R	2017 R	2016 R
51 Wessel Road, Rivonia				
- Acquired on 31 August 2016 for	14,035,088	-	14,035,088	-
- Costs of additions or improvements	1,876,792	-	1,876,792	-
	15,911,880	-	15,911,880	-

6. Intangible assets

Consolidated

	2017			2016		
	Cost R	Accumulated amortisation R	Carrying value R	Cost R	Accumulated amortisation R	Carrying value R
Intangible assets	977,880	(768,723)	209,157	759,341	(712,022)	47,319

The carrying amounts of intangible assets can be reconciled as follows:

2017 reconciliation – Consolidated

	Carrying value at beginning of year R	Additions R	Disposals R	Depreciation R	2017 Carrying value at end of year R
Intangible assets	47,319	218,540	(56,702)	-	209,157

2016 reconciliation – Consolidated

	Carrying value at beginning of year R	Additions R	Disposals R	Depreciation R	2016 Carrying value at end of year R
Intangible assets	114,104	29,828	(96,613)	-	47,319

Council

	2017			2016		
	Cost R	Accumulated amortisation R	Carrying value R	Cost R	Accumulated amortisation R	Carrying value R
Intangible assets	977,880	(768,723)	209,157	759,341	(712,022)	47,319

The carrying amounts of intangible assets can be reconciled as follows:

2017 reconciliation – Council

	Carrying value at beginning of year R	Additions R	Disposals R	Depreciation R	2017 Carrying value at end of year R
Intangible assets	47,319	218,540	(56,702)	-	209,157

2016 reconciliation – Council

	Carrying value at beginning of year R	Additions R	Disposals R	Depreciation R	2016 Carrying value at end of year R
Intangible assets	114,104	29,828	(96,613)	-	47,319

7. Other financial assets

	Consolidated		Council	
	2017 R	2016 R	2017 R	2016 R
First National Bank	780,509	747,766	780,509	747,766
Investec	4,110,180	15,419,268	3,846,557	15,175,988
Nedbank	5,380,782	12,439,541	2,988,837	9,918,688
	10,271,471	28,606,576	7,615,903	25,842,442
Current assets				
Loans and receivable	10,271,471	28,606,576	7,615,903	25,842,442

The carrying value of investments reflects the approximate fair value at year-end.

8. Trade and other receivables

	Consolidated		Council	
	2017 R	2016 R	2017 R	2016 R
Trade debtors	12,644,084	11,803,094	12,644,084	11,803,094
Sundry debtors	20,208	42,716	20,208	42,716
Pre-paid expenses	21,967	(1,972,908)	21,967	(1,972,908)
Unallocated receipts	(2,195,063)	(2,487,103)	(2,195,063)	(2,487,103)
Value Added Tax	3,564,685	1,095,992	3,564,685	1,095,992
	14,055,881	8,481,791	14,055,881	8,481,791
Impairment loss	(6,414,344)	(6,414,344)	(6,414,344)	(6,414,344)
	7,641,537	2,067,447	7,641,537	2,067,447

According to section 20(1)(a)(iii) of the Architectural Profession Act, registered professionals who fail to pay the prescribed annual fee, or portion thereof, within 60 days from it becoming due or within such further period as the Council may allow, either before or after the expiry of 60 days, will be removed as registered professionals.

The credit quality of trade receivables that are neither past due nor impaired can be assessed by reference to historical payment trends of the individual debtors, therefore a credit rating of high has been ascribed to debtors.

The carrying amount of trade and other receivables approximates their fair value.

Credit rating of trade receivables

		Consolidated		Council	
	Rating	2017 R	2016 R	2017 R	2016 R
Current	High	729,749	458,899	729,749	458,899
31–60 days	Medium	187,612	530,774	187,612	530,774
over 90 days	Low	11,726,677	10,813,421	11,726,677	10,813,421
Total		12,644,038	11,803,094	12,644,038	11,803,094

The entity recognised an impairment provision of R6,414,344 (2016: R6,414,344) against trade receivables due to default by customers.

Trade and other receivables pledged as security

		Consolidated		Council	
		2017 R	2016 R	2017 R	2016 R
		none	none	none	none

Trade and other receivables impaired

As of 31 March 2017, trade and other receivables of R6,414,344 (2016: R6,414,344) were impaired and allowed for.

		Consolidated		Council	
		2017 R	2016 R	2017 R	2016 R
Allowance account for credit losses:					
Balance as at 1 April 2016		6,414,344	4,804,467	6,414,344	4,804,467
Impairment loss made during the year – debtors		-	1,384,494	-	1,384,494
Impairment loss made during the year – VAT portion		-	225,383	-	225,383
Balance as at 31 March 2017		6,414,344	6,414,344	6,414,344	6,414,344

9. Cash and cash equivalents

		Consolidated		Council	
		2017 R	2016 R	2017 R	2016 R
Favourable cash balances					
Bank balances		2,111,906	3,868,775	2,070,740	3,656,937
Current liabilities		(39,279)	-	(39,279)	-
		2,072,627	3,868,775	2,031,461	3,656,937

10. Obligations under finance lease

SACAP entered into an agreement with Canon Business Center for two copiers (Canon 5051i). The rental agreement is for a period of 60 months beginning on 1 February 2016 and the total monthly instalments, payable in advance, are R8,113.58 with a 0% escalation per annum.

	Consolidated		Council	
	2017 R	2016 R	2017 R	2016 R
<i>Future minimum lease payments fall due as follows</i>				
- within one year	97,363	97,363	97,363	97,363
- later than one year but within five years	275,914	479,399	275,914	479,399
- later than five years	-	-	-	-
Total	373,277	576,762	373,277	576,762
Future finance costs	(67,058)	(102,208)	(67,058)	(102,208)
Lease liability	306,219	474,553	306,219	474,553
Analysed as follows:				
Current portion	68,447	61,317	68,447	61,317
Long-term portion	237,772	413,236	237,772	413,236
	306,219	474,553	306,219	474,553

The lease liability is secured over certain items of property, plant and equipment disclosed in note 5.

11. Commitments under operating leases

The entity rented several offices at Lakeside Place under operating leases. The lease came to an end in November 2016 when the entity moved to new premises in Rivonia.

	Consolidated		Council	
	2017 R	2016 R	2017 R	2016 R
Minimum lease payments under operating leases recognised as an expense during the year	638,926	860,327	638,926	860,327

At year-end, the Council has outstanding commitments under non-cancellable operating leases that fall due as follows:

	Consolidated		Council	
	2017 R	2016 R	2017 R	2016 R
Within one year	-	845,081	-	845,081
Later than one year but within five years	-	-	-	-
Later than five years	-	-	-	-
	-	845,081	-	845,081

12. Trade and other payables

	Consolidated		Council	
	2017 R	2016 R	2017 R	2016 R
Accruals	1,054,811	1,010,489	1,054,811	970,489
Amounts received in advance	8,665,196	5,132,647	8,665,196	5,132,647
Accrual leave pay	177,982	295,673	177,982	295,673
Trade creditors	432,113	885,939	432,111	885,937
Other – staff savings	77,547	-	77,547	-
	10,407,649	7,324,748	10,407,647	7,284,746

13. Revenue

An analysis of revenue is as follows:

	Consolidated		Council	
	2017 R	2016 R	2017 R	2016 R
Annual fees	21,192,379	20,776,643	21,192,379	20,776,643
Administration fees	759,119	440,675	759,119	440,675
Exam fees	812,190	1,422,264	812,190	1,422,264
Registration and re-registrations	724,807	749,813	724,807	749,813
Renewals	1,035,837	586,372	1,035,837	586,372
	24,524,332	23,975,767	24,524,332	23,975,767

Registration is cancelled when Registered Professionals do not pay their fees within the prescribed time. When such a person wants to re-register, the prior years' outstanding fees must be settled first. The fees are then recognised in the year in which they are received.

14. Other income

	Consolidated		Council	
	2017 R	2016 R	2017 R	2016 R
Other income	472,075	664,059	472,075	662,345
Sundry income	-	71,822	-	71,822
	472,075	735,881	472,075	734,167

15. Operating profit

Operating profit is arrived at after taking into account the following items:

	Consolidated		Council	
	2017 R	2016 R	2017 R	2016 R
Income				
Loss on disposal of property, plant and equipment	159,299	-	159,299	-
Depreciation and amortisation				
Leasehold improvements	(530,348)	(564,184)	(530,348)	(564,184)
Audit fees				
- Current	185,722	171,775	185,722	171,775
Operating lease charges				
Premises	638,096	860,327	638,096	860,327
	638,096	860,327	638,096	860,327

16. Finance income

	Consolidated		Council	
	2017 R	2016 R	2017 R	2016 R
Interest received	1,639,516	2,227,961	1,437,632	2,047,141

17. Finance costs

	Consolidated		Council	
	2017 R	2016 R	2017 R	2016 R
Finance leases	37,995	11,803	37,995	11,803
	37,995	11,803	37,995	11,803

18. Cash flows from operating activities

	Consolidated		Council	
	2017 R	2016 R	2017 R	2016 R
Deficit for the year	(1,502,454)	(1,231,579)	(1,263,216)	(972,988)
<i>Adjustments for:</i>				
Finance costs	37,995	11,803	37,995	11,803
Depreciation and amortisation of assets	530,348	564,184	530,348	564,184
Investment income	(1,639,516)	(2,227,961)	(1,437,632)	(2,047,141)
Loss on disposal of property, plant and equipment	159,299	-	159,299	-
Operating cash flow before working capital changes	(2,414,328)	(2,883,553)	(1,973,206)	(2,444,141)
<i>Working capital changes</i>				
(Increase)/decrease in trade and other receivables	(5,574,090)	539,519	(5,574,090)	539,519
Increase in trade and other payables	3,082,901	1,850,260	3,122,901	1,810,260
Cash utilised in operating activities	(4,905,517)	(493,774)	(4,424,395)	(94,362)

19. Taxation

The South Africa Council for the Architectural Profession's receipts and accruals are exempt from income tax in terms of the provision of section 10(1)(cA)(i) of the Income Tax Act, 1962 (Act No.58 of 1962).

20. Related party transactions

Relationships

Members of key management	Marella O'Reilly – Registrar Barbara van Stade – COO Tshepo Tefo – Senior Manager: Finance Toto Fiduli – Senior Manager: Legal
Executive authority	Department of Public Works
Governing body	Refer to the Registrar's Report for the Council Member names
Relationship governed by law	Council for the Built Environment

Related party balances

	Consolidated		Council	
	2017 R	2016 R	2017 R	2016 R
<i>Provision for doubtful debts related to the amount of outstanding balances</i>				
None				
<i>Related party transactions included in operation expenses</i>				
Council for the Built Environment	351,183	404,334	351,183	404,334

	2017			2016		
	Basic salary R	Travel R	Total R	Basic salary R	Travel R	Total R
Executive management	5,643,717	348,000	5,991,717	5,000,241	228,000	5,228,241
	5,643,717	348,000	5,991,717	5,000,241	228,000	5,228,241

	2017			2016		
	Honorarium R	Travel R	Total R	Honorarium R	Travel R	Total R
Non-executive						
Y Luckan – President	281,764	-	281,764	274,825	-	274,825
M Gerrans – Vice-president	132,072	-	132,072	155,275	-	155,275
G Bolton	-	-	-	86,046	-	86,046
R Ruiters	65,236	-	65,236	73,339	-	73,339
L Mampuru	-	-	-	-	-	-
N Lombard	1,821	-	1,821	44,464	-	44,464
S Thubane	-	-	-	13,543	-	13,543
S Patel	62,605	-	62,605	36,004	-	36,004
R Lekota	82,899	-	82,899	59,193	-	59,193
K Ranchod	49,167	-	49,167	57,909	-	57,909
D Arvanitakis	14,568	-	14,568	54,592	-	54,592
	690,132	-	690,132	855,190	-	855,190

21. Financial instruments

Financial assets by category

The Group has classified its financial assets in the following categories:

	Loans and receivables R	Total R
2017		
Investments	10,271,471	10,271,471
Trade and other receivables	4,076,852	4,076,852
Cash and cash equivalents	2,111,906	2,111,906
2016		
Investments	28,606,576	28,606,576
Trade and other receivables	971,455	971,455
Cash and cash equivalents	3,868,775	3,868,775

The Council has classified its financial assets in the following categories:

	Loans and receivables R	Total R
2017		
Investments	7,615,903	7,615,903
Trade and other receivables	4,076,852	4,076,852
Cash and cash equivalents	2,070,740	2,070,740
2016		
Investments	25,842,442	25,842,442
Trade and other receivables	971,455	971,455
Cash and cash equivalents	3,656,937	3,656,937

Financial liabilities by category

The Group has classified its financial liabilities in the following categories:

	Financial liabilities amortised cost R	Total R
2017		
Trade and other payables	1,486,924	1,486,924
Finance lease obligation	306,219	306,219
2016		
Trade and other payables	1,896,428	1,896,428
Finance lease obligation	474,553	474,553

The Council has classified its financial liabilities in the following categories:

	Financial liabilities amortised cost R	Total R
2017		
Trade and other payables	1,486,922	1,486,922
Finance lease obligation	306,219	306,219
2016		
Trade and other payables	1,856,426	1,856,426
Finance lease obligation	474,553	474,553

Credit risk

Credit risk consists mainly of cash deposits, investments, trade receivables and other receivables. The Council only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Receivables comprise fees owed by Registered Persons in terms of the Architectural Profession Act 2000, (Act No. 44 of 2000). Receivables comprise a wide spread Registered Person base. Receivables are monitored for impairment on an ongoing basis. Non-payment by Registered Persons results in de-registration, in which event of outstanding fees are provided for as bad debt.

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

Financial instrument

	Consolidated		Council	
	2017 R	2016 R	2017 R	2016 R
Investments	10,271,471	28,606,576	7,615,903	25,842,442
Trade and other receivables	4,076,852	971,455	4,076,852	971,455
Deposits with banks	2,111,906	3,868,775	2,070,740	3,656,937

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of cash available to perform its duties.

The Council's risk to liquidity is as a result of the funds available to cover future commitments. The Council manages liquidity risk through ongoing review of the future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the Council's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than one year R	Between one and five years R	Over five years R	Total R
Consolidated				
2017				
Trade and other payables	1,486,924	-	-	-
Finance lease obligation	68,447	237,772	-	-
2016				
Trade and other payables	1,896,428	-	-	-
Finance lease obligation	61,317	413,236	-	-
	Less than one year R	Between one and five years R	Over five years R	Total R
Council				
2017				
Trade and other payables	1,486,922	-	-	-
Finance Lease obligation	68,447	237,772	-	-
2016				
Trade and other payables	1,856,426	-	-	-
Finance lease obligation	61,317	413,236	-	-

Interest rate risk

As the Council has significant interest-bearing assets that cause its income and operating cash flows to be substantially dependent on changes in the market interest rates.

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant of the entity's profit before tax.

Effect on profit before tax

	Increase/ decrease in base points	Consolidated R	Council R
South African Rand	0.01	102,715	76,159
South African Rand	-0.01	(102,715)	(76,159)

Capital risk management

The Council's objective when managing capital is to safeguard its ability to continue as a going concern.

The capital structure of the Council consists of cash and cash equivalents disclosed in note 8 and accumulated funds as disclosed in the Statement of Financial Position.

Financial Risk Management

The Council's activities expose it to liquidity and cash flow interest rate risk.

Detailed Income Statement

	Consolidated		Council	
	2017 R	2016 R	2017 R	2016 R
Gross revenue				
Administration fees	759,119	440,675	759,119	440,675
Annual fees	21,192,379	20,776,643	21,192,379	20,776,643
Exam fees	812,190	1,422,264	812,190	1,422,264
Registrations and re-registration fees	724,807	749,813	724,807	749,813
Renewals	1,035,837	586,372	1,035,837	586,372
	24,524,332	23,975,767	24,524,332	23,975,767
Other income				
Investment income	1,639,516	2,227,961	1,437,632	2,047,141
Other income	472,075	664,059	472,075	662,345
Sundry income	-	71,822	-	71,822
	2,111,591	2,963,842	1,909,707	2,781,308
	26,635,923	26,939,609	26,434,039	26,757,075

The supplementary information presented does not form part of the Annual Financial Statements and is unaudited.

	Consolidated		Council	
	2017 R	2016 R	2017 R	2016 R
Expenditure				
Advertising	1,252,420	475,431	1,252,420	475,431
Annual Report	210,650	252,687	210,650	252,687
Auditors' remuneration	185,722	171,775	185,722	171,775
Bad debts	-	1,609,876	-	1,609,876
Bank charges	87,444	81,330	86,322	80,205
Body corporate expenses	430,806	-	430,806	-
CAA validation reps	194,177	159,318	194,177	159,318
CBE levies	351,183	404,334	351,183	404,334
Computer expenses	271,291	171,400	271,291	171,400
Consulting fees	33,353	1,219,962	33,353	1,219,962
Database and document management	224,809	11,453	224,809	11,453
Depreciation – tangible assets	530,348	564,184	530,348	564,184
Electricity and water	234,493	217,781	234,493	217,781
Employee benefits	2,310,379	2,068,646	2,310,379	2,068,646
Entertainment	21,330	-	21,330	-
Finance costs	37,995	11,803	37,995	11,803
General expenses	254,326	212,914	254,326	212,914
Grants	440,000	440,000	-	-
Honorariums	1,179,161	1,370,755	1,179,161	1,370,755
Insurance	145,300	132,014	145,300	132,014
Internal audit fees	531,000	186,552	531,000	186,552
Lease rental on operating lease	638,096	860,327	638,096	860,327
Legal expense	517,062	1,821,286	517,062	1,821,286
Loss on sale of fixed assets	159,299	-	159,299	-
Motor vehicle expense	29,834	24,406	29,834	24,406
Outreach, roadshows and exhibitions	279,907	362,797	279,907	362,797
Postage	1,283	4,294	1,283	4,294
Printing and stationery	139,477	152,087	139,477	152,087
Relocation costs	56,690	-	56,690	-
Repairs and maintenance	111,842	11,939	111,842	11,939
Salaries	13,232,084	12,096,926	13,232,084	12,096,926
Strategic review	575,857	-	575,857	-
Subscriptions	39,883	35,637	39,883	35,637
Telephone and fax	568,586	436,224	568,586	436,224
Training	323,853	105,085	323,853	105,085
Travel – local	1,636,937	2,202,468	1,636,937	2,202,468
Tribunals	508,703	-	508,703	-
Venue costs and catering	144,567	83,007	144,567	83,007
Website maintenance	248,230	212,490	248,230	212,490
	28,138,377	28,171,188	27,697,255	27,730,063
Loss for the year	(1,502,454)	(1,231,579)	(1,263,216)	(972,988)

The supplementary information presented does not form part of the Annual Financial Statements and is unaudited.

SACAP Education Fund Financial Statements

South African Council for the Architectural Profession

(Established under the Architectural Profession Act 2000, (Act No. 44 of 2000))

Annual Financial Statements for the year ended 31 March 2017

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General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	An educational fund for the purpose of education, training, and continuing education and training of Registered Persons and students in the architectural profession as contemplated by Section 15(5) of the Architectural Profession Act of 2000
Council	Y Luckan – President M Gerrans – Vice-president G Bolton-Treasurer – Standing apology R Lekota L Mampuru – Vacated (June 2016) K Ranchod R Ruiters D Arvanitakis (Resigned 28 March 2017) N Lombard (Resigned 09 June 2016) S Patel (Vacated 02 March 2017)
Registered office	51 Wessel Road Right Wing Rivonia 2128
Business address	51 Wessel Road Right Wing Rivonia 2128
Bankers	First National Bank, Nedbank and Investec
Auditors	Nexia SAB&T Registered Auditors
Level of assurance	These Annual Financial Statements have been audited in compliance with the applicable requirements of the Architectural Profession Act, 2000 (Act No. 44 of 2000).
Preparer	The Annual Financial Statements were independently compiled by: Tshepo Tefo – Senior Manager: Finance
Published	20 September 2017

Independent Auditor's Report

To the persons registered with the Education Fund of the South African Council for the Architectural Profession (established under the Architectural Profession Act)

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of the Education Fund of the South African Council for the Architectural Profession set out on pages 112 to 123, which comprise the Statement of Financial Position as at 31 March 2017, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and the notes, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Annual Financial Statements present fairly, in all material respects, the financial position of the Education Fund of the South African Council for the Architectural Profession as at 31 March 2017, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards, and the requirements of the Architectural Profession Act, No. 44 of 2000.

Basis for opinion

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

Other information

The Council is responsible for the other information. The other information comprises the Registrar's Report, as set out on page 111 as required by the Architectural Profession Act, No. 44 of 2000 and the supplementary information set out on page 124. The other information does not include the Financial Statements and our auditor's report thereon.

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

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

Responsibilities of the Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards and the requirements of the Architectural Profession Act, No. 44 of 2000, and for such internal control as the Council determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Fund'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 management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in *Government Gazette Number 39475* dated 04 December 2015, we report that Nexia SAB&T has been the auditors of the Education Fund of the South African Council for the Architectural Profession for four years.

Nexia SAB&T

Nexia SAB&T

Per: Y Soma

Director

Registered Auditor

Date: 20 September 2017

119 Witch-Hazel Avenue

Highveld Technopark

Centurion

► Council members' Responsibilities and Approval

The Council members are required by the Architectural Profession Act, 2000 (Act No. 44 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 satisfy the financial reporting standards as to form and content and present fairly the Statement of Financial Position, results of operations and business of the Council, and explain the transactions and financial position of the business of the Council at the end of the financial year. The Annual Financial Statements are based on appropriate accounting policies consistently applied throughout the Council and supported by reasonable and prudent judgements and estimates.

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

The Council members are of the opinion, based on the information and explanations given by management and the external auditors, 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 going concern basis has been adopted in preparing the Financial Statements. Based on forecasts and available cash resources the Council members have no reason to believe that the Council will not be a going concern in the foreseeable future. The Financial Statements support the viability of the Council.

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

The Annual Financial Statements as set out on pages 112 to 123 were approved by the Council on 20 September 2017 and were signed on their behalf by:



Y Luckan
President

▶ Registrar's Report

1. Review of activities

Main business and operations

The principal activity of the entity is an educational fund for the purpose of education, training, and continuing education and training of Registered Persons and students in the architectural profession as contemplated by Section 15(5) of the Architectural Profession Act of 2000 and there were no major changes herein during the year.

Mission

South African Council for the Architectural Profession (SACAP) will transform, promote and regulate the architectural profession through collaborative engagement in the pursuit of excellence.

Vision

People-centered architecture for South Africa.

The Council is tasked with making the major decisions within the organisation. Council members serve a term of four years.

The operating results and Statement of Financial Position of the entity are fully set out in the attached Financial Statements and do not in our opinion require any further comment.

Net deficit was R239,238 (2016: R258,591).

2. 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.

3. Events after reporting date

All events subsequent to the date of the Annual Financial Statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

The Council members are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect of the financial position of the entity.

4. Council members

The Council members of the Council during the year and to the date of this report are as follows:

Y Luckan – President
M Gerrans – Vice-president
G Bolton-Treasurer – Standing apology
R Lekota
L Mampuru – Vacated (June 2016)
K Ranchod
R Ruiters
D Arvanitakis (Resigned 28 March 2017)
N Lombard (Resigned 09 June 2016)
S Patel (Vacated 02 March 2017)

5. Auditors

Nexia SAB&T were the auditors for the year under review.

Statement of Financial Position

as at 31 March 2017

	Note(s)	2017 R	2016 R
Assets			
<i>Current assets</i>			
Other financial assets	3	2,655,568	2,764,134
Cash and cash equivalents	4	41,164	211,836
Total assets		2,696,732	2,975,970
Equity and liabilities			
<i>Equity</i>			
Retained earnings		2,696,732	2,935,970
<i>Current liabilities</i>			
Trade and other payables	5	-	40,000
Total equity and liabilities		2,696,732	2,975,970

Statement of Comprehensive Income

for the year ended 31 March 2017

	Note(s)	2017 R	2016 R
Revenue		-	1,714
Operating costs		(441,122)	(441,125)
Operating deficit		(441,122)	(439,411)
Finance income	6	201,884	180,820
Deficit for the year		(239,238)	(258,591)

Statement of Changes in Equity

for the year ended 31 March 2017

	Retained earnings R	Total R
Balance at 01 April 2015	3,194,561	3,194,561
Total comprehensive income for the year		
Deficit for the year	(258,591)	(258,591)
Total comprehensive income for the year	(258,591)	(258,591)
Balance at 31 March 2016	2,935,970	2,935,970
Balance at 01 April 2016	2,935,970	2,935,970
Total comprehensive income for the year		
Deficit for the year	(239,238)	(239,238)
Total comprehensive income for the year	(239,238)	(239,238)
Balance at 31 March 2017	2,696,732	2,696,732

Statement of Cash Flows

for the year ended 31 March 2017

	Note(s)	2017 R	2016 R
Cash flows from operating activities			
Cash receipts from customers		-	1,714
Cash payments to suppliers and employees		(372,556)	(133,540)
Cash generated from operations	9	(372,556)	(131,826)
Investment income		201,884	180,820
Net cash from operating activities		(170,672)	48,994
(Decrease)/increase in cash and cash equivalents		(170,672)	48,994
Cash and cash equivalents at beginning of the year		211,836	162,842
Cash and cash equivalents at end of the year	4	41,164	211,836

Accounting Policies

1. Basis of preparation

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards, and the Architectural Profession Act. The Annual Financial Statements have been prepared on a historical cost basis, except where otherwise indicated, and incorporate the principal accounting policies as set out below.

These accounting policies are consistent with the previous period.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Annual Financial Statements are set out below. These policies have been consistently applied to all years presented.

2.1 New standards and interpretations

Standards and interpretations effective and adopted in the current year

At the date of authorisation of these Financial Statements for the year ended 31 March 2017, the following IFRSs were adopted:

IFRS/IFRIC	Title and details	Effective	Expected Impact
IAS 1 (Amendment)	Presentation of financial statements	Annual periods commencing on or after 01 January 2016	Not material
IAS 7	Statement of Cash Flows	Annual periods commencing on or after 01 January 2017	Not material

Standards and interpretations not yet effective

The entity has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2016 or later periods

IFRS/IFRIC	Title and details	Effective
IFRS 9 – Financial instruments	Financial Instruments – A final version of IFRS 9 which replaces IAS 39.	Annual periods commencing on or after 01 January 2018
IFRS 15	Revenue from Contracts from Customers	Annual periods commencing on or after 01 January 2018
IFRS 16	Leases	Annual periods commencing on or after 01 January 2019
IAS 7	Statement of Cash Flows	Annual periods commencing on or after 01 January 2017

All applicable standards will be complied with in the Financial Statements of the period ending 31 March 2018. Compliance with these amendments, revisions and improvements require additional disclosure compared to that required in terms of existing IFRS. Management will perform an assessment of the impact of all applicable standards that will apply for the period ending 31 March 2017.

2.2 Financial assets

Classification

The entity classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term.

Derivatives are also categorised as held for trading unless they are designated as hedges.

Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The entity's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the Statement of Financial Position.

Available for sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the entity has transferred substantially all risks and rewards of ownership. Available for sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the Statement of Comprehensive Income within other (losses)/gains – net in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the Statement of Comprehensive Income as part of other income when the entity's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the Statement of Comprehensive Income as gains and losses from investment securities.

Interest on available for sale securities calculated using the effective interest method is recognised in the Statement of Comprehensive Income as part of other income. Dividends on available for sale equity instruments are recognised in the Statement of Comprehensive Income as part of other income when the entity's right to receive payments is established.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets

Assets carried at amortised cost

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

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the Statement of Comprehensive Income. If a loan or held to maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the entity may measure impairment on the basis of an instrument's fair value using an observable market price.

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 (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the Statement of Comprehensive Income.

Assets classified as available for sale

The entity assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available for sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the Statement of Comprehensive Income on equity instruments are not reversed through the Statement of Comprehensive Income.

If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the Statement of Comprehensive Income.

2.2.1 Trade and other receivables

Trade and other receivables are initially measured at fair value and, after initial recognition, at amortised cost less impairment losses for bad and doubtful debts, if any, except for the following receivables:

- Interest-free loans made to related parties without any fixed repayment terms or the effect of discounting being immaterial, that are measured at cost less impairment losses for bad and doubtful debt, if any; and
- Short-term receivables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount less impairment losses for bad and doubtful debt, if any.

At each reporting date, the entity 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.

2.2.2 Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, bank overdrafts which are repayable on demand, form an integral part of the entity's cash management are included as a component of cash and cash equivalents.

2.2.3 Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available for sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available for sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in reserves. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Impairment losses on available for sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in the cumulative impairment losses attributable to the application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of the impaired available for sale equity security is recognised in other comprehensive income.

2.2.4 Impairment of financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, an that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the entity on terms that the entity would consider otherwise, indications that a debtor or issuer will enter into bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for security.

The entity considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held to maturity investment securities) at both a specific asset and collective level. All individually significant assets are assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the entity uses historical trends if the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. Deficits are recognised in profit or loss and reflected in an allowance account against loans and receivables or

held to maturity investment securities. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

2.3 Financial liabilities

2.3.1 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

2.3.2 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable or received for services provided and goods delivered, net of discounts and value added taxation (VAT) and where there is reasonable expectation that the income will be received and all attaching conditions will be complied with.

2.4.1 Education grants and donations

Education grants and donations received on capital expenditure are generally deducted in arriving at the carrying amount of the asset purchased. Grants for revenue expenditure are netted against the cost incurred by the entity. Where retention of an education grant and donation is dependent on the entity satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the Statement of Comprehensive Income or netted against the asset purchased.

2.4.2 Rendering of services

Revenue from subscriptions and training is accounted for when services are rendered.

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

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

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Notes to the Annual Financial Statements

3. Loans and receivables

	2017 R	2016 R
Other financial assets		
Nedbank	2,391,946	2,805,243
Investec	263,622	226,476
	2,655,568	2,764,134
Current assets		
Loans and receivables	2,655,568	2,764,134

The maximum exposure to credit risk at the reporting date is the carrying amount of the held to maturity financial assets.

4. Cash and cash equivalents

Cash and cash equivalents consist of:

	2017 R	2016 R
Bank balances	41,164	211,836

5. Trade and other payables

	2017 R	2016 R
Accrued liabilities	-	40,000
	-	40,000

6. Finance income

	2017 R	2016 R
Interest income		
Interest received from investments	201,884	180,820

The following is an analysis of finance income asset category:

	2017 R	2016 R
Loans and receivables	201,884	180,820
Total interest income for financial assets not designated as at fair value through profit or loss	201,884	180,820
	-	-
	201,884	180,820

Taxation

The Education Fund of the South African Council for the Architectural Profession's receipts and accruals are exempt from income tax in terms of the provisions of section 10(1)(cA)(i) of the Income Tax Act, 1962 (Act No. 58 of 1962).

7. Related party transactions

Relationships

Members of key management	Marella O'Reilly – Registrar Barbara van Stade – COO Tshepo Tefo – Senior Manager: Finance Toto Fiduli – Senior Manager: Legal
Executive authority	Department of Public Works
Governing body	Refer to the Registrar's report for the Council Member names
Controlling entity	The South African Council for the Architectural Profession
Relationship governed by law	Council for the Built Environment

8. Financial instruments

The Council has classified its financial assets in the following categories:

	Loans and receivables R	Total R
2017		
Other financial assets	2,655,568	2,655,568
Cash and cash equivalents	41,164	41,164
	2,696,732	2,696,732
2016		
Other financial assets	2,764,134	2,764,134
Cash and cash equivalents	211,836	211,836
	2,975,970	2,975,970

The Council is exposed to credit risk and liquidity risk arising in the normal course of its business and financial instruments. The Council's risk management objectives, policies and processes mainly focus on minimising the potential adverse effects of these risks on its financial performance and position by closely monitoring the individual exposure.

8.1 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of cash available to perform its duties.

The entity's risk to liquidity is as a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments.

Cash flow forecasts are prepared and adequately utilised borrowing facilities are monitored.

8.2 Interest rate risk

As the entity has significant interest bearing assets that cause its income and operating cash flows to be substantially dependent on changes in the market interest rates.

8.3 Capital risk management

The Council's objective when managing capital is to safeguard its ability to continue as a going concern.

The capital structure of the Council consists of cash and cash equivalents disclosed in note 4 and accumulated funds as disclosed in the Statement of Financial Position.

Financial risk management

The Council's activities expose it to liquidity and cash flow interest rate risk.

9. Cash generated from operations

	2017 R	2016 R
Profit for the year	(239,238)	(258,591)
Adjustments for:		
Investment income	(201,884)	(180,820)
Operating cash flow before working capital changes	(441,122)	(439,411)
Working capital changes		
Increase in financial asset	108,566	267,585
Decrease in trade and other payables	(40,000)	40,000
	(372,556)	(131,826)

Detailed Income Statement

	2017 R	2016 R
Gross revenue		
Sundry income	-	1,714
	-	1,714
Other income		
Investment income	201,884	180,820
	201,884	180,820
	201,884	182,534
Expenditure		
Bank charges	1,122	1,125
Grants	440,000	440,000
	441,122	441,125
Deficit for the year	(239,238)	(258,591)

The supplementary information presented does not form part of the Annual Financial Statements and is unaudited.



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