

# THE SOUTH AFRICAN COUNCIL

FOR THE PROJECT AND CONSTRUCTION MANAGEMENT PROFESSIONS



To be a world-class regulatory body for the Built Environment Management Professions



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

# GOALS



- Improve Operational Effectiveness and Efficiencies
- Increase and Retain Registration of Competent Persons
- **Build Financial Sustainability**
- Assist and monitor the completion of the IDoW
- Implement mandated programmes and align to government priorities



# **UALUES**

- Accountability
- Integrity
- Innovation
- Transparency
- Inclusiveness

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### PUBLIC ENTITY'S

# GENERAL INFORMATION

**REGISTERED NAME:** South African Council for

the Project and Construction

Management Professions

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# ABBREVIATIONS/ACRONYMS

**ACHASM** Association of Construction Health and Safety Management

**ACPM** Association of Construction Project Managers

APP Annual Performance Plan

Association of South African Quantity Surveys **ASAQS BEPEC Build Environment Professions Export Council** 

CBE Council for the Built Environment **CESA** Consulting Engineers South Africa

**CIDB** Construction Industry Development Board

**CIOB** Chartered Institute of Building CHE Council on Higher Education **CHS** Construction Health & Safety

**CHSM** Construction Health and Safety Manager **CHSO** Construction Health and Safety Officer

Construction Mentor **C** Mentor

Continuing Professional Development **CPD** 

**DPW** Department of Public Works

**ECSA Engineering Council of South Africa EPWP Expanded Public Works Programme** 

**EXCO Executive Committee** HR **Human Resources** 

Information and Communications Technology ICT

Identification of Work **IDoW** 

IoSM The Institute of Safety Management International Standards Organisation ISO

**MBAFS** Master Builders Free State Master Builders KwaZulu-Natal **MBAKZN** 

Master Builders North **MBA North** Master Builders South Africa **MBSA** 

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VAs

# ABBREVIATIONS/ACRONYMS CONT.

MoU Memorandum of Understanding **MISA** Municipal Infrastructure Support Agency

**NHBRC** National Home Builder Registration Council NQF

National Qualifications Framework **PFMA** Public Finance Management Act Project Management South Africa **PMSA** Property Management Trading Entity **PMTE** 

**Public Relations** 

Pr CHSA Professional Construction Health and Safety Agent

Pr. CM Professional Construction Manager Pr. C Mentor **Professional Construction Mentor** 

Pr. CPM Professional Construction Project Manager

Republic of South Africa **RSA** 

REGCOM **Education and Registrations Committee** RICS Royal Institution of Chartered Surveyors

RPL Recognition of Prior Learning

**SACAP** South African Council for the Architectural Profession

**SACLAP** South African Council for the Landscape Architectural Profession

**SACPCMP** South African Council for the Project and Construction Management Professions

**SACPVP** South African Council for the Property Valuers Profession SACQSP South African Council for the Quantity Surveying Profession **SAFCEC** South African Forum of Civil Engineering Contractors

SAIOSH The South African Institute for Occupational Health and Safety SAIA

South African Institute of Architects

SAICE The South African Institution Of Civil Engineering

Voluntary Associations

SAQA South African Qualifications Authority SARF The South African Road Federation **SGB** Standards Generating Body **SOCs** State-Owned Companies

# PRESIDENT'S FOREWORD



# PRESIDENT'S FOREWORD PARTNERSHIPS- THE KEY TO UNLOCKING POTENTIAL FOR THE SACPCMP 2015-2016

During my term of office thus far I am glad to have been an integral part of the SACPCPM's growth and evolution. This is reflected, first and foremost, in the continual growth of registered candidates. The increasing number of candidates who have joined our ranks toward transforming the sector and gradually achieving demographic representivity is encouraging.

In this vein Council has approved the establishment of the Transformation Committee which is geared toward changing the landscape of the Project and Construction Management professions in terms of its demographic profile which is lagging drastically. An Implementation Plan will be developed and the Committee needs to work tirelessly to address this urgent challenge.

Of course, partnerships are key to achieving success in most entities and the SACPCMP is by no means an exception. As a young organisation, we are proud to have garnered support in the form of valuable and sustainable partnerships with key players in the Built Environment sector and such partnerships are growing exponentially as the Council evolves. As Council embarks on the arduous process of transformation, forming sustainable partnerships is the only way to ensure success.

A key priority is to develop the youth of the country, which also is a national imperative. A recent partnership with the Local Government Seta (LGSeta) to provide grant funding for a structured candidacy programme targeted towards candidates in municipalities to upgrade to professional status is indicative of how well sustainable partnership agreements can expand the horizons of the SACPCMP and, more importantly, how such partnerships can address national imperatives.

It is encouraging that Council has been proactive in engaging the youth of the country by participating in career days through the Student Chapter initiative. The focus of this programme is to be at the forefront of the development and advancement of construction management education where the transfer of skills, sharing of ideas and knowledge inspires guides and promotes excellence in teaching and research in project delivery. Attracting the youth to Council Programmes, with the aim of eventually registering them as professionals, will go a long way in transforming the professional landscape of the sector.

The SACPCMP, although in its infancy, has engaged its registered persons at all stages by hosting the two annual flagship events: the Construction Management Summit and the Project and Construction Management Conference. These events have demonstrated great strides in development as Council engages with increasing numbers of thought leaders in the sector, culminating in increasing dialogue on burning issues and adding to the burgeoning pool of knowledge

relating to project and construction management. The former event aims at increasing the number of students registered in this discipline as well as the setting up of stand-alone Departments of Construction Management in the accredited tertiary education institutions whilst the latter attracts local and international thought leaders who succeed in expanding the knowledge base among delegates.

A successful partnership with the University of Pretoria holds the promise of hosting a Professional Construction Mentorship Summit. The Construction Mentors and the Professional Construction Mentors need to play a pivotal role in the realisation of the radical socioeconomic transformation leveraging the infrastructure build of Government- R847 billion budgeted for the Medium-Term Expenditure Framework.

The Council was also instrumental in hosting a meeting with the Heads of Departments from accredited institutions at the 4th Construction Management Summit on 24 June 2015. The objective of this meeting was to announce Council's commitment to support accredited institutions in complying with accreditation criteria and possible partnerships on developmental programmes to promote the profession. It was agreed that a Heads of Department Forum be established that will meet at least annually as part of the Construction Management Summit. Strategic partnerships with leaders at tertiary institutions of learning can only bolster the mission and vision of Council.

The promulgation of the Construction Regulations 2014 necessitated the registration of Construction Health and Safety Practitioners to be able to operate as such on construction projects. Following a National Awareness Campaign held across the country and attended by approximately 1 600 people, the number of registered persons increased from 100 in June 2015 to 566 at the end of March 2016.

The work of Council can sometimes be hampered by obstacles, especially those where developments impinge directly on the work of Council. The most recent being the Identification of Work (IDoW) where Council submitted an application for IDoW exemption to the Competition Commission which was rejected. The Council for the Built Environment (CBE) has currently appealed this decision on behalf of all the Built Environment Professional Councils with the tacit support of the Department of Public Works (DPW).

A further concern is the significant number of deregistered persons resulting from non-payment of annual fees within the prescribed period. A total of 259 registered persons have been de-registered, of whom 165 are candidates, accounting for 64% of deregistered persons. A process of strategic engagement is virtually obligatory in order to stem this negative trend.

My view, however, is optimistic in that the partnership agreements that continue to grow and develop is reflected in the subsequent growth and development of Council, growing gradually from infancy to gigantic stature, which I am confident will occur in the ensuing years.

I wish to thank the third term Council for undertaking its work with the utmost integrity and innovation. We look forward to greater strides going forward. The unstinting support of the Minister and Deputy Minister of Public Works cannot be ignored and we also wish to thank him for the words of encouragement and for his unwavering support.

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Mr Tjiamogale Eric Manchidi President ManchidiT@sacpcmp.org.za

# REGISTRAR'S MESSAGE



# A YEAR OF SUCCESSES, CHALLENGES AND OPPORTUNITIES

The 2015/16 financial year has been characterised by challenges, opportunities and victories in striving to ensure continual improvements to move Council to the next level. The improved efficiencies and partnerships formed enhanced the race of Council to achieve most of the objectives set out in the strategic plan. The commitment of staff members and Council Committees has ensured the improved efficiencies in the implementation of Council's business plan and systems. This marks significant progress as the Council evolves and reinvents itself.

Council is nearing the end of the first cycle for both CPD and Programme Accreditation and this marks a milestone for Council with regard to the implementation of some of its mandated Programmes.

As the first CPD cycle is coming to an end on 31st March 2017, the CPD Provincial Workshops were conducted in all provinces during this financial year. This initiative was aimed at guiding and assisting Registered Professionals on how they can achieve the minimum CPD points required over a five-year cycle for renewal of professional registration before the expiry date stipulated in the registration certificate. There has also been significant progress in the review of the CPD policy to ensure streamlining of compliance requirements, reporting mechanisms and to ensure that the Registered Person with dual registrations can at least report across Council on activities by more or less using the same reporting mechanism.

With regard to Programme Accreditation, Council is particularly excited about the strides that have been made in this first cycle of Programme Accreditation with regard to transforming the educational landscape through the accreditation of thirty (30) of the Project and Construction Management Qualifications across twelve (12) institutions of higher learning. The accreditation process which does not only result in the accreditation of qualifications but Council has

growth and progress, such words as improvement, achievement, and success have no meaning.

#### **BENJAMIN FRANKLIN**

also seen a number of requests for endorsements of thirty-two new qualifications from 2014 of which a few have been implemented and some would be for implementation by the next financial year. Therefore, in this first five-year cycle there has been significant achievements and we are confident that the first cohorts of the new qualifications would still be realised before the end of the second accreditation cycle which starts in April 2017. This in itself indicates Council's commitment in being part of the effort of addressing the critical skills needed for the implementation of the Strategic Integrated Projects (SIP) through the support and development of the graduates possessing the specialised skills needed.

There has been constant monitoring of the institutions' progress on the accreditation outcomes and recommendation through the submission and assessment of annual reports which ensures a continuous dialogue on an annual basis. This is aimed at ensuring that areas of concern are being

addressed and also sustaining areas that have been a commendation. Where necessary, this has been coupled with interim visits that also include outreach to the students, thereby significantly increasing the database of the student chapter as well as collaboration on their initiatives and activities, where possible.

The Accreditation Policy Framework is currently under review in preparation for the second accreditation cycle and the anticipation of new qualifications that will be accredited for the current and future specified categories of registration.

Council is at all times ensuring that the programmes implemented are a contributor to the Government's imperatives. Those that I can highlight, amongst others, is the professionalisation of Construction Health and Safety and Construction Mentorship which are both aimed at not only protecting the public but to be part of the continued efforts to grow, develop and transform the Built Environment Management

# REGISTRAR'S MESSAGE

Professions. The progress with regard to implantation of these is fully reported in the relevant section in this report.

The registration of Construction Health and Safety (H&S) Disciplines is a critical intervention of Council in verifying the competence of H&S professionals in the industry as mandated by the Department of Labour through the appointment of Council as the only statutory body that will register H&S professional in order to affect the promulgated 2014 Construction Regulations. The implementation of the Construction Work Permit on 7 August 2015 after the eighteenthmonth transition period since promulgation of the Construction Regulations resulted in a whopping 7 000 applications received which increased to almost 9 000 at the end of the financial year. This is an indication of the sector's commitment to comply with the 2014 Construction Regulations as applications received to date is a testament to this.

This considerable intake has however, encumbered the Council's ability to administer, assess and register all applicants and this has necessitated the review of Council's systems in order to improve efficiencies.

Though a lot has been achieved there are still areas where Council needs to improve. As a young entity, Council needs to explore the area of structured Candidacy programmes to ensure full support for registered Candidates to upgrade to the professional status. Although not enough, Council has secured funding over three years starting with the current financial year for a structured candidacy workplace programme for seventy-five (75) candidates based in various municipalities in order to contribute positively in building technical capacity within municipalities. Another critical area is assisting universities through the establishment of partnerships to undergo experiential learning that forms part of their qualification. Lastly, funding for resourcing Council to start with the professionalisation of already identified disciplines for registration under specified registration categories in terms of the section 18 (c) Project and Construction Management Act, Act 48 of 2000, remains a priority.

Complaints of improper conduct lodged by members of the public or incidents related to Project and Construction Management related work activities that

would indicate improper conduct by registered persons are subject to investigations. The Disciplinary and Code of Conduct Committee investigates breaches or transgressions of the Code of Conduct and thereafter makes its recommendations to Council for a decision. The Council is fully committed to ensuring that all its registered persons uphold the highest standards as espoused in the Code of Conduct.

A need has been identified to have a pool of investigators to investigate cases and to serve as tribunal members and the creation thereof was approved by Council at its sitting of 26 February 2016. Once the pool of investigators has been appointed, training will be provided and they should be fully operational in the next financial year. This will bring in much needed expertise, speed-up the process of investigations and further complement the work of the Committee.

Council has approved the establishment of an Audit and Risk Committee as part of activities needed in preparation of its PFMA Alignment and this is fully functional. In addition, an exercise has started to fully review financial policies with the main purpose of aligning these to the PFMA and implementation thereof will commence in a phased in approach once these have been approved and the critical aspects necessary for implementation have been fully addressed. The process of appointing an internal auditor is under way and will be finalised within the next financial year.

It is worth mentioning that Council has continued to invest in the strategic state-of-the art registration system and, where necessary, integration with other systems has been made to further enhance and automate most functions, resulting in an improved turnaround time for the registration process. This has, amongst others, resulted in streamlined application process, online assessment process and online examinations amongst others. The use and application of the enhanced system has been rolled out to manage the registration process for the Construction Health and Safety discipline. Moreover, the system has been extended to manage all aspects of Continuing Professional Development.

The robust stakeholder engagement programme that Council embarked on to promote its activities has culminated in the establishment of strategic and sustainable partnerships with implementation of joint activities that are outlined in the report under the section dealing with the highlights of this financial year.

I wish to thank all our valued partners and stakeholders who have given their time and resources to Council over this period of reporting. Without the commitment, unwavering support as well as the measurable contributions of the Department of Public Works, Council of the Built Environment, Council Committees, Voluntary Associations, Institutions of Higher Learning and all other strategic partners, we would not have realised the full implementation of our financial year goals.

I wish to thank them for all their sterling efforts that have taken us to these highly improved levels that will undoubtedly launch us to swiftly continue delivering on our legislative mandate. I also want to thank our committed and dedicated staff members for doing their work diligently as well as going that proverbial extra mile in implementing tasks.

Haboloto

Ms. Nomvula Ethel Rakolote Registrar



#### PARTNERSHIPS- STRATEGIC AND SUSTAINABLE

There has been tremendous growth in collaborative efforts with various stakeholders and partners that has enabled Council to deliver on its mandated programmes. The partnerships forged have ensured that we found some comfort which contributed towards projects that could be fully implemented and monitored.

The successes and accolades of an organisation hinges upon the formation of strategic and sustainable partnerships. Council has in the past five years has seen phenomenal growth and a widening range of partnerships that have proved to be successful in the rapid evolution of Council. Various partnerships have been established and the engagements have yielded to amongst others successful joint programmes as indicated below:

- 4th Construction Management Summit in collaboration with various stakeholders
- 2. Inaugural Construction Mentorship Seminar in collaboration with CIDB and University of Pretoria
- 3. 3rd Project and Construction Management Professions Conference
- 4. SACPCMP and NHBRC Signing of Memorandum
- 5. Construction Health and Safety Registration Workshops in partnership with the Department of Labour
- 6. Participation at various Annual General Meetings of Voluntary Associations (VAs)
- 7. Department of Labour (DOL) Construction Seminar to inform the industry of the exemptions granted regarding the phased-in implementation of the Construction Regulations 2014

#### **REGISTRATIONS- ON THE RISE**

Growing the pool of registered persons is critical for the effective regulation of the professions that reside within the ambit of SACPCMP. Consequently, the database of registered persons increased from 3 738 as at the 1st of April 2015 to 4 364 as at the 31st of March 2016, translating to an increase of.

The increase in the number of registered persons was across all the registration categories with the exception of Construction Mentor for which there was neither an increase nor decrease.

We attribute the increase to the concerted awareness campaigns that are primarily targeted towards industry.

# CONSTRUCTION HEALTH AND SAFETY- ENSURING THAT SOUTH AFRICANS ARE SAFE

Arising from the Construction Regulations 2014 having set a transition period of eighteen (18) months that ended on the 7th of August 2015, with the exception of Regulations 3 and 5 (7)(b), the CHS professionals should have registered with the SACPCMP. The SACPCMP received a total of 6 251 applications for registration and the majority of these are still undergoing assessment. This reflects a commitment by industry to ensuring good quality service provision through, amongst others, adherence to appropriate standards of Health and Safety. It is in this vein that industry at large is facilitating the registration of CHS professionals throughout the country.

# PROMOTING GOOD GOVERNANCE- AUDIT AND RISK COMMITTEE- "THE NEW KID ON THE BLOCK"

In order to promote good governance, it is critical that the Council has the appropriate financial reporting standards and policies in place. This will not only ensure that the Council will receive an unqualified report, but will also ensure that the Council is able to mitigate risk and manage finances and resources judiciously. This committee will commence work as a watchdog on Council spend as well as ensuring that all the necessary steps are followed before Council embarks on costly investments.

Areas of need will include procurement, IT Governance, Risk management, financial reporting, budgeting and cash flow forecasts.

# PROPELLING THE CANDIDATURE PROGRAMME TO NEW HEIGHTS

The LGSETA is to provide grant funding to this Council for a structured candidacy programme targeted towards candidates in municipalities to upgrade to professional status. The identification of candidates is still on-going and the selection is being done with representation of CBE.

Following the dismal report by the Auditor-General, Municipalities will need all possible assistance to meet their requirements by the State. This initiative by Council will provide a much needed helping hand for Municipalities that struggle with infrastructure development and maintenance. The spin offs in terms of skills development and service delivery is obvious, given that personnel tasked with infrastructure development at municipal level meet the necessary requirements to ensure that this area of need is addressed.

# TRANSFORMING THE LANDSCAPE OF THE PROJECT AND CONSTRUCTION MANAGEMENT SECTOR

The Project and Construction Management sector is in dire need of transformation. The demographics of personnel in this sector falls far short of an equitable reflection of the demographics of the country, especially in terms of race and gender.

Council has taken decisive steps to address this chronic need. The formation of a Transformation Committee is indicative of Council's commitment to addressing the transformation need. Initiatives will be mainly channelled through the SACPCMP's Student Chapter after the Committee has finalised a strategy and implementation plan. Schools outreach, youth development and career promotion will be accelerated and a dedicated youth portal will form a part of the planned Council web design.

Council will also use innovative platforms, such as social media, to communicate with youth and to engage them at events such as career exhibitions, school and university visits and at other youth indabas. The use of informal theatre and audio visual material will also be explored.

#### **BUILDING A QUALITY AND SAFE ENVIRONMENT**

The vision of the Reconstruction and Development Programme (RDP) has been sadly tarnished with the rise of unscrupulous building contractors who made huge profits by using inferior building material and constructed structures that were not only unappealing, but unsafe as well.

A Memorandum of Understanding was signed on the 27th November 2015 which seeks to develop a framework for the various parties to cooperate regarding the registration, certification and regulation of Building Inspectors. The regulation is required in order to ensure clear responsibility and accountability as well as alignment of inspection activities. The NHBRC is of the opinion that the broader housing sector should have a properly regulated system and that such regulation will assist the government in ensuring quality and sustainable housing solutions.

#### THOUGHT LEADERS THINK TANK

The 3rd Project and Construction Management Professions Conference was held on the 13th – 15th October 2015 at Emperors Palace, Kempton Park. It was well attended having a 434 delegates over the three (3) days all thanks to an improved marketing and communication programme which was hailed.

The event saw industry thought leaders initiating and sustaining debate on burning issues. Delegates also benefitted not only from the exposure to problem statements and possible solutions, but also from the valuable networking and forging new partnerships and alliances. Delegates responded favourably about the logistics, topics and deliberations at the Conference.

# REACHING NEW PEAKS- THE 4TH CONSTRUCTION MANAGEMENT SUMMIT

The 4th Construction Management Summit, organised and hosted by the SACPCMP, was held from the 23rd to the 24th of June 2015 at the Midrand Conference Centre in Johannesburg. The Construction Management Summit is now a flagship event on the professional calendar, having first been held in June 2012, and to date has seen a growing number of participants. This year the Summit brought together 229 participants comprising practitioners, academics, students, candidate professionals, civil society and government officials to assess the needs of the Construction Management profession. The theme of the 4th Summit was 'Constructing the Future', a natural progression from the themes of the first three summits and building on the resolutions arrived therein.

The inclusion of academics and young and emerging professionals bodes well for the future professionalisation of the construction and project management sector.

# One

# VISION

TO BE A WORLD-CLASS REGULATORY
BODY FOR THE BUILT ENVIRONMENT MANAGEMENT
PROFESSIONS



# MISSION

TO CREATE AN ENABLING ENVIRONMENT FOR THE PROMOTION, GROWTH AND TRANSFORMATION OF BUILT ENVIRONMENT MANAGEMENT PROFESSIONS THROUGH ADVOCACY, RESEARCH AND BEST PRACTICE



# **VALUES**

- ACCOUNTABILITY
- INTEGRITY
- INNOVATION
- TRANSPARENCY
- INCLUSIVENESS

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# GOALS

- IMPROVE OPERATIONAL EFFECTIVENESS AND EFFICIENCIES
- INCREASE AND RETAIN REGISTRATION OF COMPETENT PERSONS
- BUILD FINANCIAL SUSTAINABILITY
- ASSIST AND MONITOR THE COMPLETION OF THE IDOW
- IMPLEMENT MANDATED PROGRAMMES AND ALIGN TO GOVERNMENT PRIORITIES



#### **LEGISLATIVE AND OTHER MANDATES**

#### **Constitutional mandates**

Section 22 of the South African Constitution (Act No. 108 of 1996), a section dealing with freedom of trade, occupation and profession, states that "every citizen has a right to choose their trade, occupation and profession freely. The practice of a trade, occupation or profession may be regulated by law." This section gives the basis for the existence of the South African Council for the Project and Construction Management Professions (SACPCMP) through Act No. 48 of 2000.

#### **Legislative Revision**

No legislative revisions have been made to date. However, the Department of Public Works is currently in a process of soliciting comments and inputs from the industry on the Built Environment Professionals (BEP) Policy Review that is proposing amendments of the statutory regulatory framework of BEPs

#### **Legislative Mandate**

The South African Council for the Project and Construction Management Professions (SACPCMP) is a juristic person established by Section 2 of the *Project and Construction Management Professions Act (Act No.48 of 2000)*to regulate Project and Construction Management Professionals in order to protect the public.

The SACPCMP fulfils the statutory mandate by:

- Registering professionals and maintaining a national register of professionals;
- Identifying the type and scope of work for the Project and Construction Management Professions;
- Determining registration criteria for professionals;
- Conducting examinations for the purpose of registration of Project and Construction Management Professions;
- Developing a Code of Conduct for registered professionals;
- Consulting with the South African Qualifications Authority (SAQA) or any other body established by it and the VAs to determine competency standards for the purpose of registration;
- Conducting accreditation programmes for Construction Management and Construction Project Management offered at tertiary educational institutions in consultation with SAQA and the Council on Higher Education (CHE)

- Giving advice or rendering assistance to any educational institution, VA or examining body with regard to education facilities for the training and education of registered persons and prospective registered persons;
- Entering into an agreement with any person or body of persons within or outside the Republic of South Africa (RSA) with regard to recognition of any examination or qualification for Project and Construction Management Professionals;
- Determining, after consultation with the VAs and registered persons, conditions relating to the nature and extent of Continuing Professional Development (CPD);
- Establishing a Standards Generating Body (SGB);
- Recognising VAs



# PERFORMANCE INFORMATION







The Minister of Public Works is the executive authority of the SACPCMP who regulates the Council through the Council for the Built Environment (CBE), which is the overarching body that co-ordinates the activities of all the Built Environment Councils.

The Built Environment refers to the functional area which registered persons practice. The Built Environment includes all structures that are planned and/or erected above or underground, as well as the land utilised for the purpose and supporting infrastructure.

The SACPCMP operates in the Built Environment alongside five other Councils, namely being:

• SACAP: The South African Council for the Architectural Profession

• ECSA: The Engineering Council of South Africa

• SACLAP: The South African Council for the Landscape Architectural Profession

SACQSP: The South African Council for the Quantity Surveying Profession

• **SACPVP**: The South African Council for the Property Valuing Profession

public works E C S A SACPCMP SOUTH AFRICAN COUNCIL THE SA COUNCIL FOR THE This Annual Report focuses on the legislative imperatives in the following areas:

- · Safety, Health and Environment;
- International recognition of Professionals;
- Programme Accreditation;
- Registrations Statistics;
- Disciplinary and Code of Conduct
- Recognition of Voluntary Association
- Continuing Professional Development
- Professional Guideline Fees
- Recognition of Prior Learning
- Identification of Work

#### **SAFETY, HEALTH AND ENVIRONMENT (SHE)**

# Highlights, achievements and important milestones in policy implementation

The promulgation of the Construction Regulations 2014 on 7th February 2014 placed emphasis on the registration of Construction Health and Safety Professionals to be able to operate as such on construction projects resulted in a gradual flow of applications from individuals.

Various projects were launched to create awareness and provide information to potential registrants regarding the requirements of registration with Council and the process to follow. This culminated in a national awareness campaign from March to July 2015 during which 24 workshops were held nationally, attended by 1 600 people. The intended implementation date in combination with the awareness campaign resulted in 4 956 applications during the period March to September 2015 in comparison to 1 828 applications from the opening of registrations in June 2013 to February 2015.

Programmes have been developed to drive the entire CHS application process in bulk down an electronic pipeline in bulk and staff members were trained accordingly.

Applications being received have steadily increased from October 2015 to March 2016 with an average of 288 applications per month. This is an indication of industry's support of the professionalisation of the CHS industry and the associated registration process.

The successful implementation of a multiple choice question paper for examination on CHSO level from December 2015 and electronic online examinations in

the Gauteng area, resulted in a substantial decrease in the turnaround time for examination outcomes.

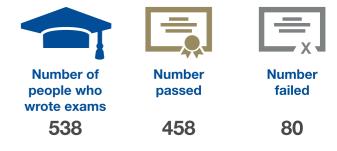
This process, together with an increase in the number of scheduled examinations, resulted in an increase in the number of examinations concluded during the period October 2015 to March 2016 of approximately 59%. Planning for the extension of multiple choice question papers to CHSM examinations has started in March 2016 and the successful implementation thereof is expected to commence in the next financial year.

In order to simplify the exam process and reduce the turnaround time of marking exam papers various learner management systems were researched. After a trial period of testing a learner management system named Talent LMS was chosen and the subscription was paid for a year in advance for 500 users.

All the exam questions for the CHSO exam have been loaded and feedback on the online exam has been received from some committee members.

An online exam booking form was designed whereby invitations will be sent to all applicants in the paid exam group.

#### **Examinations**



#### Strategic issues and challenges

#### Registrations in Construction Health and Safety

Registrations remain relatively low and Industry demands are not yet met. A total of 8 160 applications were received by the end of March 2016, and only 516 culminated in registration. The number of registrations, however, showed a significant increase from July 2015 compared to the period from implementation in June 2013 to June 2015.

#### Responsiveness of applicants

A large number of applications cannot proceed with registration due to incomplete applications, additional information requirements and outstanding fees. This is also evident in the responses to examination invitations where an average of only 50% responded to examination invitations.

#### Pr CHSA

There is a relatively low success rate in applications for registration to the category of Professional Construction Health and Safety Agent. This is primarily due to a lack of practical experience in project work stages 1 to 3. There is currently an insufficient number of registered persons to meet the needs of industry.

Council has resolved to develop tailor-made skills modules to address these shortcomings and it is anticipated that this will be introduced during the 2016/17 financial year. In addition to this, structured education and training in Construction Health and Safety still remains a challenge as there are limited accredited programmes available. It is in this vein that Council began approaching tertiary institutions to develop such structured programmes that will include short courses as well as certificate, diploma and degree programmes.

#### **Construction Regulations 2014 and Guidelines**

The Construction Regulations 2014, although a vast improvement on the previous regulations, created uncertainty on a number of issues which also have an impact on the understanding and the application for registration on the different levels. The validity and acceptance of the Confirmation Letter issued by the SACPCMP as an interim measure for acceptance to practice is under review for Pr CHSA level.

Workshops are being conducted by the Department of Labour to address these issues and it is expected that the guidelines to the Construction Regulations will be issued by the Department.

#### Health and Safety Qualifications and Programmes.

Specialist and structured education and training programmes in Construction Health and Safety remain a challenge and tertiary education institutions are being approached in an effort to structure programmes and develop acceptable standards.

These include short courses, certificates, diplomas and degrees.

# AGREEMENTS AND PARTNERSHIPS UNDER DISCUSSION: LOCAL AND INTERNATIONAL

# Highlights, achievements and important milestones in policy implementation

The CBE has developed an overarching policies on International Agreements signed by the Minister which seeks to serve as a guideline on international agreements in order to allow a uniform approach that is cognizant of Government policies and existing international agreements. Council will start the process of formulation of this policy within existing guidelines in the next financial year subject to available resources.

Council has entered into formalised partnerships in the year under review in the form of Memorandums of Understanding of which some have been concluded and one, reflected below, still being in progress.

- The MOU with the National Home Builders Council (NHBRC) has been approved by Council and this was signed on the 27th of November 2015 in a joint session
- MOU with CHE for matters regarding the accreditation of programmes at institutions, is awaiting finalisation

Council is desirous of entering into reciprocal international agreements that will lead to the recognition of the registered professions but such arrangements require involvement/consent of other state entities.

#### **ACCREDITATION**

# Highlights, achievements and important milestones in policy implementation

The fourth (4th) year into the implementation of the Programme Accreditation Policy Framework is a milestone for both Council and the accredited institutions. The developmental approach taken by Council in accrediting institutions has necessitated that institutions be monitored on an annual basis through the submission of annual reports to ensure the following:

- The progress of institutions in meeting full criteria, where full accreditation status was not granted;
- The progress of institutions in addressing the gaps identified during the visits conducted in 2012; and
- To keep abreast of new developments at the institutions to ensure Council participation.

Further to the developmental approach, Council has resolved to include representatives from all accredited institutions to be members of the Accreditation Panel. The appointments of the additional panel members were finalised as follows in April 2015:

PANEL MEMBER	PANEL	CATEGORY OF REGISTRATION
Prof Raymond Nkado	Chairperson: Programme Accreditation Committee	PrCPM
Prof Alfred Talukhaba	Tshwane University of Technology	PrCPM
Prof Johannes Verster	Registered Professional and Committee Member	PrCPM
Dr Bridgette Gasa	Industry Representative	Not Registered
Ms Toni Stringer	Cape Peninsula University of Technology	Not Registered
Dr Franco Geminiani	Nelson Mandela Metropolitan University (BHSD)	PrCPM
Mr Felix le Roux	University of Pretoria	Not Registered
Prof David Root	Witwatersrand University	PrCPM
Ms Nomvula Rakolote	SACPCMP: Registrar	Not Registered
Mr Eric Manchidi	SACPCMP: President	PrCPM
Ms Claire Deacon	Council Member	PrCHSA
Mr Duane Fischer	Registered Professional	PrCHSA
Mr Mziwakhe Nhlapo	Organised Labour: National Union of Mineworkers	CHSM
Mr Ishmail Cassiem	Registered Professional	CHSM
Mr Charles Mothobiso	Mangosuthu University of Technology	Not Registered
Mr Archie Madumane	Walter Sisulu University	Not Registered
Prof Theo Haupt	University of KwaZulu-Natal	PrCM

An induction workshop which was attended by the previous and new panel members was conducted on 26 May 2015. The workshop was intended to explain the Programme Accreditation Policy Framework, procedures, self-evaluation criteria and procedures for conducting accreditation visits and the evaluation of annual reports.

The 2015 annual reports were submitted in the format provided by Council and were assessed by panel members who initially visited the institutions and the newly appointed panel members except in cases where conflict of interest was declared. The outcomes of the assessment of the annual reports as ratified by Council are:

INSTITUTION	ACCREDITED QUALIFICATIONS
University of the Witwatersrand (WITS)	<ul><li>Bachelor of Science: Construction Studies</li><li>Bachelor of Science: (Hons) Construction Management</li></ul>
University of Johannesburg (UJ)	<ul><li>National Diploma: Building</li><li>Bachelor of Technology: Construction Management</li></ul>
University of Pretoria (UP)	<ul> <li>Bachelor of Science: Construction Management</li> <li>Bachelor of Science: (Hons) Construction Management</li> </ul>
	Masters of Science (Project Management)
Tshwane University of Technology (TUT)	<ul><li>National Diploma: Building</li><li>Bachelor of Technology: Construction Management</li></ul>
University of the Free State (UFS)	<ul> <li>Quantity Surveying, Construction and Project Management (QCP)         Certificate</li> <li>Bachelor of Science: Construction Management</li> <li>Bachelor of Science: (Hons) Construction Management</li> <li>Masters of Land and Property Management (MLPM)</li> </ul>
	<ul> <li>BHSD</li> <li>National Diploma: Building</li> <li>Bachelor of Technology: Construction Management</li> </ul>
Nelson Mandela Metropolitan University (NMMU)	<ul> <li>CM</li> <li>Bachelor of Science in Construction Studies – BSc (Construction Studies)</li> <li>Bachelor of Science in Construction Management – BSc (Hons) (Construction Management)</li> <li>Master of Science in Built Environment, Construction Management Specialisation</li> <li>Master of Science in Built Environment, Construction Health and Safety Management specialisation</li> <li>Master of Science in Built Environment, Project Management specialisation</li> </ul>
Walter Sisulu University (WSU)	National Diploma: Building
University of Cape Town (UCT)	<ul> <li>Bachelor of Science: Construction Studies</li> <li>Bachelor of Science: (Hons) Construction Management</li> </ul>
Cape Peninsula University of Technology (CPUT)	<ul><li>National Diploma: Building</li><li>Bachelor of Technology: Construction Management</li></ul>
Mangosuthu University of Technology (MUT)	National Diploma: Building
Durban University of Technology (DUT)	<ul><li>National Diploma: Building</li><li>Bachelor of Technology: Construction Management</li></ul>
Central University of Technology	<ul><li>National Diploma</li><li>Bachelor of Technology: Construction Management</li></ul>

#### Strategic issues and challenges

#### Programme Accreditation Policy Framework

The Programme Accreditation Committee is in the process of reviewing the Accreditation Policy Framework and Guidelines to include the educational framework for project and construction management programmes.

#### Heads of Department Meeting 2015

The President of Council hosted a meeting with Heads of Department from accredited institutions at the 4th Construction Management Summit on 24 June 2015. The objective of the meeting was to announce Council's commitment to support accredited institutions in complying with accreditation criteria and possible partnerships on developmental programmes to promote the profession.

At this meeting it was agreed that Council will establish a Heads of Department Forum that will meet on an annual basis as part of the Construction Management Summit. The terms of reference of the Forum are being developed and will be presented at the first official meeting for input from the institutions.



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#### **Endorsements for New Qualifications**

Council has been issuing endorsement letters for institutions who are in the process of changing programmes. The following institutions have requested endorsement from Council:

#### INSTITUTIONS THAT REQUESTED SUPPORT FOR THEIR NEW PROPOSED QUALIFICATION(S) 2014-2016

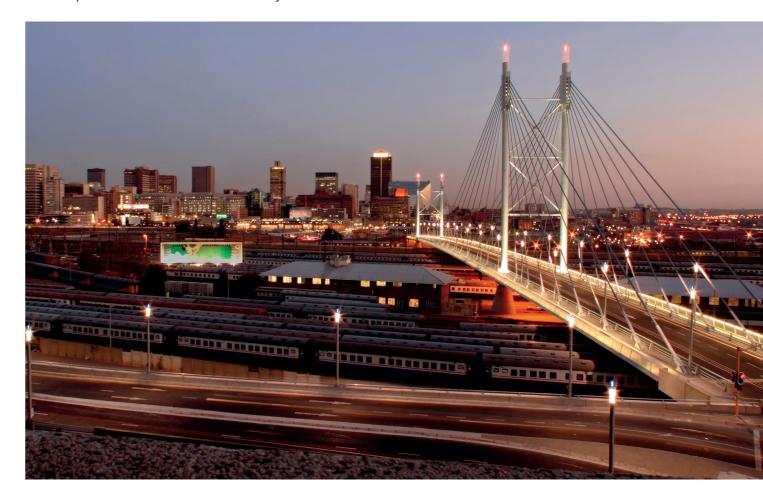
ITEM	INSTITUTION	PROPOSED NEW QUALIFICATION	REPLACED QUALIFICATION
		Requested support in 2014	
1.	Cape Peninsula University of Technology (CPUT)	<ul><li>Diploma in Construction</li><li>Master of Construction</li></ul>	National Diploma in Building M.Tech: Construction Management
2.	Durban University of Technology (DUT)	<ul> <li>Bachelor of the Built Environment: Construction Studies</li> <li>Diploma in the Built Environment in Construction Studies (Dip(Built Environment(Construction Studies)</li> </ul>	Not Applicable
3.	Nelson Mandela Metropolitan University (NMMU) CM	<ul> <li>Advanced Diploma in Construction Management</li> <li>Advanced Diploma in Construction Health and Safety, and the</li> <li>Bachelor of Construction</li> <li>MSc (Built Environment) Building Information modelling specialisation.</li> </ul>	Not Applicable
4.	Central University of Technology (CUT)	<ul> <li>Bachelor of Construction (Construction Management)</li> <li>Higher Certificate in Construction</li> <li>Master of Construction (Construction Management)</li> <li>Post Graduate Diploma in (Construction Management)</li> <li>Post Graduate Diploma in Construction &amp; Health &amp; safety)</li> <li>Master of Construction (Construction Management)</li> <li>Doctor of Philosophy (Built Environment Studies)</li> </ul>	Not Applicable
5.	University of the Free State (UFS)	<ul> <li>Bachelor of Science in Quantity Surveying and Construction Management</li> <li>Bachelor of Science in Construction Economics and Management</li> </ul>	Not Applicable
		Requested support in 2015	
6.	Cape Peninsula University of Technology (CPUT)	<ul> <li>Advanced Diploma in Construction Management</li> <li>Advanced Diploma in Construction Health and Safety</li> <li>Bachelor of Construction</li> </ul>	Not Applicable
		Requested support in 2016	
7.	Central University of Technology (CUT)	<ul> <li>Bachelor in Construction in Health and Safety Management(BCon.HSD)</li> <li>Postgraduate Diploma in Construction in Health and Safety Management(PGD.HSM)</li> </ul>	Not Applicable
8.	University of the Free State (UFS)	BSc in Construction Economics and Management	Not Applicable
9.	University of Johannesburg (UJ)	<ul> <li>BSc Construction (3 year degree)</li> <li>BSc Construction Management (Honours)</li> <li>BSc Construction Management Project (Honours)</li> <li>BSc Construction Health and Safety (Honours) degrees</li> </ul>	Not Applicable

#### INSTITUTIONS THAT REQUESTED SUPPORT FOR THEIR NEW PROPOSED QUALIFICATION(S) 2014-2016

ITEM	INSTITUTION	PROPOSED NEW QUALIFICATION	REPLACED QUALIFICATION
		Requested support in 2016	
10.	University of Witwatersrand (WITS)	<ul> <li>Post Graduate Diploma in Construction</li> <li>Professional Masters in Construction</li> </ul>	Not Applicable
11.	Central University of Technology(CUT)	<ul> <li>Bachelor in Construction Health and Safety Management(BCon.HSM)</li> <li>Postgraduate Diploma in Construction in Health and Safety Management(PGD.HSM)</li> </ul>	Not Applicable
12.	Durban University of Technology(DUT)	Diploma in the Built Environment in Construction Studies (Dip(Built Environment) (Construction Studies))	Not Applicable

#### Academic Route Registration for Academics

Following the visits to the accredited institutions, academic staff requested that Council consider hosting workshops on how they can register through the academic route. Council will be hosting registration through the academic route workshops in all cities in the new financial year.



#### **REGISTRATION**

# Highlights, achievements and important milestones in policy implementation

Growing the pool of registered persons is essential for the effective regulation of the professions that reside within the ambit of the SACPCMP. As a result, the database of registered persons increased from 3 738 on 31 March 2015 to 4 364 on 31 March 2016 which represents an increase of 17%. The increase in the number of registered persons was across all the registration categories with the exception of Construction Mentor for which there was neither an increase nor a decrease. We attribute the increase to the concerted awareness campaigns that are primarily targeted towards industry. This continuous increase in the number of registered persons aligns well with the SACPCMP objective of providing the country with competent registered persons to provide high quality service delivery in infrastructural development.

Of significant note is the increase in the number of registered CHS professionals across all the registration streams from 76 on 31 March 2015 to 556 on 31 March 2016. We readily concede that the increase in these

registered persons is still inadequate to meet the needs of the industry. Nonetheless, it is worth pointing out that arising from the Construction Regulations 2014 having set a cut-off date of 7 August 2015 for the implementation of the 2014 Construction Regulations, we received a total of 6 251 applications for registration during this reporting period.

The majority of these are still undergoing assessment. This in itself is a clear indication of industry becoming more and more committed to good quality service provision through, amongst others, adherence to appropriate standards of health and safety. It is in this vein that industry at large is facilitating the registration of CHS professionals throughout the country.

The number of registered Professional Construction mentors is 23, many of who are male. Once the SACPCMP Transformation Committee commences with its work, it is hoped that this will change the demographics in this arena

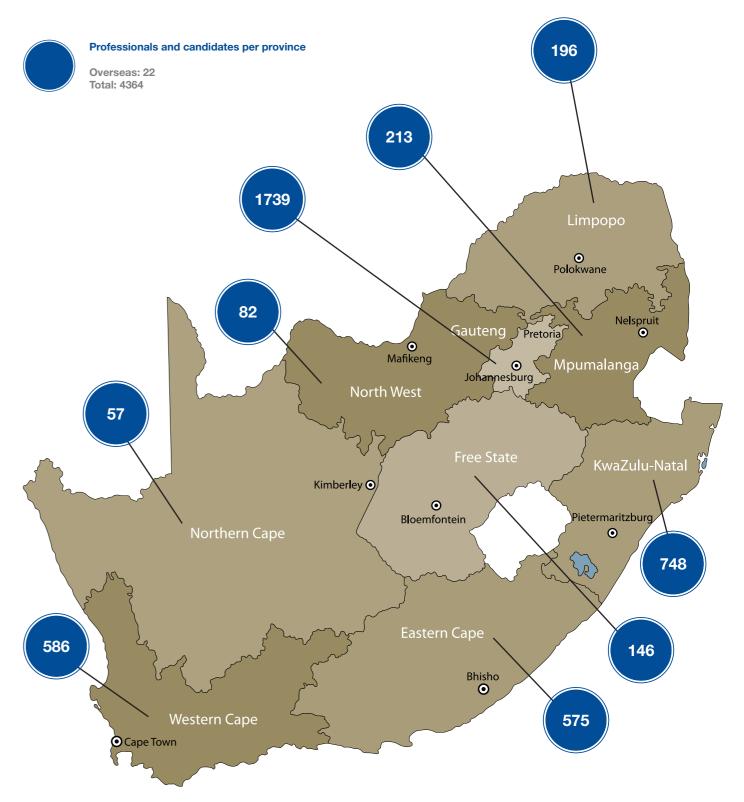
Construction Project Managers constitute 63% of all registered persons whilst 22% are Construction Managers.

#### Comparative Registration Numbers per Calendar Year:

31 MARCH OF EACH YEAR	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Professional Construction Manager	809	750	750	735	673	689	679	725
Candidate Construction Manager	241	179	181	185	172	186	233	256
Professional Construction Project Manager	1699	1593	1584	1543	1505	1505	1531	1585
Candidate Construction Project Manager	669	538	610	679	847	969	1197	1219
Professional Construction Mentor	N/A	6	11	12	12	14	20	21
Construction Mentor	N/A	N/A	N/A	N/A	2	1	2	2
Professional Construction Health and Safety Agent	N/A	N/A	N/A	N/A	N/A	13	17	27
Candidate Construction Health and Safety Agent	N/A	N/A	N/A	N/A	N/A	0	8	25
Construction Health and Safety Manager	N/A	N/A	N/A	N/A	N/A	10	30	113
Candidate Construction Health and Safety Manager	N/A	N/A	N/A	N/A	N/A	0	1	5
Construction Health and Safety Officer	N/A	N/A	N/A	N/A	N/A	0	18	320
Candidate Construction Health and Safety Officer	N/A	N/A	N/A	N/A	N/A	0	2	66
Total	3418	3066	3136	3154	3211	3387	3738	4364

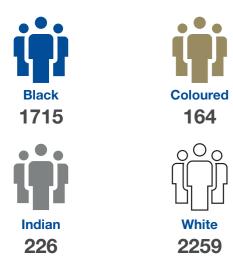
#### Statistics per province

Gauteng province has the largest number of registered professionals and candidates in each of the registered categories. The combined total is one thousand seven hundred and seventy-three (1773), translating to 39.5% of the total SACPCMP registrations.



#### Statistics per race

The majority of registered persons are still white. However, the sector is seeing a rapid change in this trend. Currently, approximately 40% of registered persons are Black, whilst whites make up 52% of registered persons.



#### Statistics per gender

In terms of gender, the sector is still lagging far behind with 86% of registered persons being male, and 14% female.





#### Statistics by age

Many of the registered professionals in this reporting period now fall within the 30-65 year-old category.

This is a drastic shift to when most registered persons fell within the 40-65 year-old category.

Approximately 83% of registered persons fall within this category.

15-19	2
20-24	30
25-29	408
30-34	618
35-39	607
40-44	589
45-49	564
50-44	451
55-59	401
60-64	425
65+	269
Total	4364

#### Statistics by category

The current financial year statistics shows that Professional Construction Project Managers constitute 67% of registered professionals which is the highest of all. There is still a need to increase the number of registrations for CHS disciplines, Professional Construction Mentors and Construction Mentors. Of the total number of registered persons, approximately 36% or 1 645 registered persons are candidates.

#### Statistics by profession





**Candidates** 1571

Pr CPM	1585
Pr CM	725
Pr Cmentor	21
Pr CHSA	27
CHSM	113
CHSO	320
Cmentor	2
ССРМ	1219
CCM	256
C CHSA	25
C CHSM	5
C CHSO	66
<b>Total</b>	4364

#### What is being done to improve registration?

The assessment of applications is solely reliant on assessors who are registered persons primarily doing this on a voluntary basis. As a token of appreciation for the invaluable service that they render, they are paid a nominal stipend over and above the CPD hours that they earn. Following attempts to address the backlog of CHS applications during the reporting period four Assessor Workshops were conducted and attended by 78 registered persons, which increased the CHS assessor pool with 37 additional new assessors. The introduction of the additional assessors resulted in a significant increase in the completion of assessments towards the latter half of the reporting period of approximately 67%.

These will significantly increase on the throughput of the application assessments and efforts will continue to be made throughout the year to increase the pool of assessors across all our registration streams. These

assessors are inducted into the Registration Policy before being allowed to embark on the assessment of applications.

#### **Assessments**

An on-line assessment process, which allows for the electronic distribution of applications to assessors and the online completion of assessments, was introduced in February 2016. The ultimate aim is to implement this for assessments across all the registration streams. In addition to this, the format of the examination for CHSO has been changed to that of multiple choice questions that are required to be answered electronically. This allows for the immediate availability of results that directly translates into registration.

In respect of CHS, various awareness workshops have been conducted to provide guidance on the requirements to be followed for registration as well as the process to be followed by the applicants. This was conducted in all the major centres across the country from March to July 2015. A total of 24 workshops were conducted and were attended by approximately 1 600 people.

#### **Policy Outcomes**

Council has deemed it necessary to resuscitate the long stalled process of the review of the Registration Policy. The review is aimed at including the requirements of new registration categories that have been introduced. This would also remove ambiguities in the existing policy as it would streamline the requirements to be aligned to best practice. More importantly, the outcome of the accreditation of programmes offered by tertiary institutions would greatly influence the direction of the registration requirements.

#### Strategic issues and challenges

There is a continual growth in the number of registered candidates and this is gradually moving towards representivity of the demographic profile of the country. On the other hand, the major challenge remains that of relatively slow progression to attaining professional status. What is really needed is to embark upon a structured candidacy programme as part of the broader transformational agenda and this is inhibited by lack of funding to fully fund a structured programme with assigned mentors. There is also no meaningful increase in the female registration numbers. It will not be correct to assume that this is due to the perception that Construction is a male dominated industry.

Rather, this requires interventions in the form of gender transformation and mainstreaming strategies.

It still remains a concern that a significant number of persons are deregistered on account of non-payment of their annual fee within the prescribed period. During this reporting period 259 registered persons have been deregistered, of which 165 are candidates which represents 64% of the deregistered persons. Council undertook a survey in an attempt to establish what leads to the high number of deregistration of candidates. This was targeted at the already deregistered candidates. No conclusion could be drawn from the survey as only 5% of invited participants responded to the survey questionnaire. Notwithstanding this, in an effort to stem the tide, Council has since introduced a debit order payment system that allows for the annual payment to be staggered over an agreed period of time. Council has now embarked on a countrywide tour with the purpose of guiding registered persons in acquiring the hours required for registration renewal before the 5-year CPD cycle ends around March 2017. It is hoped that both these initiatives would assist in minimizing the number of deregistered persons as Council is primarily reliant on annual fees to sustain its operations.

#### Cancellations and De-registration

CANCELLATIONS AND DE-REGISTRATION			
Deceased	0		
Non-Practicing	0		
Retired	0		
Suspensions	1357		
Resigned	0		
Removed (due to default)	259		
TOTAL	1616		

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#### **DISCIPLINARY ACTION AND APPEALS**

#### Highlights, achievements and important milestones in policy implementation

Complaints of improper conduct lodged by members of the public or incidents related to Project and Construction Management related work activities that would indicate improper conduct by registered persons are subject to investigations. SACPCMP gives effect to its mandate of regulating the Project and Construction Management Professions through the Disciplinary and Code of Conduct Committee that is duly appointed by Council.

#### **Disciplinary and Appeals Action (Tribunals)**

NUMBER OF COMPLAINTS RECEIVED AND THEIR NATURE (3 CASES)	COMPLETED	AVERAGE TIME FROM LODGING TO FINALIZATION	IN-PROGRESS
<ul> <li>One complaint against two (2) registered Professional         Construction Project Managers belonging to the same firm for         failure to discharge their duties to the client by not acting with         integrity and sincerity</li> <li>One complaint against two (2) registered Professional         Construction Project Managers belonging to the same firm for         failure to discharge their duties to the client by not acting with         integrity and sincerity</li> <li>One complaint against two (2) registered Professional         Construction Project Managers belonging to the same firm for         failure to discharge their duties to the client by not acting with         integrity and sincerity</li> </ul>	0	90 days	3
Number of complaints withdrawn	0		
Complaints finalised within stipulated time period	0		
NUMBER OF APPEALS RECEIVED AND THEIR NATURE (33 CASES)	COMPLETED	IN-PROGRESS	
<ul> <li>9 deferments to CCPM following professional interview</li> <li>7 deferments to CCPM following application assessments</li> <li>1 non-approval of registration as a Pr CPM following application assessment</li> <li>1 deferment to pursue registration as a Pr CPM through the RPL route1 deferment to CCM following application assessment</li> <li>5 re-classifications to CHSM following application assessments</li> <li>4 deferrals to CCHSA following application assessments</li> <li>2 deferrals to CCHSO following application assessments</li> <li>1 deferment to CCHSA following professional interview</li> <li>1 re-classification to CHSM following interview</li> <li>1 non-approval of registration as a CHSO following application assessment</li> </ul>	27	6	
Appeals finalised within stipulated time period	27		
Number of appeals withdrawn	1 non-approval of registration as a Pr CPM following professional interview		
Disciplinary and Appeals procedure	This is in accordance with the Appeals Policy as enshrined in the Registration Policy and Procedures		
Composition of the committee	Registration Ap	nsidered by a Council a peals Committee com make their recommen	prising six (6)

The Committee investigates breaches or transgressions of the Code of Conduct and thereafter makes its recommendations to Council for a decision. The SACPCMP is fully committed to ensuring that all its registered persons uphold the highest standards as espoused in the Code of Conduct

A need has been identified to have a pool of investigators to investigate cases and to serve as tribunal members. This will bring in much needed expertise, speed-up the process of investigations and further complement the work of the Committee. At its sitting of 26 February, Council approved the creation of a pool of investigators and an Expression of Interest is in the process of being issued. The aim is that the investigators would undergo some form of training once they have been identified.

The existing Code of Conduct was adopted in 2007 and since then many substantial changes have been made, including addressing newly identified ethical dilemmas. A holistic review of the Code of Conduct has since been carried out to ensure that it remained relevant and appropriate and to enhance the regulation of the Project and Construction Management profession. This included researching best practices in the development of ethical standards as well as benchmarking against the Codes of Conduct of other Built Environment Professional Councils. At its sitting of 26 February, Council approved a draft revised Code of Conduct. Consultations over this are currently ongoing.

#### Strategic issues and challenges

Council is finding itself hard-pressed to have an essential legal services unit in place due to lack of financial resources. The lack of internal legal support will remain a hindrance to improving upon the turnaround time for investigating complaints This is much needed to guide and provide relevant support in consideration of disciplinary and appeals matters. The cost of investigations and conducting disciplinary hearings will remain a challenge, particularly the high cost of running tribunals. The other remaining challenge is the lack of skills required by members of the Investigation Committee.

The number of appeals increased from 25 in the last financial year to 33 in the 2015/2016 financial year. This is attributable to the increased high volume of applications that were received especially those in the CHS disciplines. It still remains a challenge to get applicants to readily accept the outcome of their applications for registration. Notwithstanding this, Council has an obligation to ensure

that it only registers applicants who have demonstrated their competence as measured against the standards set by Council for its various registration categories. Council will nonetheless continue to explore initiatives aimed at further strengthening and reinforcing the integrity of the assessment process as a prelude to minimising the number of registration related appeals.

#### **RECOGNITION OF VOLUNTARY ASSOCIATIONS (VAs)**

# Highlights, achievements and important milestones in policy implementation

The gazetted amendments to the Recognition of Voluntary Associations Framework have been aligned to the CBE Policy Framework for Voluntary Associations which has been approved by the Minister. In the 2015/16 financial year Council has recognised the South African Institute of Occupational Safety and Health (SAIOSH) as a Voluntary Association following receipt of confirmation of 50 registered professionals who are members with the VA.

#### Voluntary Associations Recognized by Council

There are currently eleven (11) accredited Voluntary Associations as listed below:

ORGANISATION	REG NUMBER	EMAIL
ASAQS	V/001/2004	www.asaqs.co.za
MBA North	V/006/2004	www.mbanorth.co.za
SAICE	V/002/2004	www.saice.org.za
ACPM	V/007/2005	www.acpm.co.za
SAFCEC	V/003/2004	www.safcec.org.za
CESA	V/009/2009	www.cesa.co.za
MBSA	V/010/2009	www.mbsa.org.za
MBAFS	V/005/2004	www.mbafs.co.za
CIOB	V/004/2004	www.ciob.org.za
SARF	V/011/2015	www.sarf.org.za
SAIOSH	V/012/2015	www.saiosh.co.za



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#### Voluntary Associations not Accredited

There are currently six (6) non-recognised VAs for whom Council is awaiting full compliance with the requirements for recognition. The associations do not fully comply with the recognition requirements of VAs and is therefore not yet accredited. However, they do form part of the stakeholder body and do participate by means of representatives on the VAs Forum and various Council Committees. Furthermore, members belonging to these VAs are also recognised in terms of points assigned upon registration including any CPD activities.

ORGANISATION	WEBSITE
ACHASM	www.achasm.co.za
RICS	www.rics.org
MBAKZN	www.masterbuilders.co.za
IOSM	www.iosm.co.za
BEPEC	www.bepec.co.za
SAIA	www.saia.org.za

#### **CONTINUING PROFESSIONAL DEVELOPMENT (CPD)**

# Highlights, achievements and important milestones in policy implementation

The first CPD cycle of the SACPCMP is nearing its end on 31 March 2017. There has been a significant increase in professionals logging CPD activities onto their online profiles. Council is still open to receiving annual CPD reports through email and by post from professionals with evidence of their engagement with CPD activities. The Online CPD management system is affording registered professionals the opportunity to manage their CPD portfolios online. The CPD Online Videos initiative is growing with more bundles being added, enabling registered professionals to comply with CPD in the comfort of their homes.

Council has intensified its drive to increase the number of validated CPD activities by validating all activities offered by its Recognised VAs for accessibility to the registered professionals.

Furthermore, Council has embarked on provincial workshops to educate and assist registered professionals with regard to CPD requirements. The programme for the workshop is designed in such a manner that it will allow for presentations and practical exercises on how to login and update CPD profiles online

The parallel breakaway sessions for uploading and populating portfolios will then proceed subsequently.

#### Review of the CPD Policy Framework

The current policy framework is under review to ensure inclusion of all registration categories in terms of CPD activities. The reviewed policy was presented to Council at a meeting held in July 2015 and it has been approved for gazetting for comments. The CBE also requested that the revised policy be aligned to their revised policy as approved by the Minister.

In order to renew professional registration before the date of expiry, as stipulated in the registration certificate, a registered professional must have achieved the minimum CPD points required over a five (5) year cycle. Any professional who does not comply within the five (5) years, will be required to follow a remedial programme for twelve (12) months in the sixth (6th) year.

Any registered person who fails to comply with the remedial programme will be suspended in the seventh (7th) year, pending deregistration by the Council.

#### Currently the number of registered professionals who comply with CPD are outlined in the table below:

NO.	CATEGORY OF REGISTRATION	NUMBER OF REGISTERED PROFESSIONALS	NUMBER OF COMPLIANT REGISTERED PROFESSIONALS
1.	Pr.C Mentor	23	14
2.	Pr. CPM	1602	421
3.	Pr. CM	735	135
4.	C. Mentor	3	1
5.	Pr. CHSA	27	18
6.	CHSM	78	23
7.	CHSO	187	9
TOTAL		2 655	621

#### Strategic issues and challenges

Three critical challenges have, to date, been identified. Firstly, although the CPD cycle is for five (5) years, annual submissions have to be made. It is therefore possible that some may be waiting to submit at the end of the cycle which will naturally result in cumbersome administrative work. The second challenge will be that of having the requisite human and financial resources, a common phenomenon when introducing new programmes. Thirdly, those registered professionals with dual registration with other Built Environment Councils may assume that the same course applicable to that particular Council will equally apply for CPD points without first verifying whether this with the SACPCMP.

#### **PROFESSIONAL GUIDELINE FEES**

# Highlights, achievements and important milestones in policy implementation

In terms of section 34(1) of the SACPCMP Act, Council in consultation with the Voluntary Associations is required to formulate and publish recommended guideline fees.

Section 34(2) of the same Act also requires Council to review the fees on an annual basis.

Council took the decision from the beginning of 2013 not to publish the fees arising from the advice tendered by the Competition Commission that the publication of the fees in their format were deemed by them to be an anti-competitive measure. It was on this basis that an exemption application was made to the Competition Commission and this has since been rejected.

It is expected that this would now form the basis of an appeal by the CBE on behalf of all the BEP Councils.

#### Strategic issues and challenges

It is Council's stated wish to conduct research on alternative modalities of guideline fees but to date this has not been possible due to lack of funding. It is envisaged that the research will be an extensive and protracted exercise.

This was the basis by which an exemption application was made primarily for the continued protection and promotion of the public interest.

#### **RECOGNITION OF PRIOR LEARNING (RPL)**

# Highlights, achievements and important milestones in policy implementation

RPL assists individuals employed in the profession but without the qualification required for registration to be eligible for registration based on their demonstration of competence.

It therefore rightfully recognises the acquired experience, knowledge and competence outside the formal qualification sphere to bolster the professional skills base.

#### Strategic issues and challenges

Council began implementing RPL on 1 May 2009 and a sizeable number of applicants have since then been recommended to pursue registration through this route.

We have identified challenges that inhibit those recommended from pursuing this route and some of the challenges that they face are:

- Apparent lack of support from current and previous employers
- Finding the compilation of the Portfolio of Evidence to be an onerous and highly demanding/involved process

RECOGNITION OF PRIOR LEARNING	TOTAL
Number of professionals registered through RPL	5 (3 Pr CPM and 2 Pr CM). 3 were unsuccessful at their interview culminating in their being deferred to Candidate Construction Project Manager
Percentage of registered professionals through RPL	0.19% of the total registered Pr CPM and $0.28%$ of total registered Pr CM.
Number of people who paid to pursue registration through RPL	23
Number of RPL applications in process	14 - paid and still awaiting the submission of their Portfolios of Evidence
Number of RPL applications that had been rejected	1 – following his interview on the Portfolio of Evidence he had submitted

# 1W0 2

# IDENTIFICATION OF WORK IN LINE WITH COMPETITION ACT

Identification of Work in line with the Competition Act

# Highlights/achievements/important milestones in policy implementation

Section 26(2) of the SACPCMP Act requires that Council, after consultation with VAs and the public should submit recommendations to the CBE on the type of project and construction management work to be performed by registered persons. This has been done and approved by the CBE. Further to this, an application for the Identification of Work (IDoW) exemption was submitted to the Competition Commission. The Competition Commission has rejected the application. This is now in the process of being appealed by the CBE on behalf of all the Built Environment Professional Councils with the tacit support of the Department of Public Works.

#### **Policy outcomes**

SACPCMP views the IDoW as being for the protection of public health and safety as this is an enabling

mechanism of section 18(2) that seeks to prevent unregistered and incompetent persons from practicing project and construction management

#### Strategic issues and challenges

The IDoW overlaps with other BEP councils have essentially been agreed to. This will delineate the boundaries around the entire family of the BE professions by distinguishing one profession from the other.

It is a concern that it is not being appreciated nor recognised that the fundamental point of the IDoW is primarily that members of the public who acquire the services of a registered person would expect such a person to have the full competencies as enshrined in the IDoW to provide professional services in the discipline he/she is registered in.

The role therefore of the SACPCMP is to certify such persons who have demonstrated such competencies as it would be unethical for a person to present himself/ herself as being able to deploy such competencies if they are not certified.





Council has approved the establishment of a Transformation Committee as part of activities needed to ensure that we align with the National Agenda. The terms of reference have been developed and approved at the Council meeting held on 26 February 2016.

The Committee will be established with its first task being the development of an implementation plan once the Executive Stakeholder Manager has been appointed in the 2016/17 financial year.

There is currently a challenge regarding capacity for the full implementation of programmes aimed at transformation of the industry. Lack of funding hinders the implementation on the identified programmes that could contribute to the student chapter, structured candidature programme and RPL Workshops.

# Strategic Interventions developed to overcome these barriers

# Promotion of the professions with learners and students

We have participated in the career days conducted at schools and are currently awaiting responses for funding for the structured candidacy programme. This is achieved through the Student Chapter initiative which aims to be at the forefront of the development and advancement of construction management education where the transferring of skills, sharing of ideas and knowledge inspires, guides and promotes excellence in teaching and research in project delivery.

#### Structured Candidate Programme

The LGSETA has provided in the current financial year grant funding for a structured candidacy programme targeted towards candidates in municipalities to upgrade to professional status. The candidates have been selected at various provinces and municipalities.

Provinces	Female	Male	Total
Eastern Cape	8	9	17
Free State	1	1	2
Gauteng	1	7	8
KZN	7	10	17
Limpopo	6	5	11
Mpumalanga		6	6
North West		2	2
Northern Cape		4	4
Western Cape	1	7	8
Total - Female / Male	24	51	75
Percentages - Female / Male	32%	68%	



### ORGANISATIONAL ENVIRONMENT AND PERFORMANCE

#### INTRODUCTION

This section narrates a summary of all operations in the following order: operations; office systems and procedures; controls, processes and accountability; and communication and marketing.

# OPERATIONS AND ORGANISATIONAL MANAGEMENT

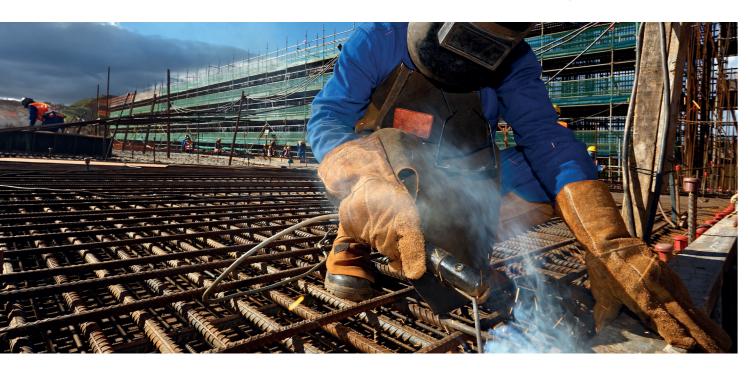
In line with Section 8 (1) of the Act, Act 48 of 2000, the Council appoints the Registrar and may employ such staff as it may deem necessary for the carrying out of its functions. The Registrar reports directly to Council and has the ultimate management responsibilities for staff and operations. Moreover, the Registrar provides strategic leadership towards the achievement of the organisational vision, mission, strategy plan, annual performance plan and overall objectives.

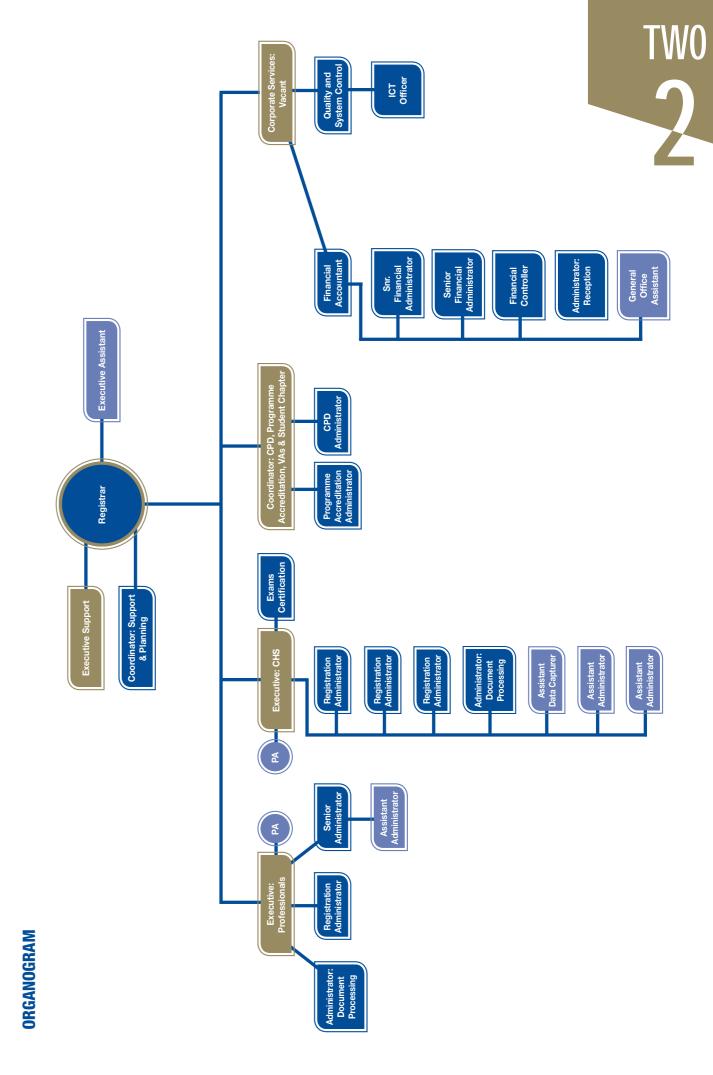
The following appointments were made during the report period:

The recommendation for the expansion and restructuring of the CHS Department was approved by Council during November 2015 with essentially the following changes to be effected during the year under review:

- The CHS Executive who resigned in June 2015 was replaced with a temporary appointment from October 2016. A permanent appointment was made during March 2016 with effect from April 2016.
- The position of Senior Administrator: CHS which had remained vacant during the reporting period was filled in March 2016 with effect from April 2016.
- An Examination Administrator was appointed from November 2015 to ensure focused and dedicated effort in construction health and safety examination administration.
- Two Assistant Administrators and an Assistant Data Capturer were appointed on a temporary basis

The 2013 Organisation Development exercise has been reviewed in line with the Council's Strategic Plan 2015 – 2020 and the as at 31st March 2016 the staff complement of Council was a total of thirty-one (31) employees. Over the years, Council has managed to absorb its interns to hold permanent posts. During the period under review three (3) interns were absorbed into permanent posts. This shows that Council construes its people as a very valuable resource that should grow and develop to fulfill their potential. Through absorbing of interns, Council is able to retain the knowledge base with which it has equipped them and this directly contributes to sustainable job creation.





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ORGANISATIONAL ENVIRONMENT AND PERFORMANCE CONT.

1W0 2

The total staff complement is made up of twenty-two (22) are permanent, two (2) were interns, six (6) were on short term contract and one (1) was temporary as depicted in the table below:

EMPLOYEES ON SACPCMP PAYROLL AS AT 31 MARCH 2016					
Category	Male	Female	Total		
African	10	13	23		
Coloured	0	1	1		
Indian	0	1	1		
White	3	3	6		
Total	13	18	31		

The racial and gender profile is thirteen (13) Black females, ten (10) Black males, three (3) White females, one (1) Indian female, one (1) Coloured female and three (3) White males.

During this period Council was able to retain most of the staff except for four (4) contracts that were not renewed and one (1) who left the employ of Council during June 2015.

Council also empowers its employees through development programmes which include long-and-short term courses, conferences, seminars and workshops. Employee training focuses mainly on areas that would facilitate the improvement of employee and Council performance. Council thus invests in training and development of its employees to improve the quality of service it renders to its clientele.

The SACPCMP through its staff has contributed to a number of Corporate Social Investment initiatives such as the Mandela Day which took place on the 18th July 2015. Staff dedicated over 67 minutes at a disadvantaged day care centre where they painted, sponsored food and beds and time with the children. There was also a Career Awareness day in collaboration with Murray and Roberts for five (5) Secondary schools which included a site visit at Menlyn Shopping Centre. A career awareness campaign to Mosaic Orphanage inclusive of a stationery sponsorship was presented.

STAFF MOVEMENT		MALE			FEMALE						
		С	-1	W	SubTotal	А	С	1	W	SubTotal	Total
Resignation	0	0	0	1	1	0	0	0	0	0	1
Non-renewal of Contract	2	0	0	0	2	1	1	0	0	2	4
Dismissal-Operational	0	0	0	0	0	0	0	0	0	0	0
Dismissal-misconduct	0	0	0	0	0	0	0	0	0	0	0
Dismissal- incapacity	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
TOTAL	2	0	0	1	3	1	1	0	0	2	5



#### **OFFICE SYSTEMS AND PROCEDURES**

The Council has acknowledged the importance of an integrated strategy for Information Technology to be aligned to the business direction. Thus, through this strategy, Council is developing an integrated environment for the optimisation of the overall business environment.

#### **IT Operations**

Subsequent to the stabilisation of the network and ensuring that operations are not interrupted, the need to further enhance our storage environment to accommodate the possible increase in demand was prioritised in the period under review.

The IT system in place provides a service that fully supports and enhances the delivery of the various business units within the SACPCMP and the following has been achieved and implemented:

#### Credit card payments

After numerous attempts regarding the implementation of the credit card payment system the Your Membership development team has since re-written the entire credit card system, integrating it directly with a local service provider named PAYU.

The system was further tested and put into operation during October 2015 and is currently performing to an acceptable level.

Credit card payment system brings significant benefits to the applicants and registered persons and to the Council.

#### Benefits to the Council:

- Auto allocation of payment- no more unallocated deposits
- Significant saving in administration work.
- c. No need for follow up e-mails or SMS communication.

Benefits to the applicant or registered person:

- a. Convenient way of payment- does not have to visit a bank or load beneficiary details on an internet profile.
- b. Do not have to worry about proper referencing or unallocated funds.
- c. Can perform the online application, upload all documents and pay the application fee- all in one process.

#### **Strategies and Policies**

In view of our eminent growth and considering the additional scope and functions, it is imperative that we focus on ensuring that our IT department is geared up to the demand resulting from this growth. The IT Service Management Policy has been implemented with a focus on streamlining and revising council processes in line with the final recommendations of the Organisational Development exercise. In line with the Council Strategic Plan 2015-2020, emphasis is on enhancing our Business Automation Strategy with focus on automation of the Assessment Processes, enhancement of our CPD-Online process for better usability.

#### **Systems**

#### My Council-Online

SACPCMP has enjoyed another successful year using its strategic investment in a state-of-the-art registration management system. The use and application of the system has, in fact, been extended greatly and now has been rolled out to also manage the registration processes for Construction Health and Safety Professionals. Moreover, the system has been extended to manage all aspects of Continuing Professional Development (CPD) for all Registered Persons. This gives Registered Persons all the power in their profiles to view/add/edit/email/print their CPD credits and manage their overall progress towards attaining continued registration status.



Various enhancements have been made which integrates seamlessly with the online platform such as:

 a) Customised templates to ensure that applicants complete the required report in the prescribed format.

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### ORGANISATIONAL ENVIRONMENT AND PERFORMANCE CONT.

TWO 2

- b) Designed online assessment process to ensure expedition of assessment of applications for CHSO, CHSM and CHSA. Assessors are able to respond far more quickly and prevents the time lag and courier of document process. Time spent is drastically reduced.
- The exam process for the Officers has been fully automated, enabling them to receive their results immediately
- d) Streamlined application process and improvements to standard system responses. Most of the correspondence has now been automated and turnaround time is reduced drastically
- e) Performed data tests for duplicate applications and these were removed from the YM system.
- f) Online search functionality for confirmation letters was designed in order for any interested party to verify whether any applicant received a confirmation letter.
- New updated search functionality for registered persons was also introduced.

The platform has future-proofed the Council and this will benefit Council and registered persons in a very direct way as we continue to tailor our way of doing things to become more techno-savvy and ensure our registered persons feel valued and are served in the most efficient way possible.

#### Telephone System

The recent upgrade of the telephone system has seen better navigation and seamless communication, both internally and externally. This was further enhanced



by moving this system to an internet calling system and the installation of a fibre line near the Council Headquarters which has brought significant change to the Council's productivity in terms of speed when accessing the online YM system as well as e-mail communication.

#### **USSD Mobile Phone Application**

USSD is a short message protocol supported by ALL mobile phones in South Africa. A USSD session is initiated from a mobile phone when a code starting with \* and ending with # is entered and dialed. It is a very convenient way for users to update information.



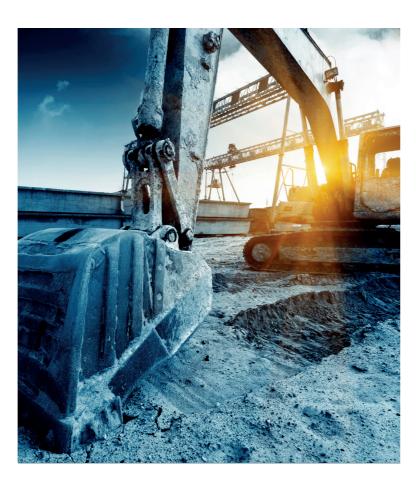
The USSD integration with the YM system were completed and the entire USSD system was implemented during October 2015 and no significant operational problems have been experienced so far.

This Mobile Phone Application can be used for the following:

Dial \*120\*1337# and select relevant option

- a. A new registration.
- b. Update an existing registration.
- c. Register for Conference or Summit.

USSD will play a very important role in the coming months and years to update the fast growing database this will assist in ensuring that all contacts receive communication from Council. In the coming months the database will be analysed for accuracy of contact information and both applicants and registered persons will be prompted to supply the correct information using USSD.



#### CONTROLS, PROCESSES AND ACCOUNTABILITY

The ten (10) members' Council meet on a quarterly basis that is four times a year. There are two (2) core committees of Council, namely the Executive Committee (EXCO) and Finance which meet on a monthly basis to meet on a monthly basis to do advice and monitor the Registrar in the implementation of Councils' strategic direction. This is achieved through presentation of reports, recommendations and proposals by respective committees to EXCO and Council. As a measure of ensuring sound corporate governance, minutes of all committee meetings are recorded and signed off by the chairpersons of the respective committees.

The monthly management accounts are prepared internally and are monitored and evaluated by the Finance Committee to ensure compliance of the Finance personnel with SACPCMP Finance Policies. Furthermore, the Finance committee effectively monitors monthly performance as measured and compared to the agreed budget and prior year, and further recommends corrective or remedial actions deemed appropriate to management and/or EXCO and/or Council. The committee also evaluates reports on Council financial performance, effectiveness of internal audit controls; adherence to accounting principles and other relevant issues. These reports are also subject to independent review by external auditors.

Financial Policies: Review of Council's Financial Policies with the main purpose of aligning these to the PFMA and start with implementation thereof in the current financial year. The draft policies have been finalised and input has been sourced from all relevant committees of Council and was presented to Council on 27th November 2015 and it was resolved that should be implemented when has drafted and approved PFMA Compliance roadmap in order to get a further directive on implementation thereof from CBE and the DPW.

#### **COMMUNICATION AND MARKETING**

#### **Student Chapter Category**

The Student Chapter category is a transformation tool of Council that seeks to engage and lure learners and students to the project and construction management professions. It is a category for registration with Council and intended at the development and advancement of construction education where the transferring of skills, sharing of ideas and knowledge inspires, guides and

promotes excellence in teaching and research in project delivery. Students are now required to register with the SACPCMP. When they complete their studies they will easily apply for registration as Candidates.



Council will be reviewing the SACPCMP website in the new financial year and with that the long awaited student portal will be incorporated. This will enable accessibility for students to engage with registered professionals and all relevant publicly available research documents, information that will aid them on their studies as well as in experiential learning. It will also aid them to access to their mentors. Further engagement will be done with the various institutions in order to ensure that a customised portal is designed responding to both the need of students and academic expectations that would assist them during their year of study. It is hoped that this portal will be completed in the next financial year.



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### ORGANISATIONAL ENVIRONMENT AND PERFORMANCE CONT.

TWO 2

Roadshows were conducted at the various universities to create awareness on the registration requirements of the SACPCMP and two (2) students per university to attend the Construction Management Summit on the 24th-25th June 2015 and the 3rd Project and Construction Management Professions Conference that took place on 13-15 October 2015 to network with registered persons engage on industry matters as presented by the experts and thought leaders in the field.

#### Stakeholder Management including Media Liaison

During the financial year under review, Council proactively developed presentations, speeches and exhibitions to increase awareness about Council mandate and its activities. Presentations and speeches were tailor made for different audiences ranging from those with registered persons, potential applicants, students within the Project and Construction Management disciplines. Council commenced an engagement process with state entities with infrastructure delivery budgets to assist them to comply with the Act.

Council had the following strategic engagements with industry:

- 1. 4th Construction Summit in collaboration with various stakeholders
- 2. Inaugural Construction Mentorship Seminar
- 3. 3rd Project and Construction Management Professions Conference
- 4. SACPCMP and NHBRC Signing of Memorandum
- Construction Health and Safety Registration Workshops in partnership with the Department of Labour
- Participation at various Annual General Meetings of VAs
- 7. DOL Construction Seminar to inform the industry of the exemptions granted regarding the phased-in implementation of the Construction Regulations 2014

#### **Council Events**

#### 4th Construction Management Summit

The Summit aims to increase the number of students registered in this discipline as well as setting up of standalone Departments of Construction Management in the accredited institutions of higher learning. It also engages with industry on promoting the profession to the industry and identifying the evolving role following the inclusion

of the profession to the Construction Regulations 2014. The Inaugural Summit was held in June 2012 and it has been held annually leading to the 5th Construction Management Summit which will be taking place on 28 and 29 June 2016.



It was agreed at the previous Summit that the event will be hosted in collaboration with accredited institutions and that post graduate construction management students will form an integral part of the proceedings by presenting papers, scribing and partaking in the proceedings.

The key issues discussed at the Summit were:

- Getting employers, regulatory and support bodies to realise the critical role and importance of the Construction Management profession
- Increasing visibility with student groups in school and at Construction Management in various institutions
- Increase throughput in the candidacy process and retaining young professionals in the discipline
- Encouraging close collaboration and sharing of successful practices in academic institutions
- Offering increased support to tertiary institutions to encourage the uptake of Construction Management degrees
- Driving the Construction Management development as a priority area in the South African Construction Industry
- Improving the image of the profession in the public

The conference programme was preceded by Master Classes done in collaboration with our strategic partners on cross-cutting industry matters to suit registered professional in various disciplines and the industry partners at large as indicated below:

CONTINUING PROFESSIONAL DEVELOPMENT (CPD) ALLOCATIONS FOR MASTER CLASSES					
Name of master class	Number of points per master classes:				
Infrastructure Procurement and Delivery Management in the Public Sector Sponsored by: University of Pretoria and Classic Seminars	SACPCMP 3 Points				
Risk Management Association for Construction Project Managers Sponsored by: Association for the Construction Project Managers	CESA 0.4 Credits				
Delay, Disruption and Extension of Time Sponsored by: BCA Training					
Working at heights in the Construction Sector Sponsored by: Eskom	ASAQS 5 points				

- Encouraging registration amongst the Construction Management professions
- Driving research, education and skills development to take the profession to the next level

#### Inaugural Construction Mentorship Seminar

The Construction Mentors and Professional Construction Mentors need to play a pivotal role in the realisation of the radical socio-economic transformation leveraging the infrastructure build of government - R847 billion budgeted for the medium term expenditure framework. The objective of the Construction Mentorship Seminar is to create awareness and understanding among stakeholders of the benefits, challenges and opportunities attached to Construction Mentorship in transforming the construction industry and the economy at large. It is a forum for the exchange of views,

ideas, experiences and networking and also offers a gateway to explore possibilities among stakeholders on issues pertaining to construction and infrastructure development. Lastly, it evaluates the perspective of establishing a multi-stakeholder process to be tasked with raising the profile of Construction Mentorship. The Inaugural Seminar was held on 2 September 2015. This is intended to be an annual one (1) day event and the second Seminar is scheduled for 14 September 2016.

This Seminar is presented in collaboration with the University of Pretoria which has developed the Specialist Construction Mentorship Course and the CIDB which is responsible for the contractor development programme. Mentorship of the emerging contractors is part of the transformation agenda of both institutions.





### ORGANISATIONAL ENVIRONMENT AND PERFORMANCE CONT.



#### 3<sup>rd</sup> Project and Construction Management Professions Conference

The theme of the conference is "Growth, development and transformation of the Project and Construction Management Professions" and has consistently been the same for the previous three (3) conferences. It has been preceded by Master Classes on crosscutting matters within the industry.

Council managed to attract local and international thought leaders, research institutions, registered professionals, leaders in state entities, academics, voluntary associations, organised labour and organised business among others.

There were also post graduate students from accredited institutions invited to scribe the conference proceedings and they were also awarded the opportunity to engage with all speakers and delegates.

#### Conference Resolutions

The third Project and Construction Management Professions Conference resolutions explored various approaches intended to address the following challenges:

- 1. Arresting Perpetual Candidacy by Blacks and females so that they could upgrade to Professional Status in a record time through the use of registered professionals who will mentor Candidates;
- Realising Contractor Development through the use of registered Professional Construction Mentors and Construction Mentors by clients and contractors also further assist contractors to deliver world class infrastructure on time, within budget and to an acceptable and agreed to quality level;
- 3. Attracting youth to the profession;
- Promoting the Construction Health and Safety professions in the public and private sector towards realisation of government's Zero Harm project in the construction industry;
- 5. Promoting the use of registered professionals in private and public infrastructure developments projects; and
- Assisting public and private institutions to register their internal Project Mangers within the Infrastructure Delivery Units as Construction Project Managers with the SACPCMP in line with section 18 of the SACPCMP Act, among others.

# Construction Health and Safety Registration Workshops in partnership with the Department of Labour

The appointment of the SACPCMP is the only statutory body appointed by the Department of Labour to register construction health and safety professionals as announced at the promulgation of the Construction Regulations 2014 on 7 February 2014 has been a strategic partnership that leading to the transformation of the construction industry. The promulgation was followed by a six (6) month grace period, ending on 7 August 2014 for all construction work that complied with the Construction Regulations 2003. Thereafter, the Construction Regulations 2014 was in force with the exception of Regulations 3 and 5 (7)(b) which came into effect on the 7th August 2015, eighteen (18) months after the commencement of the Regulations.



This culminated in Council seeing a whopping 6 000 applications received- this highest number of applications received thus far! This necessitated that Council review its systems with regard to the processing of applications in line with the review of the Registration Policy.

Furthermore, the Department of Labour partnership went forth to ensure that public awareness and assistance with registration was provided through Provincial Workshops conducted in 24 cities. In addition, presentations have been made to employer groups where other categories of registration were also promoted.

Lastly, a joint Construction Seminar was held on the 11th July 2015, in order to assess the state of readiness in the industry and clarify the implications of the implementation of the Construction Regulations 2014.

National Home Builders Registration Council (NHBRC)
Since 1994 an excess of 2 million low-income houses (popularly known as the RDP houses) were

constructed. The Minister of Human Settlements has noted that a significant number of these houses need to be rectified or demolished die to poor workmanship and the use of inferior materials.

These houses are not under the warranty of the NHBRC and were not enrolled, and therefore not inspected by the NHBRC. Billions of Rands are going to be spent by Government in fixing, demolishing and rebuilding these houses. This is a clear demonstration of a need to have competent inspectors and builders. The Developers of these houses were mainly municipalities and the Provincial Departments of Human Settlements.

Since inception of the NHBRC, the practice of outsourcing the inspection function has prevailed. This was due to the cyclical nature of the industry, the high overhead cost, the lack of competent inspectors and the need to support Government in ensuring the delivery of quality houses.

Although inspectors are employed in various sectors and are expected to perform different functions, there is a clear overlap on some of their duties, and as a result there is no clear accountability of inspectors when there is a failure in the final product. It is in this vein that Council was approved as the suitable statutory body to regulate this profession.

A stakeholder engagement meeting has taken place with various organisations where the desire was expressed to have national building inspection standards that should be regulated through one of the Built Environment Professional Councils. The participants agreed that it is only through a regulatory framework for Building Inspectors that public safety and welfare, which is of paramount importance, can be assured.

This resulted in a Memorandum of Understanding being signed on the 27th November 2015 which seeks to develop a framework for the Parties to cooperate regarding the registration, certification and regulation of Building Inspectors. The regulation is required in order to ensure clear responsibility and accountability as well as alignment of inspection activities.

The NHBRC is of the opinion that the broader housing sector from having a properly regulated system and that such regulation will assist the government quality and sustainable house.

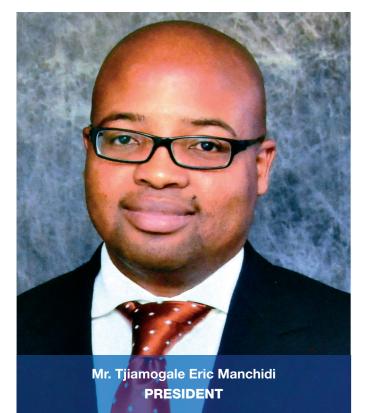
# **GOVERNANCE**





# 4TH TERM (APRIL 2014-MARCH 2018)

# COUNCIL MEMBERS



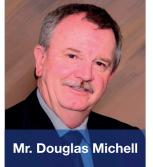




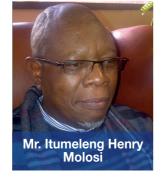












### GOUERNANCE



#### INTRODUCTION

This chapter highlights the structure of how the council is directed and controlled through a sustained sound corporate governance culture. This is further broken down into the decision making process, composition of the different committees, meeting attendance and remuneration for the Council members.

#### **APPOINTMENT OF MEMBERS OF COUNCIL**

The composition of the SACPCMP Council is in terms of the provisions of section 3 of the Project and Construction Management Professions Act (Act No 48 of 2000). It consists of ten (10) members appointed by the Minister of Public Works who in his appointment as the Executive Authority takes into account amongst others the principle of representivity.

The term of office of the third Council came to an end on the 30th of September, 2013. The Minister of Public Works in executing the powers vested in him under section 5(3) of the Act, extended the term of office of the third Council to the 31st of March, 2014. The fourth term council was appointed in April 2014 but was inaugurated on 23 June 2014 by the Honourable Minister of Public Works, Mr T.W. Nxesi and started operating from July 2014. The limitation to the ten 10 council members imposes substantial workload on individual members who are expected to serve on several council committees. There is a need to re-visit the composition of council to extend the number of councillors, especially with the extension of the purview of the SACPCMP to consider registration of other discipline.

#### **DECISION MAKING STRUCTURE**

The Council is under the overall leadership of a President who is assisted by a Vice President and both are elected to office during the first Council meeting.

The term of office of all Councillors is four (4) years but members continue in office until the succeeding Council is duly constituted.

Council carries out its oversight responsibilities through different committees that are constituted to manage and oversee the business of Council for which they have the delegated authority as per approved terms of reference. Essentially, these clarify the role, purpose and responsibilities that are given to the committees.

The Committees form an integral part of the Council's corporate governance framework. They also play an important pivotal role in achieving and maintaining the expected standards in the Council's governance and ethical standards. They ensure that the Council's activities are subjected at all times to an in-depth scrutiny to ensure that high standards of governance are maintained.

There is also a provision for co-opting registered persons to serve in the various committees and these need not necessarily be members of Council. The appointment to serve on committees takes in to account the individual expertise and aptness for the task at hand. The Council has at its strategic planning session held on 2-3 September 2015 resolved to appoint three more committees which are as indicated below.

APPO	PPOINTED FOURTH TERM COUNCIL (April 2014 - March 2018)					
NO	Statutory Category	Appointed Member				
1	Section3(a): Professionals	Mr T.E Manchidi				
2	Six (6) registered persons as per categories of the Act, excluding	Mr I.M Nkosi				
3	candidates, of whom at least four must actively practise in the Professions and nominated by Voluntary Associations and any	Ms C.H Deacon				
4	registered persons;	Mr D Michell				
5		Mr T.W Makhetha				
6		Mr B.B Simelane				
7	Section 3(b): State	Mr. M Phaladi				
8	<b>Two (2) professionals</b> in the service of the State, nominated by any sphere of government, of whom at least one must be nominated by the Department	Mr I.H Molosi				
9	Section 3(c):Public and two (2) members of the public	Mr. R.M Crowie				
10	nominated through an open process of public participation.	Vacant, appointment not yet finalised				

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**GOVERNANCE** 

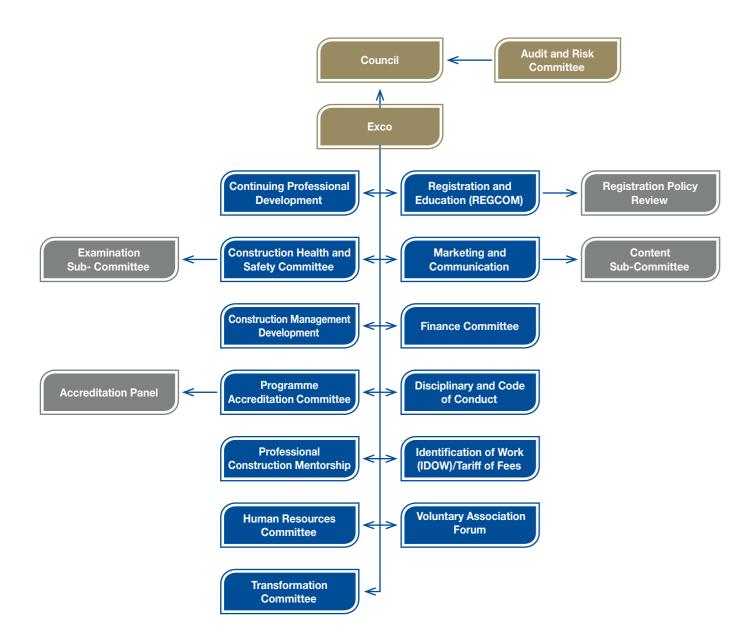
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The following are the core committees of Council.

#### **Existing Committees and Sub Committees**

- Executive Committee (EXCO)
- Finance Committee
- Marketing and Voluntary Associations3.1 Content Sub-Committee
- 4. Registration and Education (REGCOM)4.1 Registrations Policy Review
- 5. Continuing Professional Development
- 6. Disciplinary and Code of Conduct

- 7. Identification of Work (IDOW)/ Tariff of fees
- 8. Construction Health and Safety Committee 8.1 Examinations Sub Committee
- Construction Management Development
- 10. Programme Accreditation Committee 10.1 Accreditation Panel
- Professional Construction Mentorship Additional New Committees in the year under review
- 12. Human Resources Committee Established
- 13. Audit and Risk Committee Established
- 14. Transformation Committee Not yet established



#### **LEGISLATIVE AND REGULATORY FRAMEWORK**

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

- Legislation covering the following aspects
- Accreditation of programmes offered by educational institutions leading to the awarding of construction management and project management qualifications (section 13)
- General matters including public health and safety, research, protection of the public in their dealing with registered persons, protection of the environment and improving the standards of services rendered by registered persons (Section 14)
- Financial matters (section 15)
- Reporting to the Council for the Built Environment (section 16)
- Appointment of committees (section 17) and
- Enacting of rules through notices in the government gazette (section 36)
- Registration of persons (sections 11,18,19,20,21,22,23,24 and 37)
- Recognition of voluntary associations (sections 14(d)) and 25)
- Identification of work to be performed by registered persons in terms of Act 48 of 2000(section 26)
- Professional conduct and disciplinary hearings (sections 27,28,29,30,31,32,33,35 and 41)
- Recommendation of fees for professional services (section 34)

#### **MEETING ATTENDANCE - APRIL 2015 TO MARCH 2016**

#### **Council Meetings**

The Council is constituted in terms of section 3 of the PCMP Act, Act No. 48 of 2000. The Council sits at the very top of the governance framework through setting broad strategic targets, monitoring progress, approving proposed actions, ensuring appropriate controls are in

place and effective. The Council meets three (3) times on an annual basis. Each of the individual Council members are required to disclose any matters that may pose as conflict before any sitting.

Any situations that may apply to them within the agreed agenda which conflicts with the interest of Council.

#### Council Members

ATTENDANCE OF COUNCIL MEETINGS						
Name	Total Number of Meetings	Meetings Attended				
T.E. Manchidi (Chairperson)	4	4				
I.M. Nkosi	4	4				
B.B. Simelane	4	2				
C.H. Deacon	4	4				
D. Michell	4	3				
I.H. Molosi	4	2				
M. Phaladi	4	1				
T.W. Makhetha	4	~				
R.M. Crowie	4	2				

#### **Executive Committee (EXCO)**

The Executive committee is constituted in terms of section 17 of the SACPCMP Act, Act 48 of 2000. The committee meets monthly and assists the Council in the execution of its legislative duties in all strategic and operational business matters.

The decisions of EXCO are subject to ratification by Council in plenary meetings.

#### **EXCO Members**

ATTENDANCE OF EXCO MEETINGS						
Name	Meetings Attended					
T.E Manchidi (Chairperson)	9	6				
I.M Nkosi	9	8				
C.H Deacon	9	9				



# 2

#### **Finance Meetings**

The Finance committee is constituted in terms of section 17(1)(a) of the SACPCMP Act, Act 48 of 2000. This committee assists the Council in the execution of its legislative duties in terms of Section 15 (1) of the SACPCMP ACT, 48 OF 2000 regarding financial and operational business matters.

#### Finance Members

ATTENDANCE O	ATTENDANCE OF FINANCE COMMITTEE						
Name	Total Number of Meetings	Meetings Attended					
I.M Nkosi (Chairperson)	9	9					
X. Mnyani	9	6					
I.H Molosi	9	2					

#### Audit and Risk Committee (ARC) Meetings

Council has approved the establishment of an Audit and Risk Committee as part of activities needed in preparation of its PFMA Alignment and this is fully functional. The aim of this Committee is to advise Council on the adequacy of audit arrangements and on the implications of assurance provided in respect of risk and control. It must enable the Council to assure itself of the effectiveness of the risk management system, procedures and internal controls.

ATTENDANCE OF AUDIT AND RISK COMMITEE						
Name	Total Number of Meetings	Meetings Attended				
R. Govender (Chairperson)	6	6				
C. Jamela	6	6				
S. Daniels	6	6				



# COUNCIL MEMBERS REMUNERATION

1st April 2015 to 31st March 2016

T.E Manchidi         5 100         2 750         4 213         5 2320           I.M Nkosi         11 000         8 525         14 213         A         <	Name of the Councillor	Committee Meetings - allowance	Committee Chairperson - Allowanc- es	Applications Assessment & Travelling	<b>Travelling</b> Claims	Script Marking	Interviews	Honorarium & Cellphone	Accredita- tion Gratuity Costs	Total
kosi         11 000         8 525         14 213         Resident         11 000         11 00         Resident         11 100         Resident         11 100         Resident         11 823         Resident         Resid	T.E Manchidi	5 100	2 750					52 320		60 170
Simelane         5 300         1 100         3 621         2 512.50         1 1823           Shell         4 850         825         1 1823         1 823           Aladi         3 025         825         1 823         1 823           Crowie         3 025         825         1 823         1 823           W         1 600         825         1 823         1 823           Natha         1 7 025         15 950         14 213         3 621         2 513         1 823	I.M Nkosi	11 000	8 525	14 213						33 738
Deacon         16 150         1 100         3 621         2 512.50         1 823           chell         4 850         825         1 823           aladi         Crowie         3 025         825         1 823           Crowie         3 025         825         1 600         825           netha         4 7 025         15 950         14 213         3 621         2 513         1 823	B.B Simelane	5 300	1 100							6 400
shell         4 850         825         1 823           aladi         Crowie         3 025         825         1 600         825           whetha         1 600         825         1 823         1 823           aetha         47 025         15 950         14 213         3 621         2 513         1 823	C.H Deacon	16 150	1 100		3 621	2 512.50			1 100	24 484
olosi         1823           aladi         1 600         825         1 600         825           w letha         1 600         825         1 6213         1 823	D Michell	4 850	825							5 675
aladi         Crowie       3 025       825       825         W       1 600       825         etha       47 025       15 950       14 213       3 621       2 513       1 823	I.H Molosi						1 823			1 823
Crowie         3 025         825         825           W         1 600         825           etha         47 025         15 950         14 213         3 621         2 513         1 823	M Phaladi									0
W 1 600 825 3 621 2 513 1 823	Mr R Crowie	3 025	825							3 850
47 025     15 950     14 213     3 621     2 513     1 823	Mr T.W Makhetha	1 600	825							2 425
	Total	47 025	15 950		3 621	2 513	1 823	52 320	1 100	138 564





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

Annual financial statements for the year ended 31 March 2016

A2A Kopano Incorporated Chartered Accountants (S.A.) Registered Auditors Issued 16 September 2016

# The South African Council for the Project and Construction Management Professions

Annual Financial Statements for the year ended 31 March 2016

#### **General Information**

Country of incorporation and domicile South Africa

**Councillors** Mr. T.E. Manchidi

Mr. I.M. Nkosi Ms. C.H. Deacon Mr. D. Michell Mr. T.W. Makhetha Mr. B.B. Simelane Mr. I.H. Molosi Mr. M. Phaladi Mr. R.M. Crowie Ms. N.E. Rakolote

Registered office International Business Gateway

1st Floor Gateway Creek

Corner New road and 6th Road

Midrand 1685

Business address International Business Gateway

1st Floor Gateway Creek

Corner New Road and 6th Road

Midrand 1685

Postal address PO Box 6286

Halfway House

1685

Bankers Nedbank Limited

Investec Bank Limited

Auditors A2A Kopano Incorporated

Chartered Accountants (S.A.)

Registered Auditors

Secretary Company secretary is not required in terms of the Project and

Construction Management Act 48 of 2000

Level of assurance These annual financial statements have been audited in compliance

with the applicable requirements of the Project and Construction

Management Professions Act No. 48 of 2000.

**Preparer** The annual financial statements were independently compiled by:

A2A Kopano Inc.

Chartered Accountants (SA)

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Annual Financial Statements for the year ended 31 March 2016

#### Index

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

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#### **Published**

16 September 2016

# The South African Council for the Project and Construction Management Professions

Annual Financial Statements for the year ended 31 March 2016

#### **Councillors' Responsibilities and Approval**

The councillors are required in terms of the Project and Construction Management Professions Act No. 48 of 2000 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the council as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

The councillors acknowledge that they are ultimately responsible for the system of internal financial control established by the council and place considerable importance on maintaining a strong control environment. To enable the councillors to meet these responsibilities, the council sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the 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 councillors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The councillors have reviewed the council's budget for the year to 31 March 2017 and, in light of this review and the current financial position, they are satisfied that the council has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the council's annual financial statements. The annual financial statements have been examined by the council's external auditors and their report is presented on page s 4 to 5.

The annual financial statements set out on pages 6 to 18, which have been prepared on the going concern basis, were approved by the councillors and were signed on their behalf by:

Approval of financial statements

Mr. T.E. Manchidi

Mr. I.M. Nkosi

Ms. N.E. Rakolote





#### **Independent Auditor's Report**

#### To the management of The South African Council for the Project and Construction Management Professions

We have audited the annual financial statements of The South African Council for the Project and Construction Management Professions, as set out on pages 7 to 18, which comprise the statement of financial position as at 31 March 2016, and the statement of surplus or deficit and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements

#### Councillors' Responsibility for the Annual Financial Statements

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the council's preparation and fair presentation of the annual financial statements 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 council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of The South African Council for the Construction Management Professions as at 31 March 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Project and Construction Management Professions Act No. 48 of 2000.

#### IRBA. NO. 901944-0001 • Co. Reg. No.: 1998/014078/21

Directors: Chairman: KJ Sitholo

Chairman: KJ Sithole
Chief Executive Officer: HAS Moosa
Chairman of Executive Committee: MSA Paruk
List of Directors available at the registered office or national website.

Offices in: Gauteng, Mpumalanga, Limpopo, Kwa-Zulu Natal, Eastern Cape, Western Cape and North West

Website: www.

: www.a2akopano.co.za



#### Other reports required by the Project and Construction Management Professions Act No. 48 of 2000

As part of our audit of the annual financial statements for the year ended 31 March 2016, we have read the Councillor's Report for the purpose of identifying whether there are material inconsistencies between that report and the audited annual financial statements. The Councillor's Report is the responsibility of the councillors. Based on reading that report we have not identified material inconsistencies between it and the audited annual financial statements. However, we have not audited the Councillor's Report and accordingly do not express an opinion thereon.

A2A Kopano Inc.

A2A Kopano Incorporated Chartered Accountants (SA) Registered Auditors

Per: S du Preez Director 16 September 2016

Annual Financial Statements for the year ended 31 March 2016

#### **Councillors' Report**

The councillors have pleasure in submitting their report on the annual financial statements of The South African Council for the Project and Construction Management Professions for the year ended 31 March 2016.

#### 1. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Project and Construction Management Professions Act No. 48 of 2000. The accounting policies have been applied consistently compared to the prior year.

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

#### 2. Councillors

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

Councillors Office
Mr. T.E. Manchidi President
Mr. I.M. Nkosi Vice-president &
Finance Chairperson

Ms. C.H. Deacon Mr. D. Michell Mr. T.W. Makhetha Mr. B.B. Simelane Mr. I.H. Molosi Mr. M. Phaladi Mr. R.M. Crowie

Ms. N.E. Rakolote Registrar

#### 3. Events after the reporting period

The councillors are not aware of any material event which occurred after the reporting date and up to the date of this report.

#### 4. Going concern

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

#### 5. Auditors

A2A Kopano Incorporated continued as external auditors for the council for 2016.

# The South African Council for the Project and Construction Management Professions

Annual Financial Statements for the year ended 31 March 2016

#### Statement of Financial Position as at 31 March 2016

Figures in Rand	Note(s)	2016	2015
Assets			
Non-Current Assets			
Property, plant and equipment	2	416,346	236,828
Current Assets			
Trade and other receivables	4	7,015,687	4,562,210
Cash and cash equivalents	5	4,468,042	3,487,492
		11,483,729	8,049,702
Total Assets		11,900,075	8,286,530
Reserves and Liabilities			
Equity			
Accummulated Surplus		2,351,398	473,379
Liabilities			
Current Liabilities			
Trade and other payables	7	9,507,552	7,644,216
Operating lease liability	3	41,125	12,554
Provisions	6	-	156,381
		9,548,677	7,813,151
Total Equity and Liabilities		11,900,075	8,286,530

Annual Financial Statements for the year ended 31 March 2016

#### **Statement of Surplus or Deficit and Other Comprehensive Surplus**

Figures in Rand	Note(s)	2016	2015
Revenue Cost of sales	8	20,460,935	14,738,269 5,353
Gross profit Other operating expenses		<b>20,460,935</b> (18,685,338)	<b>14,743,622</b> (14,459,832)
Operating surplus (deficit)		1,775,597	283,790
Investment income	10	102,422	41,271
Finance costs	11	-	(82,197)
Surplus for the year		1,878,019	242,864
Other comprehensive surplus		-	-
Total comprehensive surplus (deficit) for the year		1,878,019	242,864

# The South African Council for the Project and Construction Management Professions

Annual Financial Statements for the year ended 31 March 2016

#### **Statement of Changes in Equity**

Figures in Rand	Accummulated Surplus	Total equity
Balance at 01 April 2014	230,515	230,515
Surplus for the year Other comprehensive surplus	242,864	242,864
Total changes	242,864	242,864
Balance at 01 April 2015	473,379	473,379
Surplus for the year Other comprehensive surplus	1,878,019	1,878,019
Total changes	1,878,019	1,878,019
Balance at 31 March 2016	2,351,398	2,351,398

Annual Financial Statements for the year ended 31 March 2016

#### **Statement of Cash Flows**

Figures in Rand	Note(s)	2016	2015
Cash flows from operating activities			
Cash generated from operations	12	1,182,696	1,002,541
Interest income Finance costs		-	(82,197)
Net cash from operating activities	-	1,182,696	920,344
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(325,670)	(67,966)
Sale of property, plant and equipment	2	21,102	-
Interest Income	_	102,422	41,271
Net cash from investing activities	_	(202,146)	(26,695)
Total cash movement for the year		980,550	893,649
Cash at the beginning of the year		3,487,492	2,593,843
Total cash at end of the year	5	4,468,042	3,487,492

# The South African Council for the Project and Construction Management Professions

Annual Financial Statements for the year ended 31 March 2016

#### **Accounting Policies**

#### 1. Summary of significant accounting policies

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

#### 1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Project and Construction Management Professions Act No. 48 of 2000 of South Africa, as amended.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in South African Rands, which is the council's functional currency.

These accounting policies are consistent with the previous period.

#### 1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years

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

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset

Annual Financial Statements for the year ended 31 March 2016

#### **Accounting Policies**

#### 1.3 Financial instruments

#### Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

#### Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

#### Cash and cash equivalents

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

#### Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the council's accounting policy for borrowing costs.

#### 1.4 Leases

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

#### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

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

#### 1.5 Impairment of assets

The council assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the council estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

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

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

# The South African Council for the Project and Construction Management Professions

Annual Financial Statements for the year ended 31 March 2016

#### **Accounting Policies**

#### 1.5 Impairment of assets (continued)

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

#### 1.6 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the council has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the council retains neither continuing managerial involvement to the degree usually associated with ownership nor
  effective control over the goods sold:
- the amount of revenue can be measured reliably:
- it is probable that the economic benefits associated with the transaction will flow to the council; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. 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 company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs 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.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Annual fees are recognised on a straigh-line basis over the period of the membership.

Annual Financial Statements for the year ended 31 March 2016

#### **Notes to the Annual Financial Statements**

Figures in Rand	2016	2015

#### 2. Property, plant and equipment

		2016			2015	
	Cost or revaluation	Accumulated (depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	297,569	(229,525)	68,044	348,340	(236,454)	,
Office equipment	210,172	( , ,	155,339	85,788	(37,831)	,
IT equipment	406,229	(213,266)	192,963	691,828	(614,843)	76,985
Total	913,970	(497,624)	416,346	1,125,956	(889,128)	236,828

#### Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	111,886	-	(6,810)	(37,032)	68,044
Office equipment	47,957	148,084	(13,370)	(27,332)	155,339
IT equipment	76,985	177,586	(922)	(60,686)	192,963
	236,828	325,670	(21,102)	(125,050)	416,346

#### Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	133,859	18,400	(40,373)	111,886
Office equipment	33,055	24,734	(9,832)	47,957
IT equipment	105,332	24,832	(53,179)	76,985
	272,246	67,966	(103,384)	236,828

#### 3. Operating lease asset (accrual)

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

#### 4. Trade and other receivables

Trade receivables Salary advances	6,813,528 19,495	4,326,683 2,245	
repayments  . Cash and cash equivalents	7,015,687	233,282 <b>4,562,210</b>	
	-1,010,001	4,502,210	
·			
Cash and cash equivalents consist of:			
Cash on hand Bank balances	1,811 4,466,231	558 3.486.934	

#### The South African Council for the Project and Construction Management **Professions**

Annual Financial Statements for the year ended 31 March 2016

#### **Notes to the Annual Financial Statements**

Figures in Rand	2016	2015

#### 6. Provisions

Reconciliation of provisions - 2016				
		Opening balance	Utilised during the year	Total
Provision for future expenses	-	156,381	(156,381)	
Reconciliation of provisions - 2015				
	Opening balance	Additions	Utilised during the year	Total
Provision for future expenses	215,655	147,390	(206,664)	156,381
7. Trade and other payables				
Trade payables Amounts received in advance VAT Accrued audit fees PAYE, SDL and UIF Prepayments received			326,967 7,970,910 732,645 4,510 149,073 323,447	266,361 6,591,536 641,912 53,860 90,547
		,	9,507,552	7,644,216
8. Revenue				
Revenue from fees Continuing Professional Development (CPD) Second Construction Summit Recognition of Prior Learning (RPL) Fees Grant received - Council for the Built Environment Discount allowed			18,118,143 211,865 390,120 343,018 1,397,789	14,021,476 381,092 219,805 118,758 (2,862)
			20,460,935	14,738,269
9. Other operating income				
10. Investment income				
Interest income From investments in financial assets: Bank and other cash			102,422	41,271
11. Finance costs				

82,197

14 15

4,468,042

3,487,492

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Annual Financial Statements for the year ended 31 March 2016

#### **Notes to the Annual Financial Statements**

Figures in Rand	2016	2015
12. Cash generated from operations		
Operating surplus	1,878,019	242,864
Adjustments for:	105.050	400.004
Depreciation and amortisation	125,050	103,384
Interest income	(102,422)	(41,271)
Finance costs	-	82,197
Movements in operating lease assets and accruals	28,571	12,554
Movements in provisions	(156,381)	156.381
Changes in working capital:	(, )	,
Trade and other receivables	(2,453,477)	(625,587)
Trade and other payables	1,863,336	1,072,019
	1,182,696	1,002,541

#### 13. Related parties

#### Relationships

Co-ordinating body of Council activities Members of key management Council for the Built Environment
Mr T.E Manchidi (President)
Mr I.M Nkosi (Vice President)
Ms N.E Rakalote (Registrar)
Ms C.H Deacon (Council Member)
Mr D. Michell (Council Member)
Mr T.W Makhetha (Council Member)
Mr R.M Crowie (Council Member)
Mr B.B Simelane (Council Member)
Mr I.M Molosi (Council Member)
Mr M.J Phaladi (Council Member)

#### Related party balances

### Amounts included in Trade receivables (Trade Payables) regarding related parties

od ties		
Council for the Built Environment (Levies)	(25,599)	(25,918)

Related party transactions		
Key Management remuneration President Registrar	47,520 962,138	31,680 843,625
Council Member Remuneration		
Mr D. Michell	5,675	3,300
Ms I. Nkosi	19,525	5,500
Mr T. Makhetha	2,425	1,100
Mr. R.M. Crowie	3,850	2,200
Ms. C.H. Deacon	17,250	5,500
Mr. B.B. Simelane	6,400	2,200
Mr. T.E. Manchidi	7,850	5,500
Compensation to directors and other key management		
Short-term employee benefits	49,920	31,680

# The South African Council for the Project and Construction Management Professions

Annual Financial Statements for the year ended 31 March 2016

#### **Detailed Income Statement**

Figures in Rand	Note(s)	2016	2015
Revenue			
Fees revenue		18,118,143	14,021,476
Continuous Professional Development (CPD)		211,865	381,092
Grant received		1,397,789	-
Construction Summit		390,120	219,805
Recognition of Prior Learning (RPL) Fees		343,018	118,758
Discount allowed		-	(2,862)
	8	20,460,935	14,738,269
Cost of sales			
Discount received		-	5,353
Gross profit Expenses (Refer to page 18)		20,460,935 (18,685,338)	14,743,622 (14,459,832)
Operating surplus (deficit)		1,775,597	283,790
Investment income	10	102,422	41,271
Finance costs	11	-	(82,197)
Surplus (deficit) for the year		1,878,019	242,864

# The South African Council for the Project and Construction Management Professions Annual Financial Statements for the year ended 31 March 2016

#### **Detailed Income Statement**

Other energing company		
Other operating expenses		
Advertising	56,294	_
Allowances - Councillors and Committee Chairpersons	146,410	107,167
Annual Report	(27,886)	79,999
Appeals - Registration Professionals	32,738	
Assessment of applications - registrations	916,866	359,677
Auditors remuneration - external auditors	-	50,413
Bad debts	609,817	991,980
Bank charges	92,229	54,878
CHS expenses	491,719	759
CPD Policy	-	17,100
Cleaning	12,150	11,800
Communication strategy	205,712	259,639
Competition Commission	200,7 12	100,000
Computer expenses	271,681	195,839
Conference fees	1,384,172	2,085,141
Construction Summit	593,509	164,166
Consulting and professional fees	674,823	196,640
Consulting and professional fees - accounting	(1,200)	7,200
Debt collection	104,078	7,200
Depreciation 2	125,050	103,384
Employee costs	8,099,737	6,087,427
Entertainment	9,292	19,674
General expenses	95,208	48,313
Gratuity Costs	68,200	61,600
IT expenses	639,908	595,128
Insurance	81,852	90,784
Lease rentals on operating lease	148,020	111,348
Legal expenses and DCC consultancy	46,800	23,500
M&P Inauguration	40,000	213,745
Meetings and workshops	95,835	85,656
Motor vehicle expenses	33,033	72,486
Municipal expenses	1,006,928	643,441
Office maintenance and refreshments	80,539	48,502
Postage and Courier	165,687	81,186
Printing and stationery	181,068	151,335
Professional Interviews - Registrations (CHS & Professions)	413,482	142,803
Promotions	122,918	142,003
Recruitment fees	165,151	87,102
Repairs and maintenance	54,542	07,102
Security	165,944	54,117
Staff year end function	53,692	17,544
Subscriptions	41,095	18,537
Telephone and fax	355,981	293,691
Training	70,450	96,598
Travel - local	834,847	629,533
Travol local		
	18,685,338	14,459,832





# BREAKDOWN OF STATISTICS



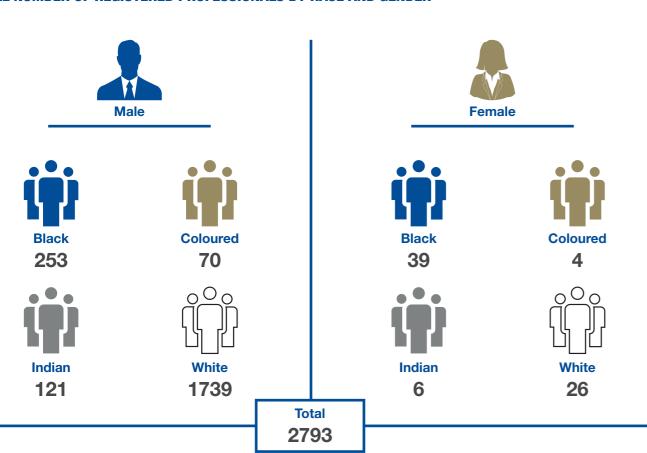


# BREAKDOWN OF STATISTICS

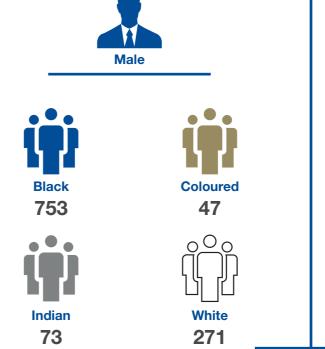
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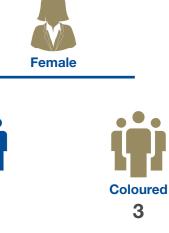
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#### TOTAL NUMBER OF REGISTERED PROFESSIONALS BY RACE AND GENDER



#### **TOTAL NUMBER OF REGISTERED CANDIDATES BY RACE & GENDER**









Total 1571

#### TOTAL NUMBER OF REGISTERED PROFESSIONALS BY RACE AND GENDER

Buda da al Carata di Carata		African	White	Indian	Coloured	Total
Professional Construction Managers	Male	56	624	26	16	722
Managers	Female	2	1	0	0	3
Total		58	625	26	16	725
		African	White	Indian	Coloured	Total
Professional Construction Project Managers	Male	286	1089	92	49	1516
r Toject Managers	Female	37	22	6	4	69
Total		323	1111	98	53	1585
		African	White	Indian	Coloured	Total
Professional Construction Mentor	Male	9	7	3	2	21
Mentor	Female	0	0	0	0	0
Total		9	7	3	2	21
		African	White	Indian	Coloured	Total
Professional Construction Health and Safety Agent	Male	2	19	0	3	24
	Female	0	3	0	0	3
Total		2	22	0	3	27

# BREAKDOWN OF STATISTICS

#### SUMMARY OF REGISTERED PERSON PER CATEGORIES OTHER THAN PROFESSIONALS

		African	White	Indian	Coloured	Total
Candidate construction manager	Male	87	108	16	18	229
	Female	22	3	1	1	27
Total		109	111	17	19	256
		African	White	Indian	Coloured	Total
Candidate construction project manager	Male	638	141	44	22	845
	Female	344	20	9	1	374
Total		982	161	53	23	1219
		African	White	Indian	Coloured	Total
Candidate Construction Health and Safety Agent	Male	8	7	1	1	17
, ,	Female	4	3	1	0	8
Total		12	10	2	1	25
		African	White	Indian	Coloured	Total
Candidate Construction Health and Safety Manager	Male	0	3	0	0	3
	Female	2	0	0	0	2
Total		2	3	0	0	5
		African	White	Indian	Coloured	Total
Candidate Construction Health and Safety Officer	Male	20	12	2	6	40
	Female	13	11	1	1	26
Total		33	23	3	7	66
		African	White	Indian	Coloured	Total
Construction Mentors	Male	1	1	0	0	2
	Female	0	0	0	0	0
Total		1	1	0	0	2
0		African	White	Indian	Coloured	Total
Construction Health and Safety Manager	Male	19	66	8	8	101
	Female	1	9	0	2	12
Total		20	75	8	10	113
		African	White	Indian	Coloured	Total
Construction Health and Safety Officer	Male	121	95	13	24	253
	Female	30	33	1	3	67
Total		151	128	14	27	320



