

SACPCMP

The South African Council for the Project and Construction Management Professions

new



ANNUAL
REPORT

2019/2020



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Total number of registered professionals by category.....	110
Total number of registered persons other than professionals by category	112
Total number of registered persons other than professionals by category	113

GENERAL INFORMATION



I. GENERAL INFORMATION

REGISTERED NAME

The South African Council for the Project and Construction Management Professions

REGISTRATION

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

PHYSICAL ADDRESS

International Business Gateway
Gateway Creek
Corner of New Road and 6th Road
Midrand
1685

POSTAL ADDRESS

PO Box 6286
Halfway House
Midrand
1685

TELEPHONE NUMBERS

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

EMAIL ADDRESS

eatoregistrar@sacpcmp.org.za

WEBSITE ADDRESS

www.sacpcmp.org.za

EXTERNAL AUDITORS

Ngubane & Co Chartered Accountants
Ngubane House
1 Superior Road, off 16th Road
Midrand
1685

BANKERS

Nedbank Limited
Investec Bank

COMPANY/BOARD SECRETARY

This is not required in terms of the Project and Construction Management Professions Act No. 48 of 2000.

2. LIST OF ABBREVIATIONS / ACRONYMS

Association of Construction Health and Safety Management	Construction Mentor
Association of Construction Project Managers	Continuing Professional Development
Annual Performance Plan	Disciplinary and Code of Conduct Committee
Audit and Risk Committee	Department of Employment and Labour
Association of South African Quantity Surveyors	Department of Public Works and Infrastructure
Broad-Based Black Economic Empowerment	Disaster Recovery Plan
Business Continuity Plan	Engineering Council of South Africa
Built Environment	Electronic Document Management System
Building Inspectors	Expanded Public Works Programme
Candidate Construction Health and Safety Agent	Employee Self Service
Candidate Construction Health and Safety Manager	Executive Committee
Candidate Construction Health and Safety Officer	Historically Disadvantaged Individuals
Council for the Built Environment	Human Resources
Council for the Built Environment Professions	Human Resources Development Council
Competition Commission	Information and Communication Technology
Candidate Construction Manager	Identification of Work
Candidate Construction Project Manager	Institutions of Higher Learning
Consulting Engineers South Africa	The Institute of Safety Management
Construction Education and Training Authority	International Standards Organisation
Council on Higher Education	Information Technology Infrastructure Library
Construction Health & Safety	Local Government SETA
Construction Health and Safety Manager	Management Committee
Construction Health and Safety Officer	Master Builders Association Free State
Construction Industry Development Board	Master Builders Association KwaZulu-Natal
Chartered Institute of Building	Master Builders Association North
	Master Builders South Africa

Marketing, Communication and Stakeholder Relations Management	The South African Council for the Project and Construction Management Professions
My Membership (system)	South African Council for the Property Valuers Profession
Memorandum of Understanding	South African Council for the Quantity Surveying Profession
Master Systems Plan	South African Forum of Civil Engineering Contractors
Medium-Term Expenditure Framework	South African Institute of Architects
National Home Builders Registration Council	South African Institution of Civil Engineering
National Qualifications Framework	Storage Area Network
Project and Construction Management	South African Institute for Occupational Health and Safety
Public Finance Management Act	South African Qualifications Authority
Project Management South Africa	Supply Chain Management
Property Management Trading Entity	Systems Development Life Cycle
Preferential Procurement Policy Framework Act	Sector Education and Training Authority
Public Relations	Standards Generating Body
Professional Construction Health and Safety Agent	Service-Level Agreement
Professional Construction Manager	State-Owned Entities
Professional Construction Mentor	Stakeholder Relations and Communications
Professional Construction Project Manager	Strengths, Weaknesses, Opportunities and Threats
Quality Council for Trades and Occupations	Voluntary Association
Registrations and Education Committee	Your Membership (programme)
Royal Institution of Chartered Surveyors	Voice Over Internet Protocol
Recognition of Prior Learning	Virtual Private Network
Republic of South Africa	Youth to Professional
South African Council for the Architectural Profession	
South African Council for the Landscape Architectural Profession	

3. FOREWORD BY THE PRESIDENT



Mr Isaac Mzumara Nkosi, SACPCMP President

These topics brought together many of our sector leaders to wrestle with the issues that face us in terms of unemployment, corruption, and the lack of transformation and skills development, to mention but a few. The advent of the COVID-19 pandemic, and the subsequent national lockdown towards the end the year, added an unprecedented dimension to the challenges that faced the country in general and the Built Environment in particular.

As president of the fifth-term Council of the South African Council for the Project and Construction Management Professions (SACPCMP), I was privileged to have the opportunity to bring together our Council and Committee members to tackle these same issues,

and identify ways in which we, as the SACPCMP, could contribute to the development of the Built Environment given the issues facing the country.

Within the Council, there is a realisation that routine approaches and single-issue responses may not be effective in these unprecedented times and the SACPCMP must rise to the challenge amidst a broader consideration of an environment that is forever evolving.

We asked some poignant questions ...

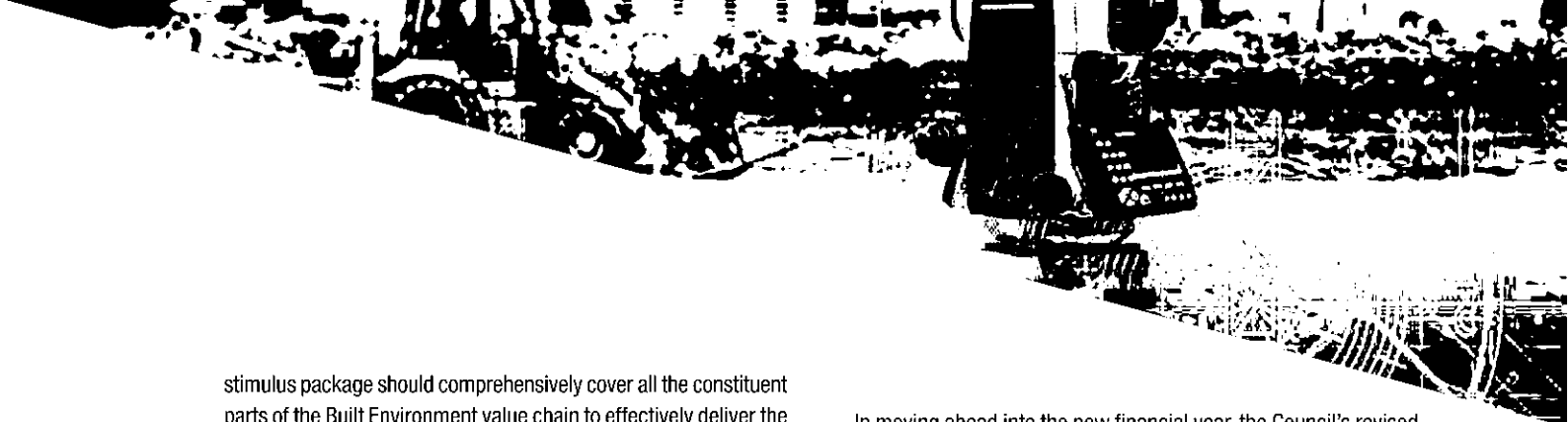
How do we shape up to the benchmark characteristics of a regulatory body and what attributes should we exhibit that confer a 'world-class' status? Have we been true to our mission to promote and grow the sector as well as support transformation? How do we set ourselves up for an improved growth trajectory and become a better-performing organisation? What legacy do we want to leave behind, and ultimately, how do we 'make the SACPCMP work'?

Together, we developed a synergetic collection of exciting strategies – which were actualised into a fresh Annual Performance Plan – to pursue the mission towards our envisioned picture of success across the Council's 13 mandated administrative functions. This was with a view to addressing the identified challenges that face the Council and the construction industry at large and to ensure that we maintain relevance and sustainability.

The outcomes of our reviewed strategy also fall in line with a number of views the Council holds relating to the development of the Construction Industry, especially in terms of responsible procurement and management practices that will extend to the rollout of the aforementioned stimulus package. The SACPCMP has urged emphasis on the protection of the public through the procurement of professional services. The safety of the public in the delivery of infrastructure was singled out as an essential ingredient to maximise the stimulus and we have emphatically called for the prioritisation of duly Registered Professionals who have the requisite experience and expertise to deliver services.

We have also advocated that government, as the biggest single buyer of construction industry goods and services, shapes the behaviour of the market and procurement strategies to minimise lead time between project approval and the commencement of works. In respect of manufacturers and suppliers, the State should support direct payment arrangements for infrastructure-build materials to sustain the liquidity of contracting firms and reduce delivery failure rates, as well as extend guarantee arrangements by the financial sector so as to transfer risk to the private sector.

We have highlighted the four constituent parts that make up the Construction Industry as Contractors, Suppliers, Manufacturers and Built Environment professionals/firms. We have urged that the



stimulus package should comprehensively cover all the constituent parts of the Built Environment value chain to effectively deliver the full benefit of the stimulus.

The 2019/2020 financial year formed the backdrop for the successful launch of a new registration category (Building Inspectors) and the SACPCMP continued its efforts to support its Registered Persons and the wider Construction Industry through a substantial investment to improve its information communication technology (ICT) system. In addition to a full review of the Council's ICT environment, the SACPCMP commenced with a system upgrade – an unprecedented redevelopment and improvement of the registration system – which, it is envisaged, will streamline registration processes and timelines, offering our Registered Persons a much improved user experience.

The Council continued in its efforts to promote the development of Construction Health and Safety (CHS) qualifications at Higher Education Institutions and also embarked on a project to further develop the organisation's Customer Relations Management Unit to enhance stakeholder engagement. The fruits of each of these initiatives are expected to be realised within the next financial year.

We continued with austerity measures to ensure strong financial management and, in the months ahead, we intend to engage extensively with representatives of the Department of Public Works and Infrastructure regarding the Risk Adjusted Strategy and Infrastructure-led Stimulus Package in order to cement support for the Construction Industry and the Council as a whole.

Transformation within the sector is imperative and, as an overall view, the SACPCMP has advocated that the Infrastructure-led Stimulus Package presents an opportunity for effective socio-economic transformation of the country. The Council supports the fact that its Procurement Strategy should be driven by the prescripts of the Broad-Based Black Economic Empowerment and Preferential Procurement Policy Framework Acts and has ensured the alignment of the SACPCMP's procurement practices to support these prescripts.

Despite this, the year in review again noted challenges in gaining sufficient traction where transformation was concerned. Assistance in Recognition of Prior Learning, efforts to support candidates' progression to professional status, and student interactions to develop awareness of the construction industry were positively executed. However, challenges faced in activating SETA partnerships delayed anticipated candidacy progression. In addition, the number of female Construction Mentors and Construction Management Professionals remains unacceptably low and the Council will focus strongly on these areas within the next financial year.

In moving ahead into the new financial year, the Council's revised strategy will focus on the key areas of mandate compliance, improved quality of service, institutional governance and sustainability. Strategic qualitative shifts are required as we seek to be ground-breaking in our operations moving forward.

Of course, this will be in conjunction with the new nemesis that we, and the rest of the world, face – the aftermath of the devastating effects of the COVID-19 pandemic. During the final quarter of the financial year, the unfolding of this unprecedented pandemic shook nations. It rocked families, crushed social familiarities and skyrocketed unemployment and poverty levels to shocking heights.

Amidst the massive challenges and losses faced, I was greatly encouraged by the way in which the Council, taking the lead from President Ramaphosa and the leadership of the country, pulled together to face the pandemic and national lockdown. The entity swiftly mobilised itself to commence offsite functionality with the aim of continuing all operations, including the massive upgrade of its registration systems. I would like to thank the management and staff of the SACPCMP for their drive and attention in executing their responsibilities during such trying times.

I would also like to acknowledge the commitment of my fellow Council and Committee Members, and the support received from our government stakeholders, the Department of Public Works and Infrastructure (DPWI), the Council for the Built Environment (CBE) and our sister Councils for the Built Environment. We have been strongly supported by our Council Committees and Voluntary Associations in the past year, and we look forward to their continued contributions in developing the Council's responsiveness to industry needs and the protection of the public.

Given the challenges we face, as well as those exacerbated by the new landscape we encounter because of the COVID-19 pandemic, let us endeavour to remain agile and aware; agile to respond effectively to the changes we face from new challenges, and aware of a landscape that will most certainly continue to evolve. Let us face this all with honesty, kindness and courage so that we remain strong in protecting the public we serve, but mindful of the new difficulties that our stakeholders and peers are currently experiencing.



Mr. Isaac Mzumara Nkosi

4. MESSAGE FROM THE REGISTRAR



Mr. Butcher Matutle, SACPCMP Registrar

I set about pinpointing what I believe to be the four key business imperatives within the Council – mandate compliance, sustainability, institutional governance, and administration. These were identified as fundamental focus areas in enabling the organisation to achieve its mandate and serve the public in its duties as a statutory authority and regulator. As the entity commenced its preparation for the development of a new Council strategy for 2020/2021, these would be the guidelines to assist us in staying the path and ‘making the Council work’.

To ensure sustainability, a continued focus on financial management within the SACPCMP was essential. The Council continued identifying additional areas for saving and implementing

more austerity measures in the 2019/2020 financial year, also tapping into a number of cost-saving measures to bring financial stability to the organisation.

The timeous institution of penalties on outstanding annual fees was actioned, with effort put in to ensure that Registered Persons’ statements were updated accordingly and in good time, resulting in an increase in collections. The debt collection strategy was ramped up and collections improved tremendously. Furthermore, revenue was forthcoming as a result of pending CPD deregistrations, which prompted registered persons who were not compliant to purchase CPD bundles to avoid deregistration.

However, the Council’s heavy reliance on fees to sustain its operations continued to be aggravated by the non-payment of fees. The SACPCMP realised 11.2% less revenue for the year ending 31 March 2020 than in the previous financial year. The decline in fee revenue was mainly the consequence of an upgrade in systems that interrupted the registration process resulting in fewer applications being assessed, as well as the fact that no examinations or interviews were conducted during the year’s fourth financial quarter.

The entity embarked on a debtor’s book clean up, crediting all long outstanding invoices. The movement in provision resulted in a reversal due to the majority of invoices being credited and some invoices being paid by members, in conjunction with an increase in investment income, which enabled the entity to record an increase in surplus for the financial year.

A New Registration Category Actualised

While the challenges facing an embattled Construction Sector continued throughout 2019 and into 2020, the Council was encouraged by the successful launch of the Building Inspector (BI) registration category in partnership with the National Home Builders Registration Council (NHBC). A nationwide roadshow to communicate the benefits and requirements of professional registration as a Building Inspector was launched in September 2019, yielding excellent attendance and strong interest across South Africa. This was followed by a successful launch of the online BI registration system in December 2019. The initial uptake of registrations was positive, and the Council looks forward to further contributing to the enforcement and monitoring of Building Regulations while encouraging appropriate quality in building projects within South Africa, working closely with the NHBC.

The SACPCMP continued to provide guidance to candidates in their development towards professional registration through dedicated candidate workshops. However due to the advent of the COVID-19 pandemic that swept across the globe, plans to continue roadshows and workshops were placed on hold. They

will be revisited in the new financial year so as to continue to support the throughput of candidates to attain professional status while aligning with pandemic-related safety practices.

The existing registration categories maintained an overall increase of approximately 12.4%. Cumulatively there has been a growth of 344% on average over the last seven financial years being from the 2013/2014 financial year up to the end of this reporting period. The most significant growth from 2018/2019 to the end of the 2019/2020 financial year was in the categories of Construction Health and Safety Officer and Candidate Construction Health and Safety Officer.

Transformation Requires More

Over the past year, the Council's transformation initiatives focused on both encouraging youngsters from previously disadvantaged communities to take an interest in the construction sector, as well as enhancing awareness in the Built Environment regarding the disabled. The SACPCMP partnered with the National Council for People of and with Disabilities (NCPD) to embark on a training programme, the first of its kind in South Africa, to develop disability awareness amongst Building Inspectors.

Despite these efforts, the entity's registration statistics have shown that much more needs to be done to address the demographic and gender imbalance within the industry. A much stronger focus is needed to encourage more women into the Construction Industry, especially in the categories of Professional Construction Manager, Professional Construction Mentor and Construction Mentor, which show little to no representation by women.

Addressing Challenges

Under the guidance of the SACPCMP's Audit and Risk Committee, which was instituted in 2018, coupled with the evaluative efforts undertaken throughout 2019, the Council identified key potential risk areas that needed immediate action. As a result, the entity undertook a complete review of its Information and Communication Technology (ICT) environment. This, coupled with an unsuccessful attempt to defraud the entity, resulted in the SACPCMP fast-tracking what has been one of its most progressive endeavours to date – an upgrade of its entire registration system.

The registration system upgrade commenced towards the end of 2019, and by early 2020 the initial phases of the project saw registration and financial processes put on hold to allow for the transfer of data to the new platform.

The upgraded system will enable the Council to streamline its registration and continuing professional development (CPD) processes as well as drastically reduce the turnaround time for assessment of applications, providing a swifter online registration

process as well as greater governance controls in terms of system security for all registration streams.

Towards the very end of the financial year, the SACPCP, along with countless organisations in countries worldwide was engulfed in the global COVID-19 pandemic. Management rapidly established a COVID-19 task team as well as an offsite 'Mission Critical' team of core staff to drive the entity through the national lockdown. Although the Council is confident that its response to the lockdown was swift and well executed, it is acutely aware that the impact of the pandemic is sure to shake an already embattled Construction Industry. The Council will look to establish ways in which it can support the Built Environment as it moves through this health crisis.

Upon review of the past 12 months, it is not difficult to note that the commencement of the SACPCMP's 2019/2020 financial year was indeed very different to its culmination.

Being ever mindful of those who have lost friends, family, businesses, health and stability, we will strive ahead. Our corporate proposition of growth, development and prosperity is now, perhaps more so than ever, needed to guide us in these uncertain times. Along with the SACPCMP team, an ever-dedicated collection of talented, driven individuals, I encourage the Council's Registered Persons, applicants and many stakeholders, to work with us in constructing the sustainable opportunities and development that our world and our future so greatly require.



Mr. Butcher Matutle

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY

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

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by Ngubane & Co (Johannesburg) Inc.

The annual report is complete, accurate and free of material omissions.

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

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

The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2020.

Yours faithfully

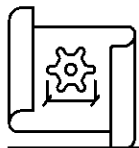


Mr. Butcher Matutle



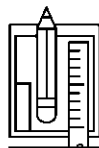
Mr. Isaac Nkosi

6. STRATEGIC OVERVIEW



Values

- Accountability
- Integrity
- Innovation
- Transparency
- Inclusiveness

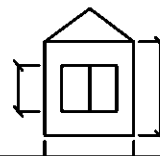


Goals

- Improve operational effectiveness and efficiencies
- Increase and retain registration of competent persons
- Build financial stability
- Assist and monitor the completion of the Identification of Work (IDoW)
- Implement mandated programmes and align with government priorities

Value Proposition

The SACPCMP is a statutory body that regulates the Built Environment Management Professions and is committed to skills development and transforming the landscape of the sector.



Prosper

Transformation through professionalisation of the disciplines within the Built Environment Management Professions, so that marginalised groups, such as women and historically disadvantaged individuals, have access to opportunities in the Built Environment sectors.

7. LEGISLATIVE AND OTHER MANDATES



Legislative Mandate

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

Identification of Work

Guideline Professional Fees

Continuous Professional Development

Accreditation of Built Environment Programmes

Code of Conduct for the Professions

Professional Registration

Recognition of Voluntary Associations

Recognition of New Professions

International Agreements

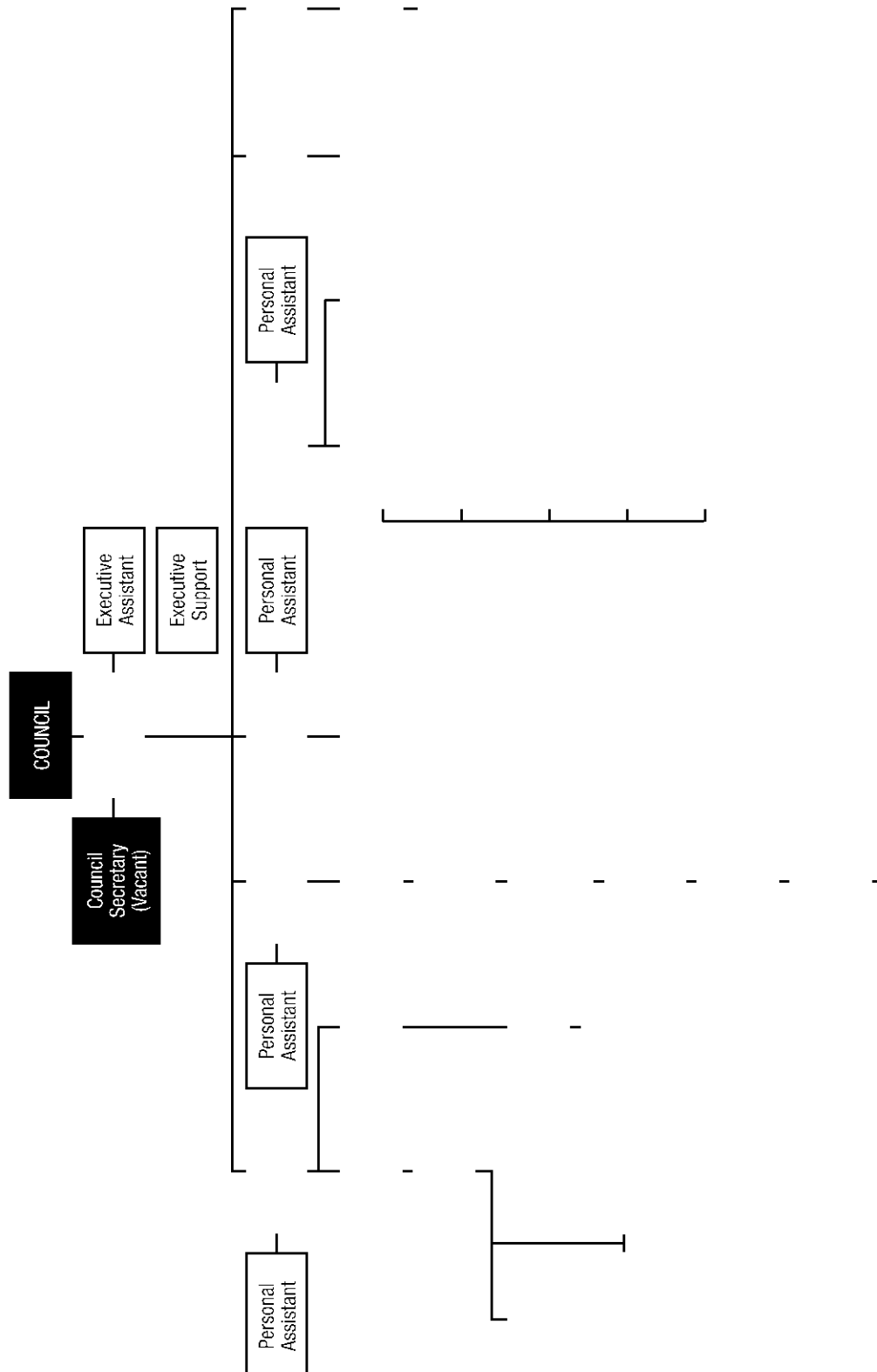
Recognition of Prior Learning

Standard Generating

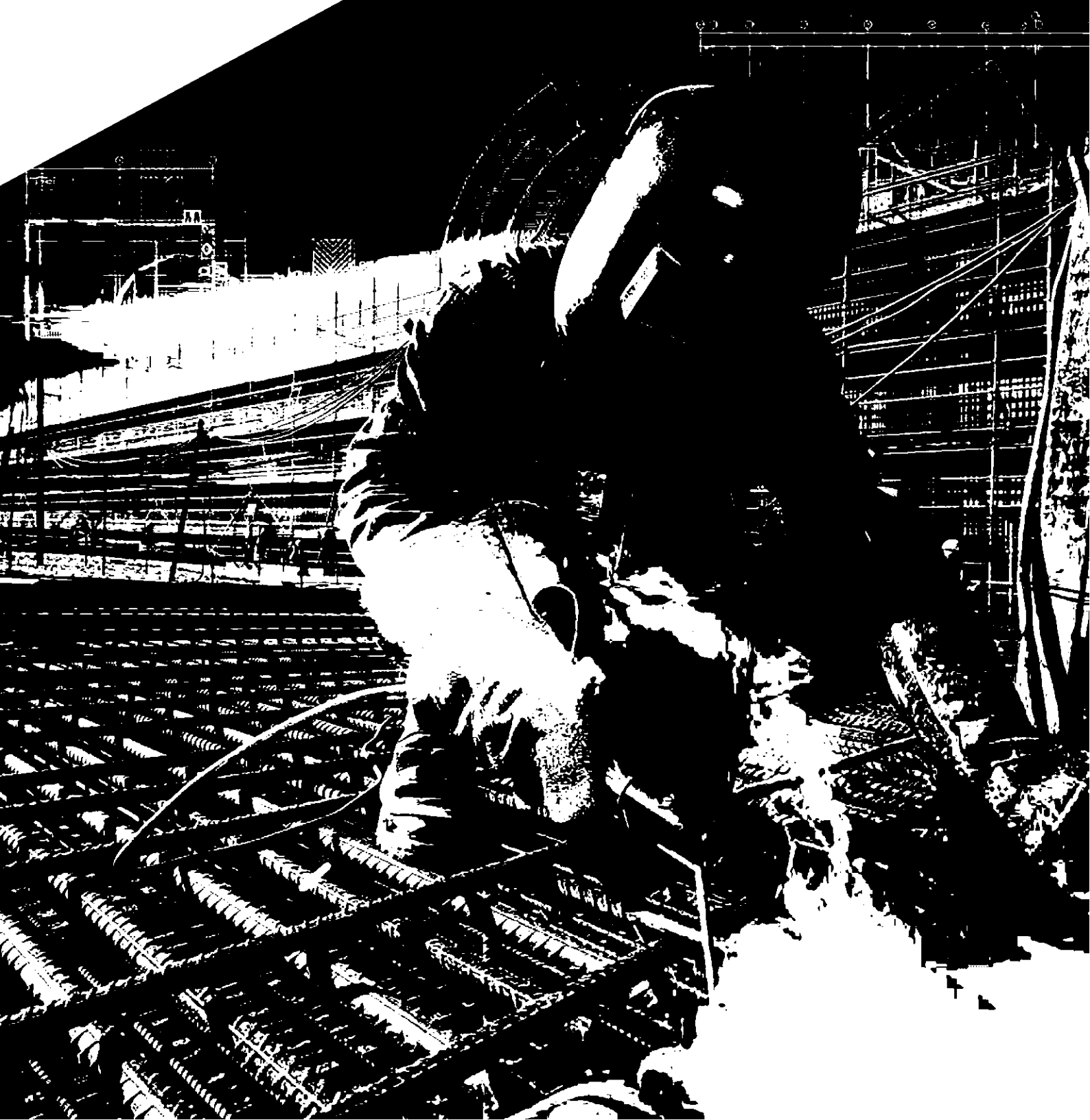
Appeals and Tribunals

Competency Standards for Registrations

8. SACPCMP ORGANISATIONAL STRUCTURE



PERFORMANCE INFORMATION



I. SITUATIONAL ANALYSIS

1.1 Service Delivery Environment

The SACPCMP executes its mandate in a complex environment, impacted by global and national events. These events directly affect its success in achieving its goals of positively impacting transformation in the Built Environment.

South Africa's macroeconomic environment has been under pressure characterised by a lower than expected growth rate, high structural unemployment, (among the highest inequality levels in the world), and unsustainable poverty levels.

Notwithstanding this constrained economic environment, the SACPCMP remains committed to making a meaningful contribution to the Vision and Five-Year Strategy of the Department of Public Works and Infrastructure (DPWI), which emphasises the following key priorities:

1. The creation of six million work opportunities for poor and unemployed people through the labour intensive delivery of public services and infrastructure. Public employment programmes must facilitate community participation and provide tangible benefits to communities, society and the economy;
2. The operationalisation of the Property Management Trading Entity (PMTE) and the transformation of the core property business (including construction management). This necessarily includes a programme to rebuild technical and professional capacity;
3. The operationalisation of the Governance, Risk and Compliance Branch to drive anti-corruption and to spearhead the second phase of turnaround, namely Efficiency Enhancement, using planning, service delivery model process and performance management tools. This also means working with Human Resources (HR) and change management to promote a committed, performance-driven work culture;
4. In consultation with all stakeholders – particularly the wider Department of Public Works and Infrastructure family in the provinces – undertaking a policy review culminating in a Public Works Act. This will provide a solid foundation for the third phase of turnaround, namely Sustainable Development, and will clarify and refresh the mandate of the DPWI; and
5. In partnership with our entities, the charter councils, and relevant stakeholders, promoting a renewed and sustained programme of action to transform the Built Environment – the construction and property sectors – as part of the second and more radical phase of transition to democracy.

Moving on to the 2019/2020 financial year, the Council looked to address the following key considerations:

- Improving Financial Sustainability;
- Enhancing Information Communications Technology;
- Organisational Realignment;
- Driving Transformation;
- Enhancing and Developing Brand and Reputation;

- Driving Continuing Professional Development (CPD) Compliance;
- Finalising Identification of Work (IDoW) and Tariff of Fees; and
- Good Governance.

Ever cognisant of challenges facing the construction industry, the Council again looked to keep annual and registration fee increases to a minimum. Despite recording revenue which was 25% less than anticipated, the Council succeeded in reversing the prior accumulated deficit of R1.4 million and reported an accumulated surplus of R1.1 million at the end of the 2019/2020 financial year.

While the SACPCMP continued to investigate ways in which it could improve its ICT infrastructure to support operational demand, such as the reconfiguration of its telephone management system, the entity was still plagued by the negative effects of load shedding. A complete restructuring of the Council's ICT Department was implemented, and a major upgrade of the entity's registration platform commenced. This is expected to assist the Council in streamlining its operations, allowing for a more user-friendly registration process with improved governance and security.

The need to grow the pool of registered professionals is a precursor for the effective regulation of the Built Environment Professions, and also presents one of the biggest challenges faced by the SACPCMP. The database of Registered Persons increased from 10 370 at 31 March 2019 to 11 663 at 31 March 2020, which represents an increase of approximately 12.4%. However, this increase is not equally representative across all categories, with the largest increases being in the Health and Safety categories. The Council commenced with the registration of Building Inspectors in December 2019 and looks forward to the growth of this registration category in the years ahead.

Ensuring compliance by professionals with the Continuing Professional Development (CPD) Programme had mixed results, with many reasons identified for non-compliance, the more prominent being the high cost of CPD accredited events. The Council delayed deregistration of Registered Persons (due to CPD non-compliance) owing to the economic challenges facing the sector. In the year ahead, the Council will look to update its CPD systems so as to support Registered Persons in maintaining compliance.

Transformation in the sector remains a challenge and has been disappointingly slow, with professional registration numbers showing disproportionate representation across race and gender. To this end, the SACPCMP's Transformation Strategy sought to address and remedy issues hindering the development of women, the disabled and previously disadvantaged individuals within the Built Environment.

The Council embarked on a drive to improve its customer relationship

management (CRM) services to its stakeholders, and while the initial implementation of this project saw positive outcomes, challenges faced during the fourth financial quarter, such as load shedding, ICT infrastructure changes and COVID-19 negatively affected the success of the Council's CRM initiatives.

Building on the foundation laid in 2018, where talent management became a central feature of efforts to ensure effective people management practices, the Council entrenched employee engagement in its commitment to build a people-centred organisational culture. This was reinforced when a strategic path for the Council was crafted in February 2020. Economic conditions reduced the entity's growth in terms of employing new talent; however, the redeployment of staff created growth and development opportunities for the existing talent to gain operational exposure in other mandate areas.

1.2 Organisational Environment

SACPCMP derives its mandate from Section 22 of the Constitution of the Republic of South Africa, and was established to register, certify, regulate and promote specific Built Environment Management Professions. It is further tasked with the protection of public interest, which is achieved by ensuring suitably qualified and registered professionals in specific Built Environment Management Professions

in South Africa by promoting and enforcing high standards of professional ethics and conduct within the Built Environment.

The Minister of the Department of Public Works and Infrastructure is the Executive Authority of the SACPCMP and communicates with the Council through the Council for the Built Environment (CBE), the overarching body which coordinates the activities of all the councils for Built Environment Professions. The Built Environment refers to the functional area within which Registered Persons practise, and includes all structures that are planned and/or erected above or underground, as well as the land utilised for the purpose and the supporting infrastructure.

The SACPCMP operates alongside five other Councils for the Built Environment Professions (CBEP), namely:

1. SACAP: South African Council for the Architectural Profession;
2. ECSA: Engineering Council of South Africa;
3. SACLAP: South African Council for the Landscape Architectural Profession;
4. SACQSP: South African Council for the Quantity Surveying Profession; and
5. SACPVP: South African Council for the Property Valuers Profession.

C B E



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

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

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

While an approved structure is currently in place, a need was identified to review this to ensure full alignment with the Mandate and Strategy of the Council. The process of approving human capital to cover critical areas commenced in the 2019/2020 financial year and is expected to be implemented early in the new financial year.

In continuing with the move from paper-based to electronic solutions for capturing and uploading registration submissions, the Council embarked on a full upgrade of its registration system. While this hindered registration and invoicing for the first few months in 2020, the expected benefits of the improved system, once completed, are immense.

The SACPCMP recorded a profit of R2 743 571 in the 2019/2020 financial year. As its appeal fees are much lower than those of other CBEs, the Council continued to investigate revenue generation from alternate sources. The SACPCMP does not receive funding from the fiscus, and 80% of its revenue is generated from annual registration fees, the payment of which has come under pressure due to the tough economic environment.

1.3 Legislative and Policy Mandates

Council, in the period under review, consolidated a mandate compliance review which covered the full set of 13 legislated mandates. The strategic review identified gaps that range in degree of variance in the areas of policy compliance, and the efficacy of procedures and standards that support the administration of the legislated mandates. The review has established a baseline from which to complete the mandate compliance within the 2020–2025 strategic timeline framework, for the administration of all 13 legislated mandates, so that they support and enable public policy priorities in South Africa. The mandate compliance process will be informed by the CBE-approved policy frameworks for the 13 legislated mandates, which are inclusive of the DPWI mandates.

The review of the Registration Policy, CPD, and programme accreditation is ongoing. It is also envisaged that new policies will be developed for tribunals and appeals in the coming financial year. The need to review policies is premised on aligning policies with best practice, removing ambiguities that exist in current policies, including changes that are being made from time to time, and acknowledging lessons learnt.

1.4 Strategic Outcome-oriented Goals

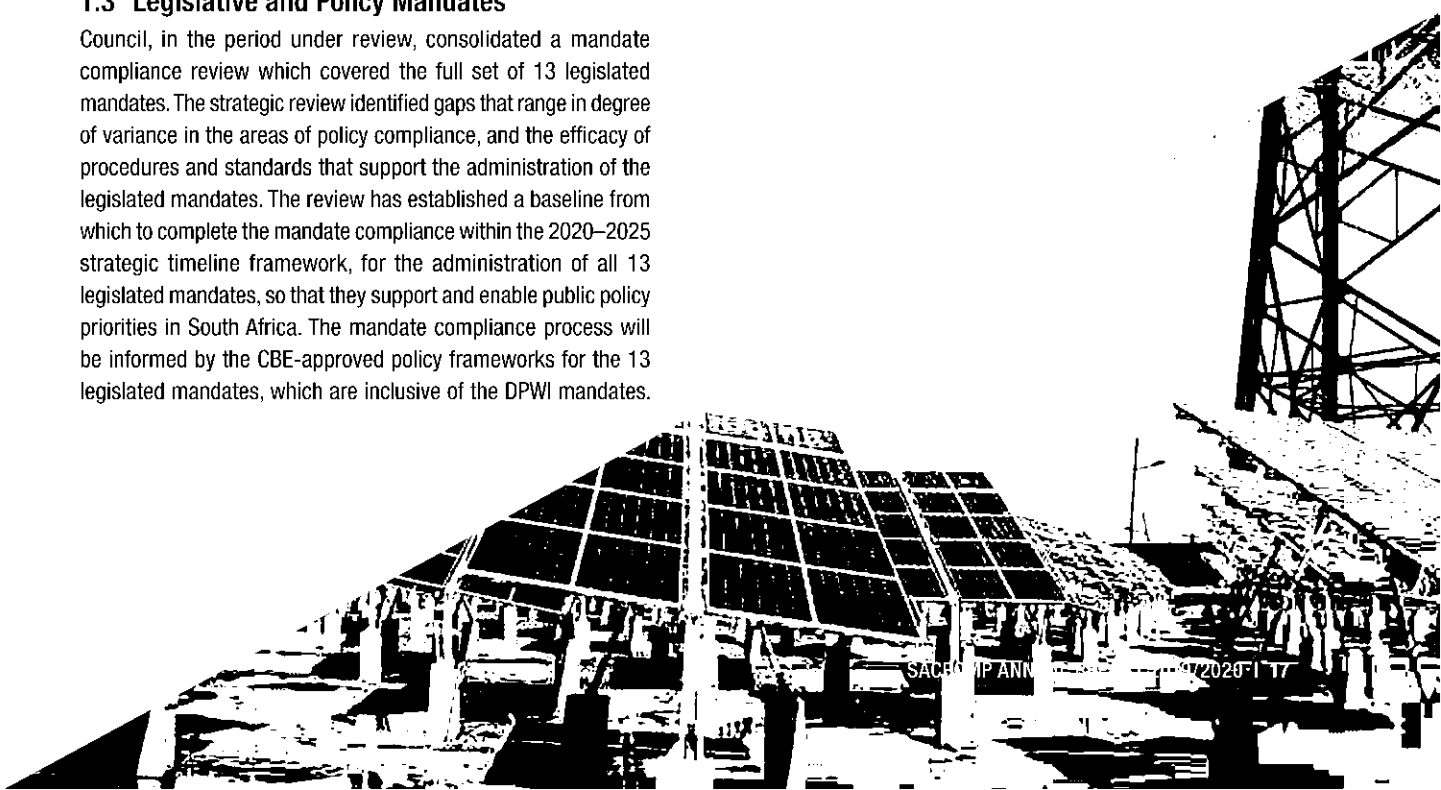
The SACPCMP's five strategic goals are aligned with the structure of its delivery programme and the development of strategic objective targets, performance indicators and performance data, as outlined in the rolling Annual Performance Plan (APP).

Council's strategic goals are to:

- Improve operational effectiveness and efficiencies;
- Increase and retain the registration of competent persons;
- Build financial sustainability;
- Assist and monitor the completion of the IDoW; and
- Implement mandated programmes and align these with government priorities.

Towards the end of 2018, the SACPCMP embarked on a process to critically examine progress in terms of its strategic position and direction, in line with its mandate. Arising from this, and in line with government's planning frameworks, the SACPCMP developed its 2019/2020 APP as the final plan for implementing the goals outlined in the 2015–2020 Strategic Plan. This plan reflected the planning priorities and revised strategic objectives with five-year targets, and aligned the Medium-Term Expenditure Framework (MTEF) performance indicators, annual targets and budget allocations.

In February 2020, the SACPCMP's management, Committee and Council representatives worked to review the entity's Five-year Strategic Plan for implementation in the 2020/2021 financial year.



2. PERFORMANCE BY PROGRAMME, ACTIVITIES AND OBJECTIVES

2.1 Registration, RPL, Recommended Guideline Fees and IDoW

Registration is the SACPCMP's key strategic function as its function is to register project and construction management professionals in all the legislatively prescribed registration categories. As such, one of the key strategic thrusts is the growth of Registered Persons who reside under the ambit of the SACPCMP. The Council managed to maintain growth during the 2019/2020 financial year, albeit with slight decreases in some of the registration categories.

The database of Registered Persons increased from 10 370 on 31 March 2019 to 11 663 on 31 March 2020, representing an increase of approximately 12.4%.

Cumulatively, there has been growth of 344% over the last seven financial years, being from 2013/2014 to the end of the 2019/2020 reporting period. The most significant growth in the 2019/2020 financial year was in the Construction Health and Safety Officer, and Candidate Construction Health and Safety Officer categories. During the same reporting period, slight decreases were recorded in the Professional Construction Project Manager (PCPM), Professional Construction Manager (PrCM), Candidate Construction Health and Safety Agent (CanCHSA) and Candidate Construction Manager (CanCM) registration categories.

White registered professionals (1 661) constituted the majority of all registered professionals (61.4%) while Black (752), Indian (178) and Coloured (114) registered professionals combined (1 044) constituted 38.6%, being less than half of the total.

Candidates constituted 40% of all Registered Persons (4 662 out of 11 663) and Black candidates (3 449 out of a total of 4 662) constituted 74% of all registered candidates which is the exact opposite of the registered professionals.

Females are the least represented in all categories of registration. There are no female Registered Persons in the Professional Construction Mentor (Pr C Mentor) or Construction Mentor (C Mentor) categories.

In the PrCM category, females constitute 2% (18 out of 888) and in the Professional Construction Project Manager (PrCPM) category females constitute 7.3% (124 out of 1 689) of the Registered Persons.

There were 689 deregistrations (488 candidates and 201 professionals) that arose from either non-payment of annual fees or failure to comply with CPD requirements. The net effect was that these affected overall registration numbers.

The SACPCMP was unable to register any new applicants in the last quarter of the financial year because assessment of applications, interviews and examinations were put on hold due to the upgrade of the registration system.

The SACPCMP successfully commenced with Building Inspector (BI) registrations in 2019. The decision to certify, register and regulate the profession was underpinned by the need to address general matters regarding the profession, including public health and safety, protection of the public in their dealings with BIs, and improving the standard of services that BIs render.

The SACPCMP was identified as the most appropriate body to represent BIs, and it was thus agreed that it would be the custodian of the discipline. At the onset, a task team of identified role players with knowledge and experience in the discipline was constituted. The task team provided much-needed technical advice on the competencies required, delineation of registration categories, the development of the scope of services, and the registration criteria, among others.

A nationwide roadshow began in September 2019 (pictured below) and, following extensive consultations across South Africa and the gazetting of scope of services for implementation, the SACPCMP began to receive applications for BI registration from 1 December 2019.

The actual assessment of these applications will commence in the 2020/2021 financial year as the SACPCMP awaits the finalisation of the assessment tool to be utilised for examination questions.



Programme/activity/objective: Registration – Construction Project Management

Increased number of competent professionals within the Construction Management and Construction Project Management professions	2 635 (PrCPM; PrCM; Pr C Mentor; C Mentor)	2 800	2 666	(134)	No new registration occurred in the 4 th quarter on account of MM migration which was further compounded by deregistrations that occurred in the 3 rd quarter
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Programme/activity/objective: Registration – Construction Health and Safety

Facilitate an increase in the number of Registered Professionals within the Construction Health and Safety profession	3 615	3 369	4 535	1 166	Increased registrations were as a result of improved compliance with legislation.
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Programme/activity/objective: Registration – Building Inspectors

Facilitate the increase in the number of Registered Professionals within the Building Inspectors	0	50	0	(50)	Opening of registration delayed on account of the development of examination questions and the COVID-19 pandemic
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Programme/activity/objective: Registration - Construction Project Management

Cumulative (total) of number of registered candidates across the CPM and CM registration categories	2 348 (Candidate Pr.CPM; Candidate PrCM)	2 771	2 849 (Candidate CPM; Candidate CM)	78	Increased registrations were as a result of awareness roadshows and improved compliance with legislation
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Programme/activity/objective: Registration - Construction Health and Safety

Cumulative (total) of number of registered candidates across the Construction Health and Safety profession	1 772 Registered candidates within CHS profession	1 584	2 472	954	Increased registrations were as a result of improved compliance with legislation
Develop and implement new policy of candidacy support	Policy under revision	Policy finalised	Structured candidacy refined but policy still under revision	Policy not yet finalised	Lack of financial resources for comprehensive implementation/ Registration Policy under review
Develop and implement skills models and examination and assessment tools	New Target	Development and implementation of skills models and examination tools	Terms of Reference finalised and service provided approved		Registration Policy under review



Strategy to Overcome Areas of Under-Performance

The SACPCMP, for many years, utilised an online application and registration system which proved over time to be inadequate. It was deemed not to be user-friendly, had limited applications and limited integration capabilities, was reliant on a great deal of manual work, and was prone to manipulation. For these reasons, and due to security concerns as well as the countless challenges that stakeholders faced in the application process, the decision was taken to migrate to an updated, new system.

Project planning for the system upgrade commenced in late December 2019. The upgrade, which is ongoing, is expected to result in a more user-friendly interface for applicants and Registered Persons. The system should be fully operational in the 2020/2021 financial year and will allow for improved security, local service support, user-friendly application, integration with financial systems, and automation of several application/registration processes.

Much is still needed to address the demographic and gender imbalance in registration and in the industry in general. Candidates constitute about 40% of all Registered Persons but what is concerning is that although Black candidates constitute 74% of all registered candidates, this representation is not matched by a corresponding increase in throughput progressing to full registration.

There is an appreciation that candidates are the future cohort of Registered Persons. With this in mind, the Council will explore measures to aid in the development of candidates to attain full registration. Measures include considering proposals such as the one embodied in the CBE 2010 Skills pipeline proposals and others. Reliance on the Sector Education and Training Authorities (SETAs) to provide discretionary grant funding for a structured candidacy programme that provides a coal-face internship environment has not yielded significant outcomes, because SETAs have to cater for all competing priorities. The Council equally recognises that, as the vital cog in the transformation agenda, it needs to be at the very forefront of driving transformation initiatives.

The Council has been mindful of various challenges experienced by Registered Persons due to the COVID-19 pandemic. In this regard, the organisation is exploring the substitution of written examinations with online assessments, as well as the possibility of conducting the Assessment of Professional Competency through interviews, held remotely in different locations. The Council readily concedes that it may encounter some technological difficulties in the rollout of these solutions, but it will continue to explore different modes to fulfil its mandate.

Project and Construction Management (PCM)

	2018/2019		2019/2020		
PCM – Assessment of applications & RPL	1 373 760	957 491	1 318 832	799 546	519 286
PCM – Interviews	756 677	620 631	621 600	739 081	(117 481)
PCM – Meetings	145 600	84 0235	140 000	88 503	51 497
PCM – Travel & accommodation	442 592	237 819	553 240	122 273	430 967
PCM – Workshops	376 000	-	571 000	-	571 000
PCM – Investigation of complaints	840 000	64 184	953 466	215 224	738 242

Construction Health and Safety

	2018/2019		2019/2020		
Appeals	25 900	-	-	14 035	(14 035)
Training of assessors	66 666	13 525	150 000	13 5245	136 475
Assessment of applications	1 895 911	1 304 902	1 360 800	673 455	687 345
Interviews	25 983	61 100	30 528	17 801	12 727
Assessment of logbooks	100 000	43 830	86 625	26 871	59 754
Examinations	60 000	26 262	-	50 030	(50 030)
Script marking	212 786	133 400	152 250	100 909	51 341
RPL assessment	51 857	-	36 000	-	36 000
Meetings	2 743	18 260	69 986	14 653	55 333
Travel & accommodation	73 653	187 222	220 000	58 392	161 608

Building Inspectors

	2018/2019		2019/2020		
Assessment of applications & RPL	N/A	N/A	385 000	-	385 000
Interviews	N/A	N/A	20 000	-	20 000
Meetings	N/A	N/A	74 969	40 591	34 378
Travel & accommodation	N/A	N/A	237 025	159 953	77 072
Workshops	N/A	N/A	442 400	240 152	202 248
Bi exams	N/A	N/A	39 375	-	39 375
Development of examination paper	N/A	N/A	200 000	-	200 000
Investigation of complaints	N/A	N/A	-	-	-
Gazetting	N/A	N/A	-	10 526	(10 526)



Total number of registered professionals by race and gender

Male	652	1 618	168	108	2 546
Female	100	43	10	6	159

Total number of registered persons by category

Male	146	650	37	37	870
Female	11	5	1	1	18
Male	481	907	121	56	1 565
Female	82	30	7	5	124
Male	11	10	4	3	28
Female	0	0	0	0	0
Male	14	51	6	12	83
Female	7	8	2	0	17

Total number of Registered Candidates by category

Male	174	441	46	70	731
Female	92	79	5	14	190
Male	1 295	744	105	327	2 471
Female	579	224	26	67	896

Total number of Registered Candidates by race and gender

Male	2 076	597	136	231	3 040
Female	1 373	140	37	72	1 605

Total number of Registered Candidates by category

Male	145	154	24	25	348
Female	64	3	0	2	69
Male	1 000	179	72	55	1 306
Female	592	23	15	9	639
Male	53	37	5	3	98
Female	22	14	1	4	41
Male	27	41	2	16	86
Female	11	7	1	2	21
Male	851	186	33	132	1 202
Female	684	93	20	55	852

Cancellations and deregistrations

Deceased	2
Non-practicing	N/A
Retired	N/A
Suspended	N/A
Resigned	N/A
Removed (due to default)	689
Applications received	5 358
Applications rejected	2 893
Applications accepted	2 465
People who wrote exams	1 290
People who passed	960
People who failed	330

The Council began implementing Recognition of Prior Learning (RPL) as a key driver of transformation from 1 May 2009. This provides an alternate route for those who do not have recognised formal qualifications for registration and, for now, RPL only applies to the categories of Construction Project Management and Construction Management.

The SACPCMP has identified some of the challenges that generally impede applicants from registering through the RPL route, even though they may have paid the RPL fee. Some of these are:

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

Realising that most of the applicants who pay to pursue registration through the RPL route experience difficulties in compiling the Portfolio of Evidence, the SACPCMP intends to host RPL workshops to guide the applicants in how to compile the portfolio and how to prepare for the oral assessment. The workshops will be a regular feature in the SACPCMP's calendar of activities. However, workshops will not take place until all COVID-19 lockdown arrangements cease and classes/courses are cleared to proceed.

In addition to its workshop planning, and as part of the Council's review of the Registration Policy, the SACPCMP will also review the existing RPL policy with the aim of introducing a two-tier toolkit for the professional and non-professional categories.

Recognition of Prior Learning – Annual statistics	Total
Number of professionals registered through RPL	Three PrCMs
Percentage of Registered Professionals through RPL	0.3%
Number of people who paid to pursue registration through RPL	14 people (two people submitted POE for oral assessment and 12 are still to submit)
Number of RPL applications in process (11 applications in total, of which nine are from previous financial years, and two are for the 2019/2020 financial year)	11 people in total (two people were approved to undergo an interview; three applicants were deferred following the oral assessment of the portfolio of evidence, one person was rejected, and five people were recommended for oral assessment)
Number of RPL applications that were rejected	One person

In accordance with section 34 of the Project and Construction Management Act No 48 of 2000, the SACPCMP, following consultation with the Voluntary Associations, is required to formulate and publish recommended guideline fees. Section 34(2) of the same Act also requires the SACPCMP to annually review these fees and thereafter to publish these fees which are to become applicable from 1 January to 31 December each year.

The Council published an interim adjustment to the tariff of fees in late 2019. Going forward, Council, in conjunction with the other CBEs, will explore the possibility of coming together to determine alternative modalities for fees that will have to be endorsed by other regulatory bodies with a vested interest in the protection of the public.

Section 26 of the Project and Construction Management Act No 48 of 2000 mandates the SACPCMP following consultation with Voluntary Associations, any person, body or industry to submit recommendations to the Council for the Built Environment (CBE) regarding the type of Project and Construction Management work which may be performed by persons registered in any of the categories referred to in section 18 of the Act. This extends to include work which may fall within the scope of any other Professions regulated by the Professions Act referred to in the CBE Act (Act No 43 of 2000).

The SACPCMP views the Identification of Work (IDoW) as being for the protection of the public health and safety. This is due to an enabling mechanism under section 18(2) of the Act that seeks to prevent unregistered and incompetent persons from practicing Project and Construction Management work.

The IDoW contemplated by the SACPCMP was submitted and supported by the CBE. The IDoW overlaps with other BEP Councils that have also more-or-less been agreed to. This will delineate the boundaries around the entire family of the CBE professions through distinguishing one profession from the other. In accordance with the CBE Act, the CBE is required to consult with the Competition Commission before the finalisation of the IDoW.

Council has, through the CBE, resubmitted the reformulated scope of work to the Competition Commission (CC) and is awaiting the outcome. The newly developed IDoW framework encompasses a scope of practice for each category of registration for consideration by the CC. It is envisaged that in the foreseeable future, the SACPCMP will develop its own IDoW policy which will be aligned to the policy framework of CBE.

2.2 Transformation

Transformation in the Built Environment is slow and requires much focus; because transformation initiatives are cost intensive and a lack of investment for interventions such as bursaries further hampers progress, the Council has looked to develop partnerships with various organisations as a way of addressing transformation within the sector.

There are very few registered females in any of the registration categories and in some categories, such as Professional Construction Mentor and Construction Mentor, there are no registered females. The lowest percentages of female Registered Persons are in the Professional Construction Manager category where only two percent of Registered Persons are female and in the Professional Construction Project Manager category where eight percent of the total Registered Persons are female.

White registered professionals constitute the majority of all registered professionals (61.4%), while Black, Indian and Coloured registered professionals together constitute which less than half of the total number (38.6%). There is therefore the recognition that much more needs to be done to address the demographic and gender imbalance.

Candidates constitute about 40% of all Registered Persons but what is concerning is that although Black people constitute 74% of all registered candidates, this representation is not matched by a corresponding increase in throughput progressing to full registration. There is equally an appreciation that candidates are the future cohort of Registered Persons.

The SACPCMP Transformation Committee held a Transformation Workshop to set transformation goals and objectives, as well as identify gaps in transformation activities within the Council. Initiatives in the financial year were mainly channelled through the SACPCMP's Student Chapter after the Committee had finalised a strategy and implementation plan. School outreach, youth development and career promotions took place.

2016/2017	1 678	2 239	146	206
2017/2018	1 568	2 662	333	255
2018/2019	2 370	3 073	487	320
2019/2020	2 998	3 236	606	361

* Indicates Registered Persons only and does not refer to Candidates.



Programme: Transformation

Transformation of the Built Environment management professions (Indicator: % of HDI RPs across all registration categories (PrCPM, PrCMentor, CMentor PrCM & PrCHSA, CHSM, CHSO)	HDI registered professionals (4400/6843)	3250	HDI registered professionals (2998/ 5472)	(252)	None
Transformation: Implement mandated programmes and align with government priorities	Transformation Committee development	Development of Transformation Committee	Transformation Committee	No deviation	None
Transformation: Implement mandated programmes and align with government priorities	Youth activations presented	Youth engagement	Youth Activations presented	No deviation	None
Transformation: Implement mandated programmes and align with government priorities	Visit Ministerial Career Day	School Youth Development and Awareness	Visit Ministerial Career Day	No deviation	None
Transformation: Implement mandated programmes and align with government priorities	Development of Student Chapter initiative and Youth Portal	Development of Student Chapter initiative & Youth Portal	Development of Student Chapter initiative and Youth Portal	Updating and editing of material for Student Chapter (Career Guide) required	None

Programme: Transformation

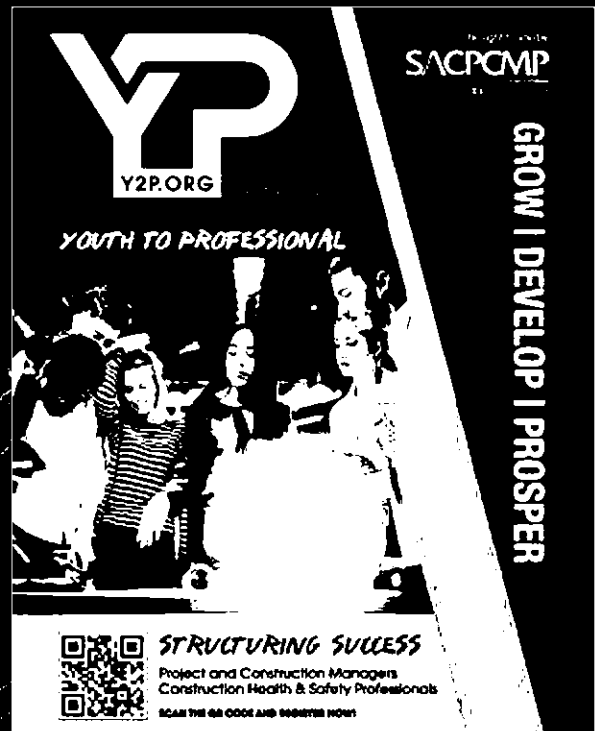
Transformation of the Built Environment management professions (Cumulative number of Historically Disadvantaged Individual [HDI] registered persons across all registration categories (PrCPM, PrCMentor, CMentor PrCM & PrCHSA, CHSM, CHSO)	2 575 HDI professional registrations across all registration categories	3250	2998 HDI professional registrations across all registration categories	(252)	None
Transformation of the Built Environment management professions (Cumulative number of female RPs across all registration categories (PrCPM, PrCMentor, CMentor PrCM & PrCHSA, CHSM, CHSO)	1 001 professional registrations across all registration categories who are women	1100	1280 professional registrations across all registration categories who are women	+180	None
Transformation of the Built Environment management professions (Cumulative number of registered persons across all registration categories for RPL (PrCPM, PrCMentor, CMentor PrCM & PrCHSA, CHSM, CHSO)	10 RPL professional registrations	15	3 RPL professional registrations		None
Transformation: Implement mandated programmes and align with government priorities	Transformation Committee	Development of Transformation Committee	Transformation Committee	No deviations	None
Transformation: Implement mandated programmes and align with government priorities	Youth activations at five universities across South Africa to address negative stigma pertaining to the construction industry and promote development of the skills pipeline	Youth engagement	Youth activations at five universities across South Africa to address negative stigma pertaining to the construction industry and promote development of the skills pipeline	No deviations	None
Transformation: Implement mandated programmes and align with government priorities	Visit Ministerial Career Day	School youth development and awareness	Visit Ministerial Career Day	No deviations	None
Transformation: Implement mandated programmes and align with government priorities	Development of Student Chapter initiative, Youth Portal and Career Guide	Development of Student Chapter initiative, Youth Portal and Career Guide	Development of Student Chapter initiative, Youth Portal and Career Guide	Design updates of material for the Career Guide required	None

The SACPCMP has been provided with grant funding by the Services Seta to embark on an Internship Programme for 100 learners for a period of one year.: The funding for these programmes amounts to R10.2 million. The total grant funding is R13.8 million and essentially provides work-integrated learning for those students who are unemployed and have already obtained qualifications ranging from a National Diploma to an Honours Degree in the Built Environment field of study. This will give them practical, hands-on experience in the construction sector in different localities throughout the country.

In addition to the above, dialogue commenced between the CBE and the SACPCMP Communications Committee chairperson regarding outcomes and expectations of the 2020/2021 Transformation Indaba.

During the financial year under review, the SACPCMP participated in career days conducted at schools and shopping areas. The SACPCMP printed its Career Guide, as well as construction industry-related promotional material, to assist learners in making a career choice and to encourage them to consider a career in the project and construction management industry. The Career Guide provides fun facts and debunks myths that exist in the industry.

In July 2019, the SACPCMP participated in the SABC Career Fair in Pretoria as well as a Ministerial Career Day in Secunda. To enhance its Student Chapter and the input of professionals via the skills pipeline, the Student Chapter will look to review the benefits offered to students in the forthcoming year.



The SACPCMP, in its effort to address the lack of transformation within the construction industry in terms of those with disabilities, met with the National Council of and for People with Disabilities (NCPD) in mid-2019. A memorandum of understanding between the SACPCMP and the NCPD was proposed and is in its draft stages. It is hoped that this alliance will encourage awareness and education pertaining to people with disabilities operating within the Built Environment. In early 2020, the SACPCMP partnered with the NCPD in an awareness and training programme aimed at building inspectors. The pilot training session, which took place in Gauteng in March 2020, was the first of its kind in South Africa, and will continue throughout the rest of South Africa once the national lockdown is lifted.



Transformation and RPL budgets are integrated in the budgets of Communication and Stakeholder Relations, Construction Project Management, and Construction Health and Safety.



2.3 Continuing Professional Development (CPD)

The aim of Continuing Professional Development (CPD) is to safeguard the public, the employer, the Registered Person, and the Registered Person's professional career. The maintenance of CPD ensures that knowledge and competencies are continuously developed and maintained and that Registered Persons acquire new and updated levels of knowledge and skill to promote professional integrity and to benefit their professional practice. For this reason it is mandated by professional organisations or bodies as a personal responsibility of professionals to keep their knowledge and skills current so that they always deliver the high quality of service that safeguards the public.

Improved CPD compliance aligns with the SACPCMP's strategic goal of increasing and retaining the registration of competent persons. The SACPCMP values its Registered Persons and has developed a policy that is practical and relevant to assist them in meeting CPD requirements. The policy outlines CPD as an ongoing process that continues throughout the professional careers of Registered Persons. It is also a mandatory requirement that renewal of registration after five years is based on full compliance with CPD requirements. The conditions relating to CPD are clearly articulated in the CPD Policy.

The existing CPD Policy was implemented with effect from 1 April 2012. This was reviewed to ensure alignment and harmonisation with the CPD policies of sister councils for the Built Environment professions, as well as the CBE Policy Framework. The revised CPD Policy was gazetted for comment in April 2019 and implemented in September 2019.

Strategic objectives

Programme: Increase and Retain Registration of Competent Persons - CPD

Increased Continual Professional Development (CPD) compliance: 85% of Registered Professionals in all categories to be CPD compliant by the end of their five-year cycle	57% CPD compliant (29 out of 51)	85% CPD compliant (118 out of 139)	45% CPD compliant (62 out of 139)	40% (56 out of 118)	The compliance rate was run till end February due to migration some people might have been compliant but no CPD statements were generated
Increased CPD compliance: Cumulative (total) number of validated short courses by providers in all CPD categories	133 validated short courses	48 new courses (12 per quarter)	39 New courses	9	There were no new service providers to validate their courses, there is a need to market CPD to the stakeholders

Key performance indicators, planned targets and achievements

Programme: Increase and Retain Registration of Competent Persons - CPD

Increased CPD compliance: Number of Registered Persons completing CPD activities	139 Registered Persons completing CPD activities	New indicator	62 out of 139 people compliant (45%)	No deviations	None
Increased CPD compliance: Cumulative (total) number of validated short courses by providers in all CPD categories	133 validated short courses	New indicator	187 validated short courses	No deviations	None

2017/03/31	1 066	134	1 015	185	1 200		1 200	85%
2018/03/31	41	8	37	12	49		49	76%
2019/03/31	75	22	65	32	97		97	67%
2020/03/31	85	54	62	77	139		139	45%
2021/03/31	236	276	109	403	512		512	21%
2022/03/31	1 020	1 079	193	1 906	1 084	1 015	2 099	9%
2023/03/31	217	898	18	1 097	1 078	37	1 115	2%
2024/03/31	230	1 538	13	1 755	1 703	65	1 768	1%

In the first five-year CPD cycle, ending 31 March 2017, those who had not complied were placed on suspension until 31 March 2019 (in accordance with the prescripts of the CPD Policy). Should they not have complied, they were eligible for deregistration on 1 April 2019, although the Council extended this to 31 July 2019.

However, in August 2019 the Council took the decision to grant all Registered Persons who had been registered between the inception of the SACPCMP and 2012, and who had fully paid their 2019 annual fees, one very last extension to comply. The extension date was set at 20 November 2019 and allowed 191 Registered Persons the opportunity to become compliant. Those with unpaid 2019 annual fees, who were not CPD compliant for the cycle ending 31 March 2017, were deregistered (total 189).

Registered persons who fell within the second five-year cycle (ended 31 March 2018), and who had not complied, were placed on suspension and given until 31 March 2020 to comply. The Council subsequently approved 150 persons for deregistration in terms of non-compliance.

Registered persons within the third five-year cycle (ended 31 March 2019), and who had not complied, were granted a remedial period which will run to 31 March 2020. Failure to comply in this period will result in suspension for one year.

The compliance rate in CPD as at 31 March 2020 stood at 85%. The Council has continued to receive annual CPD reports from Registered Persons via email and post (excluding those from candidates with evidence that they have been engaging with CPD activities). The upgrade of the SACPCMP's registration system is expected to assist with online CPD uploading and allocations. It is hoped that this will alleviate the administration burden the Council faces as a result of manual CPD verification.

Approval of CPD exemption

Section 14 of the CPD Policy states that "Only registered professionals in good standing may be granted exemption from, or deferment of, CPD requirements based on retirement, temporary withdrawal from professional practice, or extended leave because of illness or relocation". The Council approved 30 new applications for CPD exemption, which will be reviewed on an annual basis.

Strategic issues and challenges

The SACPCMP continues to encounter challenges regarding CPD. These include but are not limited to:

- Registered persons not submitting their CPD filings on an annual basis but rather at the end of their five-year cycle, causing cumbersome administrative work;
- A high administration burden on account of CPD verification being done manually rather than on an ICT-based system;
- Registered persons not complying with CPD requirements, despite repeated reminders, which has the potential of resulting in a high number of deregistrations; and
- Those registered with other CBEP's continuing to find no compatibility due to different and varying CPD requirements.

The Council continues to offer tailor-made CPD promotional material and CPD online bundles, and issues frequent mailers to its Registered Persons regarding validated courses so as to encourage and support CPD compliance. In addition, a reconfiguration of the CPD programme on the registration system during the 2018/19 financial year, which allows for the easy generation of names, has helped to send reminders to those who have not complied. With the use of the programme, it is now possible to view CPD compliance percentages and the total number of those who are not CPD compliant for all the current CPD cycles (i.e. 2017 end-cycle date to 2024 end-cycle date).

	2018/2019		2019/2020		
Assessment of applications	30 000.00	33 550.00	60 000.00	16 471.91	43 528.09
CPD meetings	20 000.00	25 069.22	40 860.00	13 181.00	27 679.00
CPD workshops	20 000.00	0	104 500.00	0	104 500.00
CPD audits and gazetting	N/A	N/A	60 000.00	2 631.30	57 368.70

2.4 Programme Accreditation

Section 13 of the SACPCMP Act, No. 48 of 2000, mandates Council to assess the quality and relevance of Project and Construction Management qualifications that are offered by Higher Educational Institutions on a rotating basis within a five-year cycle.

The purpose of Programme Accreditation is thus to ensure the acceptable quality of, amongst others, Project and Construction Management programmes offered by Institutions of Higher Learning and also that programmes produce graduates with appropriate competencies required in the SACPCMP's registration categories. The Programme Accreditation Committee oversees the accreditation process, which includes conducting accreditation visits to any educational institution which offers educational programmes in the SACPCMP's registration categories. A Programme Accreditation Panel, which is appointed by the Programme Accreditation Committee, and is accompanied by a representative of the Council for the Built Environment, conducts these accreditation visits. The outcome of such visits is a recommendation to Council to either conditionally or unconditionally grant, refuse or withdraw accreditation of the educational institution.

The Heads of Department (HOD) Forum was established by SACPCMP as a forum for all accredited Institutions of Higher Learning with the aim of enhancing the relationship between the Council and these institutions. HOD Forum meetings take place annually to discuss areas of concern and ways to improve Built Environment programmes.

The HOD Forum convened on 28 August 2019. Several pertinent issues were discussed, including the revised Programme Accreditation Policy, with proposals given for inclusion in the policy; reflection and feedback on submission of Annual Reports to improve adherence to accreditation criteria and self-evaluation; and the development and or/inclusion of Construction Health & Safety (CHS) qualifications.

Strategic objectives

Programme: Increase and Retain Registration of Competent Persons – Programme Accreditation

Quality accreditation programmes	Targets were not formalised for this period	N/A	N/A	No deviation	None
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Key performance indicators, planned targets and achievements

Assessments to confirm the accreditation status of Institutions of Higher Learning will be completed annually in the fourth quarter. These assessments will commence in the new financial year.

Programme: Increase and Retain Registration of Competent Persons – Programme Accreditation

Timeline for completing the annual assessments for confirming the accreditation status of tertiary institutions	77% of the total number of accredited universities (10 of 13)	Targets were not formalised for this period	92% of the total number of accredited universities (11 out of 12)	No deviation	None
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SACPCMP-accredited tertiary institutions

<ul style="list-style-type: none"> • Bachelor of Science: Construction Studies • Bachelor of Science (Hons): Construction Management 	Five (5) years of accreditation
<ul style="list-style-type: none"> • Master of Science: Building and Construction Project Management 	Five (5) years of accreditation
<ul style="list-style-type: none"> • National Diploma: Building • Bachelor of Technology: Construction Management 	Five (5) years of accreditation
<ul style="list-style-type: none"> • Bachelor of Science: Construction Management • Bachelor of Science (Hons): Construction Management 	Five (5) years of accreditation
<ul style="list-style-type: none"> • Master of Science: Project Management 	Five (5) years of accreditation
<ul style="list-style-type: none"> • National Diploma: Building • Bachelor of Technology: Construction Management 	Five (5) years of accreditation
<ul style="list-style-type: none"> • Bachelor of Science: Construction Management • Bachelor of Science (Hons): Construction Management • Masters in Land and Property Management (MLPM) 	Five (5) years of accreditation
<p>BHSD</p> <ul style="list-style-type: none"> • National Diploma: Building • Bachelor of Technology: Construction Management 	Five (5) years of accreditation
<p>CM</p> <ul style="list-style-type: none"> • Baccalaureus Scientiae in Construction Studies – BSc (Construction Studies) • Baccalaureus Scientiae in Construction Management – BSc (Hons) (Construction Management) • Magister Scientiae in Built Environment, Construction Management specialisation • Magister Scientiae in Built Environment, Construction Health and Safety Management specialisation • Magister Scientiae in Built Environment, Project Management specialisation 	Five (5) years of accreditation
<ul style="list-style-type: none"> • Bachelor of Science: Construction Studies • Bachelor of Science (Hons): Construction Management 	Five (5) years of accreditation
<ul style="list-style-type: none"> • National Diploma: Building • Bachelor of Technology: Construction Management 	Five (5) years of accreditation
<ul style="list-style-type: none"> • National Diploma: Building • Bachelor of Technology: Construction Management 	Five (5) years of accreditation
<ul style="list-style-type: none"> • National Diploma • Bachelor of Technology: Construction Management 	Five (5) years of accreditation
<ul style="list-style-type: none"> • National Diploma: Building 	One (1) year conditional accreditation

	2018/2019		2019/2020		
Assessment fees	188 571.43	242 000.00	190 700.00	187 377.22	3 322.78
Travel & accommodation	10 000.00	5 681.48	274 969.05	900.00	274 069.05
Gratuity	20 000.00	-	40 440.00	-	40 440.00
Meetings	20 000.00	9 075.35	22 340.00	7 501.58	14 838.42

2.5 Stakeholder Relations and Communications

Through a selection of events, social communications and publications, its customer relationship management (CRM) programme and media interaction, the SACPCMP has continued with its communication and stakeholder relations activities to better communicate Council-related information and to keep its Registered Persons, applicants, and industry representatives informed. The majority of the Council's Communication and Stakeholder Relations activities support the SACPCMP's strategic goal of improving operational effectiveness and efficiencies through its strategic objective of improving stakeholder perceptions of the SACPCMP.

As such, the SACPCMP continued with the activities outlined in its Marketing, Communication and Stakeholder Relations Management Plan. Milestones included, but were not limited to, the expansion of the CRM team to address stakeholder queries, participation in the SABC Career Day in Gauteng, various communication campaigns, collaboration with the Press Club and the publication of the Council's quarterly publication, *Shape Shifter*.

Strategic objectives

Programme: Improve Operational Effectiveness and Efficiencies					
Improved stakeholder perception of the SACPCMP	<ul style="list-style-type: none"> • Successful Construction Management Summit • Successful Project Construction Management Conference 	Hosting of one successful conference	Event cancelled	Conference cancelled	Cancellation of conference due to COVID-19/ national lockdown restrictions
Improved stakeholder perception of the SACPCMP	Customer Relationship Management team implemented	Run Customer Relationship Management pilot programme	Customer Relationship Management team pilot programme implemented, and initial CRM team cemented as a permanent fixture within the Council	No deviation	None

Programme: Improve Operational Effectiveness and Efficiencies

Improved stakeholder perception of the SACPCMP	<i>Brandlive/Shape Shifter</i> vidcast and podcasts (seven shows)	Structured communications via online forums – <i>Brandlive/Shape Shifter</i> vidcast and podcasts (seven shows)	<i>Brandlive/Shape Shifter</i> vidcast and podcasts (four shows)	Three shows	Project not renewed due to budgetary constraints
Improved stakeholder perception of the SACPCMP	<ul style="list-style-type: none"> • Regular posting of content and updates via SACPCMP social media platforms • Regular internal communication updates to staff 	Communications via social and online forums	<ul style="list-style-type: none"> • Regular posting of content and updates via SACPCMP social media platforms; • Regular internal communication updates to staff 	No deviation	None
Improved stakeholder perception of the SACPCMP	SACPCMP Website update	SACPCMP Website update	None	SACPCMP Website update postponed	Contract with service provider to be reviewed in new financial year
Improved stakeholder perception of the SACPCMP	<ul style="list-style-type: none"> • Hosting of the Annual Press Club • Quarterly publication of SACPCMP magazine, Shape Shifter (print and/or digital) 	<ul style="list-style-type: none"> • Media interaction • Development of a Council publication 	<ul style="list-style-type: none"> • Hosting of the Annual Press Club • Quarterly publication of SACPCMP magazine, Shape Shifter 	No deviation	None
Improved stakeholder perception of the SACPCMP	Development of annual Marketing, Communication and Stakeholder Relations Management Plan	Update of annual Marketing, Communication and Stakeholder Relations Management Plan	Annual Marketing, Communication and Stakeholder Relations Management Plan updated	No deviation	None

Key performance indicators, planned targets and achievements

Programme: Improve Operational Effectiveness and Efficiencies					
Improved Stakeholder Perception of the SACPCMP	<ul style="list-style-type: none"> Construction Management Summit (July 2018) Project Construction Management Conference (Oct 2018) 	Hosting/ presentation of one conference	Event cancelled	Conference cancelled	Cancellation due to COVID-19/ national lockdown restrictions
Improved Stakeholder Perception of the SACPCMP	Customer Relationship Management team implemented	Run Customer Relationship Management pilot programme	Customer Relationship Management team implemented	No deviation	
Improved Stakeholder Perception of the SACPCMP	<i>Brandlive/Shape Shifter</i> vidcast and podcasts (seven shows)	Structured communications via online forums - <i>Brandlive/Shape Shifter</i> vidcast and podcasts (seven shows)	<i>Brandlive/Shape Shifter</i> vidcast and podcasts (four shows)	Three shows	Project not renewed due to budgetary constraints
Improved Stakeholder Perception of the SACPCMP	<ul style="list-style-type: none"> Regular posting of content and updates via SACPCMP social media platforms Regular internal communication updates to staff 	Communications via social and online forums	<ul style="list-style-type: none"> Regular posting of content and updates via SACPCMP social media platforms; Regular internal communication updates to staff 	No deviation	
Improved Stakeholder Perception of the SACPCMP	SACPCMP Website update	SACPCMP Website update	None	SACPCMP Website update postponed	Contract with service provider to be reviewed in new financial year
Improved Stakeholder Perception of the SACPCMP	Hosting of the Annual Press Club	Media interaction	Hosting of the Annual Press Club (May 2019)	No deviation	
Improved Stakeholder Perception of the SACPCMP	Quarterly publication of SACPCMP magazine, <i>Shape Shifter</i> (print and/or digital)	Development of Council publication	Quarterly publication of SACPCMP magazine, <i>Shape Shifter</i>	No deviation	

Programme: Improve Operational Effectiveness and Efficiencies

Percentage implementation of milestones of the annually approved Marketing, Communications & Stakeholder Relations Management Plan	Development of annual Marketing, Communication and Stakeholder Relations Management Plan	Updating of annual Marketing, Communication and Stakeholder Relations Management Plan	Annual Marketing, Communication and Stakeholder Relations Management Plan updated	No deviation	None
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The Council's Communication and Stakeholder Relations Department undertakes a number of initiatives to keep connected with its Built Environment stakeholders. In addition, the department manages the Council's Customer Relationship Management (CRM) team, which was expanded in the review period, to assist with the improvement of operational effectiveness and efficiencies of Council. The team manages all calls and e-mails from Registered Persons, tracks and monitors complaints on social media and ensures that any high-level queries are escalated and tracked.

Some of the SACPCMP's Stakeholder and CRM engagements are described below:

The SACPCMP signed a Memorandum of Understanding with the Australian Institute of Building. The agreement, which was signed on behalf of the Council by the SACPCMP's Vice President, Bonke Simelane, will look to build closer cooperation between the two organisations to enhance and promote the professionalism of building inspectors, construction managers, construction project managers, construction health and safety professionals, academics and graduates within the Built Environment in Australia and South Africa.



Hardhats and cool construction were the words of the day at the SABC Career Fair in Pretoria in July 2019. The SACPCMP participated in promoting transformation in the construction industry as well as career development via its Student Chapter.

Learners from a number of schools had the opportunity to speak to SACPCMP representatives about career choices and study options pertaining to the construction project management sector. Learners and parents were treated to the Council's updated Career Guide, which was handed out to all those who visited the SACPCMP stand.



The SACPCMP was invited to participate in the Policy Learning Forum's Conceptualisation and Use of Learning Outcomes event, which was part of the NQF 21st Anniversary Celebrations in June 2019. The event provided a peer-learning opportunity for South Africa and Europe to exchange experiences and develop a better conceptual understanding of learning outcomes, and how they have been used. Fifth-term Council member, George Mbuthia (pictured here) delivered a presentation entitled Challenges, lessons learned, and achievements of learning outcomes conceptualised and used in the work of professional.



Due to the postponement of the 2020 SACPCMP Conference, the entity partnered with some of its Voluntary Associations (VAs) to support the industry and ensure visibility within the Built Environment.

Events included the Association of Construction Health and Safety Management (ACHASM) Summit and the Master Builders Association KwaZulu-Natal's Annual Awards evening. At the latter event, SACPCMP Registrar, Mr Butcher Matutle (right), presented Sherita Devduth (left) of NSR Building Projects with the award for Women in Construction.



The SACPCMP's Student Chapter had a busy 2019/2020. The Council attended or participated in a number of events and initiatives, among them, the following:

SACPCMP Registration Manager, Mr Nicholas Malebane participated in the Winter School Programme at the University of the Free State in July 2019.

He made presentations to third and fourth-year students on the construction project management and construction health and safety industries, and also explained the role of the Council within the Built Environment.



Three young minds from Nelson Mandela University received an added boost to their chosen career paths from the SACPCMP in April 2019, as part of the Council's student outreach programme. The SACPCMP sponsored a selection of awards at the university's annual prize giving event; the awards form part of the Council's Student Chapter initiative, which looks to promote its youth engagement within the industry and encourage a sustainable pipeline of professionals entering the project and construction management sectors in South Africa.

The awards were presented by SACPCMP registrar, Mr Butcher Matutle, the guest speaker at the prestigious event, who said: "Nelson Mandela said 'No country can really develop unless its citizens are educated.' And this is so true of our country, especially today. As stakeholders in the construction industry, we want to see the youth involved in construction and not destruction. These are critical and much needed public assets for the development and growth of our communities."

SACPCMP Communications and Publications

The department continued with its key communication platforms, being its website, quarterly magazine (*Shape Shifter*), and its pod/vidcast presentations, hosted by Brandlive, an internet radio station, also under the *Shape Shifter* title. The Council's podcasts covered topics such as Mentorship, the Fourth Industrial Revolution, and the SACPCMP's new registration category, namely Building Inspectors.

Hosting the National Press Club

As part of the Council's efforts to maintain a positive relationship with the media, the SACPCMP hosted the National Press Club at the Court Classique Hotel in Pretoria in May 2019. The aim of the evening was to contribute to improved stakeholder perceptions of the Council as well as announce the SACPCMP's registration of Building Inspectors. The SACPCMP donated a vinyl turntable and each guest received a branded bag with Council-related publications, business cards and a printed magazine. The evening was a great success and will be organised annually.



Voluntary Associations

The overall purpose of having a functional Voluntary Association (VA) platform, in addition to the SACPCMP's mandate as per Act 48 of 2000, is to ensure that consultation takes place with VAs on strategic initiatives; to prevent VAs from operating in silos; and to ensure effective use of joint resources that drive the increase in membership for the relevant categories of registration within Council's ambit. During the 2019/2020 financial period, the number of SACPCMP VAs reduced by two organisations: the Master Builders Association Free State took the decision to be represented in its VA-capacity by the Master Builders South Africa (MBSA), and the Institute of Safety Management closed (its members have since been incorporated into SAIOSH).

The SACPCMP Voluntary Association Forum currently consists of 13 accredited members and three non-accredited members.

Accredited Voluntary Association Members

1	Association of Construction Health and Safety Management	ACHASM
2	Association of South African Quantity Surveyors	ASAQS
3	Master Builders Association North	MBA North
4	South African Institute of Civil Engineering	SAICE
5	South African Institute for Occupational Safety and Health	SAIOSH
6	South African Forum of Civil Engineering Contractors	SAFCEC
7	Consulting Engineers South Africa	CESA
8	Master Builders South Africa	MBSA
9	Chartered Institute of Building	CIOB
10	South African Roads Federation	SARF
11	Master Builders Association KwaZulu-Natal	MBA KZN
12	Association of Construction Project Managers	ACPM
13	HSE Connection Point	HSECP

Non-Accredited Voluntary Association Members

1	Royal Institute of Chartered Surveyors	RICS
2	South African Institute of Architects	SAIA
3	Master Builders Association Western Cape	MBA WC

Through the VA Forum meetings, which address challenges in the industry and ensure cross pollination of the information across the Built Environment, the Council updates the VAs on projects, stakeholder engagement sessions as well as other events or activities.

During meetings held in the 2019/2020 financial period, topics included the tariff of fees, transformation within the Built Environment, the 'Construction Mafia' and development of the skills pipeline.

VA Forum Engagements 2019/2020

VA Forum meeting	27 March 2020	Meeting postponed	Meeting postponed due to the COVID-19 National Lockdown
VA Forum meeting	15 October 2019	15 October 2019	None
VA Forum meeting	25 June 2019	25 June 2019	None

Presidential Forum

In 2017, the SACPCMP established the Presidential Forum with the intention of bringing various sectors together to ensure collaboration and alignment with the strategies of the public sector, while utilising the experience and expertise of the private sector. From the initial induction session, four themes were identified as challenges to be addressed via the forum: legislation, skills development, transformation and sustainability.

We, the participants that constitute the Presidential Forum, hereby declare that we shall:

- Generate synergy in realising the legislative mandates of the SACPCMP;
- Participate actively in joint initiatives that ensure the SACPCMP discharges its mandated programmes for improved performance within the built environment;
- Coordinate efforts in transforming the project and construction management professions through various initiatives and actions;
- Coordinate efforts to arrest perpetual candidacy and ensure that candidates achieve professional time within the specified candidature period;
- Support the professionalisation of the CM/CHS professions in the public sector through the provision of mentoring/development of a pool of professionally registered mentors, aimed at increasing the pool of Candidate CM, CPM and CHS professionals attaining professional registration with the SACPCMP; and
- Implement a joint structured initiative aimed at locating available workplaces, stipends and supervision for experiential learning and candidacy by university students in the private and public sectors.

1	Association of Construction Health and Safety Management	ACHASM
2	Association of South African Quantity Surveyors	ASAQS
3	Master Builders Association North	MBA North
4	South African Institute of Civil Engineering	SAICE
5	South African Forum of Civil Engineering Contractors	SAFCEC
6	Consulting Engineers South Africa	CESA
7	Master Builders South Africa	MBSA
8	Chartered Institute of Building	CIOB
9	South African Roads Federation	SARF
10	South African Institute of Architects	SAIA
11	Royal Institute of Chartered Surveyors	RICS
12	HSE Connection Point	HSECP

In addition to the above-mentioned organisations, the Presidential Forum also hosts representatives from a number of government entities such as the CBE, DPWI, Construction Industry Development Board (CIDB), Department of Higher Education and Training, Department of Labour and the SETAs.

Presidential Forum Meeting	16 October 2019	16 October 2019	No deviation	None
Presidential Forum Meeting	26 June 2019	26 June 2019	No deviation	None

There is still a need for streamlined information dissemination and cross pollination of activities across the Built Environment, as many activities run by different organisations are done so in silos instead of in partnership with governmental entities and other organisations.

Initially when the Presidential Forum was constituted, the Council thought it best to include the CEO in the Forum to ensure continuity and progress were made between meetings. However, a lack of engagement from executive-level representatives has detracted from achieving the objectives of the Forum. In the coming financial year, the SACPCMP will look at ways in which it can re-establish the Forum as an executive platform for strategic change and development.

	2018/2019		2019/2020		
Marketing & advertisements	598 000	199 101	496 000	409 232	(86 768)
Advocacy and media	650 000	324 629	336 000	162 487	173 513
Designing and printing	365 640	146 195	132 000	73 502	58 498
Corporate Social Investment	35 000	17 783	50 000	8 830	41 170
Transformation Programmes	500 000	372 306	100 000	4 165	95 835

2.6 Information and Communication Technology

The SACPCMP's Information and Communication Technology (ICT) Department strives to be a strategic partner in delivering effective business solutions and services to the Council, by providing customer-focused ICT solutions and automation of key business processes, underpinned by sound ICT governance and information security controls.

Guiding principles regarding the Council's ICT operations are aligned with the SACPCMP's strategic objectives and governance, ensuring the protection and integrity of the SACPCMP's information and systems, and stability through a robust infrastructure.

Towards the end of 2019, an attempt was made to defraud the Council via its ICT platform, resulting in the need for complete restructuring of the department. Management of all ICT operations was placed under the Office of the Registrar who set about completing a full review of all ICT operations.

The SACPCMP Act makes provision for the establishment of a technological monitoring and information system of Registered Persons. According to the Act, the information to be captured by the system includes:

- Registrations of professionals, candidates and specified categories;
- Maintenance of Continuing Professional Development in various categories;
- Monitoring of Programme Accreditations for prescribed academic programmes;
- Enforcement of penalties for improper conduct by Registered Persons; and
- Any other matter the Council deems necessary.

During previous years, the entity utilised a registration system that became inadequate due to the organisation's changing requirements. Attention to the further development of this system, or a new system, was noted as a matter of strategic importance. In addition, and with the assistance of industry professionals, critical risk areas were identified. An ICT service provider was appointed to guide the organisation towards the sustainable security of its ICT infrastructure. Implementation was structured in three phases, the first of which was completed towards the end of March 2020. The remaining phases will be implemented towards the middle and latter months of the 2020 calendar year.

Additionally, a full upgrade of the Council's registration platform was initiated. While the project was intended to roll out during the latter half of 2020, it was fast-tracked, and commenced in December 2019. This resulted in a temporary shutdown of all registration-related systems for the migration of profile data to the upgraded system, as well as the initiation of an integrated financial system, aligning all the Finance Department's activities with the registration platform.

Strategic objectives

Programme: Effective Information Management

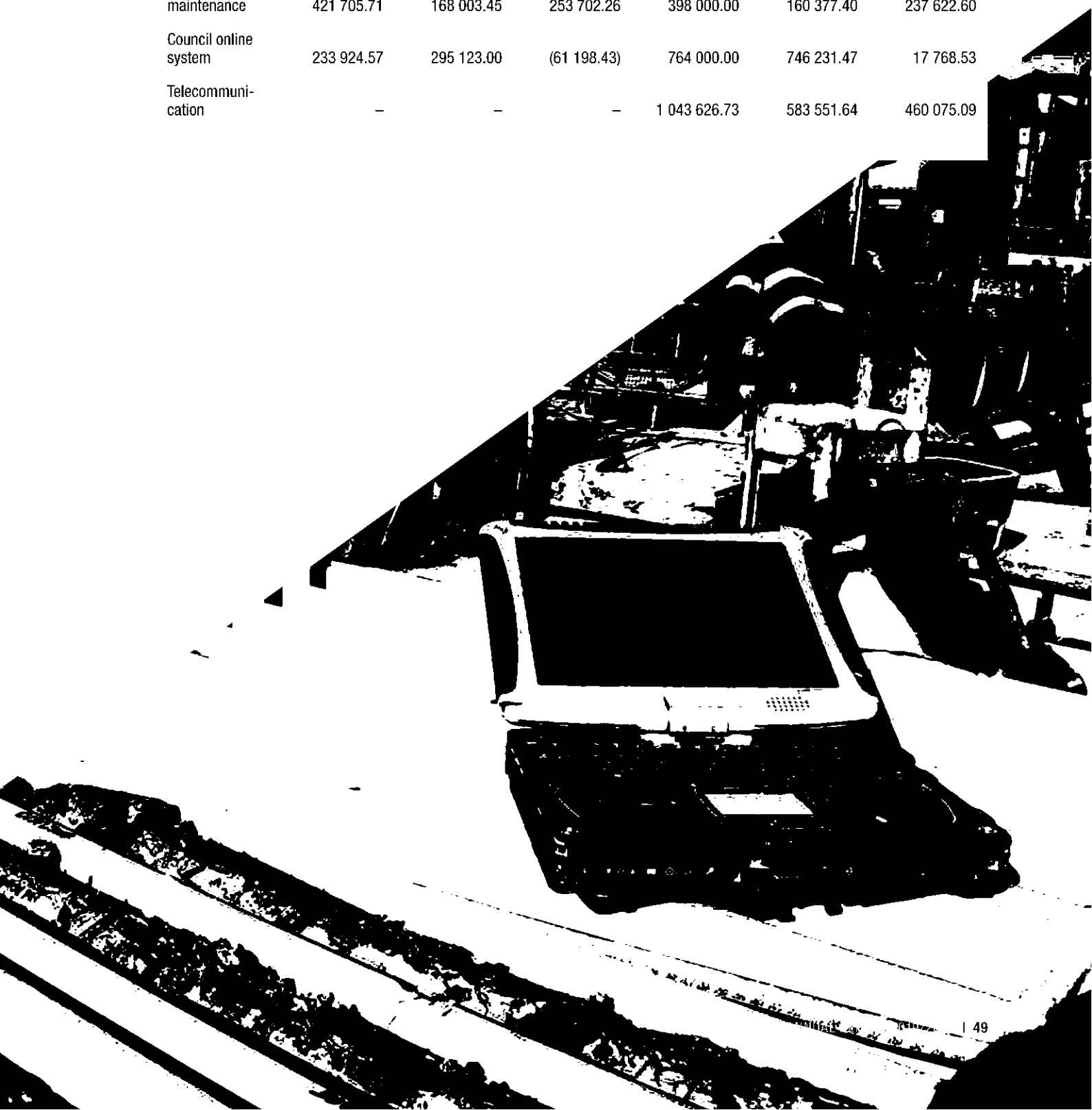
Effective information and technology management	Completion of eight activities	Eight activities completed	N/A	N/A
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Key performance indicators, planned targets and achievements

Programme: Effective Information Management				
Develop and modernisation of YM registration and management system	Develop and modernise YM registration and management system	MM System implemented to replay YM system	New registration system implemented	Council processes and security requirements necessitated a change in systems
Implemented EDMS	Implement Phase 1 of the EDMS	None	EDMS not implemented	Full review of EDMS requirements and system to be implemented in new financial year
Maintenance and enhancement of Office 365 and SharePoint collaboration	Develop and implement applications and service to integrate and collaborate with Office 365 & SharePoint	Development and integration completed	No deviation	
Reduced costs using Manage Unified Communication with Telephone Management System and printing services	Upgrade of PABX Telephone Management solutions	Reconfiguring of PABX Telephone Management solutions	Existing system was reconfigured and not upgraded	System not optimally utilised, thus no need for replacement/upgrade
Turn around support and Relationship Management on Internal and External stakeholder response to incidents and problems including Route Cause Analysis (RCA)	Reduce queries via the email system and ad hoc switchboard calls	Reduced queries via the email system and ad hoc switchboard calls Implemented Customer Service Desk Management solution	No deviation	
Duration and extent of downtime/outage to the business systems	Draft Disaster Recovery Plan	None	Disaster Recovery Plan not finalised	DRP not finalised; full review of Council disaster recovery measures required
Upgraded server Infrastructure and Optimization network infrastructure and bandwidth	Implement Server Infrastructure and Upgrade Network Optimisation	Implemented Server Infrastructure	Network not fully optimised	Network optimisation still required – required review
Number of Audit findings	List of prioritised policies to be developed; audit findings to be addressed fully	<ul style="list-style-type: none"> • Policies not developed • Approx. 15% of audit findings addressed 	<ul style="list-style-type: none"> • 75% of audit findings still to be addressed • Policies still to be developed 	Change in structure of ICT Department necessitated a full review of requirements to develop policies and address audit findings

Linking performance with budgets

	2018/2019			2019/2020		
Software licence fees	800 000.00	656 023.37	143 976.63	1 371 600.00	755 077.04	616 522.96
Software maintenance	600 000.00	485 577.56	114 422.44	548 400.00	332 641.30	215 758.70
Network & printer maintenance	421 705.71	168 003.45	253 702.26	398 000.00	160 377.40	237 622.60
Council online system	233 924.57	295 123.00	(61 198.43)	764 000.00	746 231.47	17 768.53
Telecommunication	—	—	—	1 043 626.73	583 551.64	460 075.09



GOUVERNANCE



1. INTRODUCTION

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

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

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

The ARC continues to collaborate with SACPCMP's Finance Committee in reviewing the status of the organisation's financial management and providing recommendations for enhancement. To align with good corporate governance, the Council continuously strives to improve its compliance and reporting frameworks. The SACPCMP, in its effort to align with the King IV Report, approved the formation and operation of the Audit and Risk Committee as of June 2015. Further to these initiatives the Council resolved to comply with the broad principles of the PFMA, in response to the Executive Authority's request for PFMA compliance by the end of the 2021/2022 financial year.

2. PORTFOLIO COMMITTEES

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

3. EXECUTIVE AUTHORITY

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

4. THE COUNCIL

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

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

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

4.1 Responsibilities of the Council

- Informing themselves, on an annual basis, about the Council's business and any issue that may affect its purpose or performance;
- Appointment of staff;
- General oversight of all aspects of the SACPCMP;
- Determining the SACPCMP's purpose, policies and values, and monitoring compliance with these;
- Determining, appraising and approving the SACPCMP Corporate Strategy and monitoring its implementation;
- Appraising and approving major management initiatives, resource allocations, capital investments and disinvestments;
- Ensuring that risk management systems and procedures are in place to protect the SACPCMP's assets and reputation;
- Approving the staff compensation strategy;
- Awareness and understanding of, and compliance with, the underlying principles of good governance;
- Ensuring ethical behaviour and compliance with relevant laws and regulations, audit and accounting principles, and the SACPCMP's own governing documents and codes of conduct;
- Reporting annually to the Minister and Parliament on all aspects of the SACPCMP's performance; and
- Reporting to the CBE as required by the Act.

4.2 The Role of Council Members

Council members are required to:

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

4.3 Council Charter

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

4.4 Composition of the Council

Mr Isaac Nkosi (President)	Section 3A of the Act: Registered Persons	01 June 2018	<ul style="list-style-type: none"> • MSc (Project Management) • BSc (Construction Management) • National Diploma (Civil Engineering) 	Pr PCM	<ul style="list-style-type: none"> • Chairman of Council – CBE • Vice President – SACPCMP • Internal Corporate Governance Coach • Assessor – SACPCMP 	EXCO SACPCMP Presidential Forum Heads of Department Forum
Mr Bonke Simelane (Vice President)		01 June 2018	<ul style="list-style-type: none"> • National Diploma: Building • BTech: Construction Management 	Pr CPM	President – Master Builders South Africa	SACPCMP VA Forum CIOB Member IoDSA Member
Mr Eric Manchidi		01 June 2018	<ul style="list-style-type: none"> • BSc (Building) • MSc (Building) 	Pr PCM	President: SACPCMP Council (4 th Term)	CPD Committee CIDB Board Member
Dr Claire Deacon		01 June 2018	<ul style="list-style-type: none"> • PhD Construction Management • Research Capacity Initiative • Magister Curationis • BSc Medicine (Honours) Biomedical Engineering • BTech (Occupational Health) • Fundamental Management Programme • Certificate Occupational Health Nursing • Diploma in General Nursing 	Pr CHSA	SACPCMP Council Member	CPD Committee HR Committee Programme Accreditation Committee EXCO ACHASM IOSH CIOB SASOHN SANC
Mr Siven Naidoo		01 June 2018	<ul style="list-style-type: none"> • Risk Management Diploma • Safety Management Training Course 	CHSM	<ul style="list-style-type: none"> • MBA OHS Committee • MBA SAFEBUILD DVD Committee • MBA H&S Auditor Accreditation 	SAIOSH IOSH FEM ISM MBSA

Ms Noluthando Molao	Section 3A of the Act: Registered Persons	01 June 2018	<ul style="list-style-type: none"> • BSc Quantity Surveying (Honours) • Post Graduate Diploma in Property Development Management • Master of Business Administration • Project Management Programme for Built Environment • Construction Management Programme 	PrCPM	<ul style="list-style-type: none"> • CBE Board Member • NHBRC Board Member 	Finance Committee EXCO BMF SAIBPP CBE Assessor CBE Mentor
Mr Itumeleng Molosi	Section 3B of the Act: State appointed directly by the Minister of DPWI	01 June 2018	<ul style="list-style-type: none"> • National Higher Diploma: Building Surveying • Contract Law & Insurance • Management Development Programme 	PrCPM		REGCOM
Ms Gugulethu Komane		01 June 2018	<ul style="list-style-type: none"> • National Diploma: Building Science • BTech: Construction Management • Management Development Programme • SAMTRAC 	CHSM		HR Committee
Mr George Mbuthia	Section 3C of the Act: Appointed by the public	01 June 2018	<ul style="list-style-type: none"> • Master of Business Administration • MSc Construction Management • BA Building Economics (Hons) 	BRAQS – Kenya	Chair: CMDC	Communica- tions/Marketing & Transforma- tion Committee REGCOM

Advocate Roshan Rai Dehal	Section 3C of the Act: Appointed by the public	01 June 2018	<ul style="list-style-type: none"> • BProc • LLB • International Commercial Arbitration • Certificate in Constitutional Litigation • Certificate in Maritime Law 	Attorney of High Court of SA Conveyancer Commissioner of High Court Advocate of the High Court	<ul style="list-style-type: none"> • Chairperson: Legislation and Legal Matters and Consumer Protection task team • Council Member: NFVF • Board Member: SACAA • Chairperson: SARS • Council Member: AISA • Vice President: Estate Agency Affairs Board • Chairperson: Estate Agency Affairs Board • Chairperson: Medical and Dental Council of SA 	DCC Committee
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4.5 Fifth-term Council Meetings

Council Meeting Schedule

Special Council Meeting	24 March 2020	R1 575.00
Council Meeting	29 November 2019	R1 575.00
Special Council Meeting	23 August 2019	R1 575.00
Council Meeting	31 July 2019	R1 575.00

4.6 Council Committees and Forums

Stakeholder Relations, Communication, Marketing and Transformation Committee (COMMS)	Five	Eight	George Mbuthia (Chair) Brian Dlamini Pasha Makgolane Revona Botha Vikash Narsai Manqoba Soni Brenda Ntombela Erhard Visser
Registration and Education Committee (REGCOM)	Three	Nine	Bonke Bafikile Simelane George Mbuthia Itumeleng Harry Molosi Mbuyiselo Cannon Noyana Prof. Alfred Talukhaba Innocent Musonda Dr. Franco Geminiani Itumeleng Lucas Moagi Robert William Atkinson
Identification of Work (IDoW) and Tariff of Fees Committee	-	Seven	Charles Isralite Fidelis Abumere Emuze Steven Harry Kaplan Xolisa Mnyani Anton John Krause Peter Dobson Neil Enslin
Disciplinary & Code of Conduct Committee (DCCC)	One	Seven	Adv. Roshan Rai Dehal Hermann Pierre Gericke Gareth Ahier Anton John Krause Douglas Michell Innocent Musonda Fred Ali Komane
Executive Committee (EXCO)	Two	Four	Isaac Nkosi Bonke Bafikile Simelane Noluthando Molao Dr Claire Deacon
Finance Committee	Four	Four	Noluthando Molao Dinesh Desai (Deceased) Gratitude Ramphaka Ulandi Exner (co-opted member from the ICT Committee) Coenie Middel
Audit and Risk Committee (ARC)	Five	Three	Seipati Boulton Rashid Patel Mmemeng Tsehla Ulandi Exner (co-opted member from the ICT Committee) Gratitude Ramphaka
Programme Accreditation Committee	Two	Five	Prof Alfred Talukhaba Dr Claire Deacon Dr Franco Geminiani Ferdinand Fester Frank Matlala

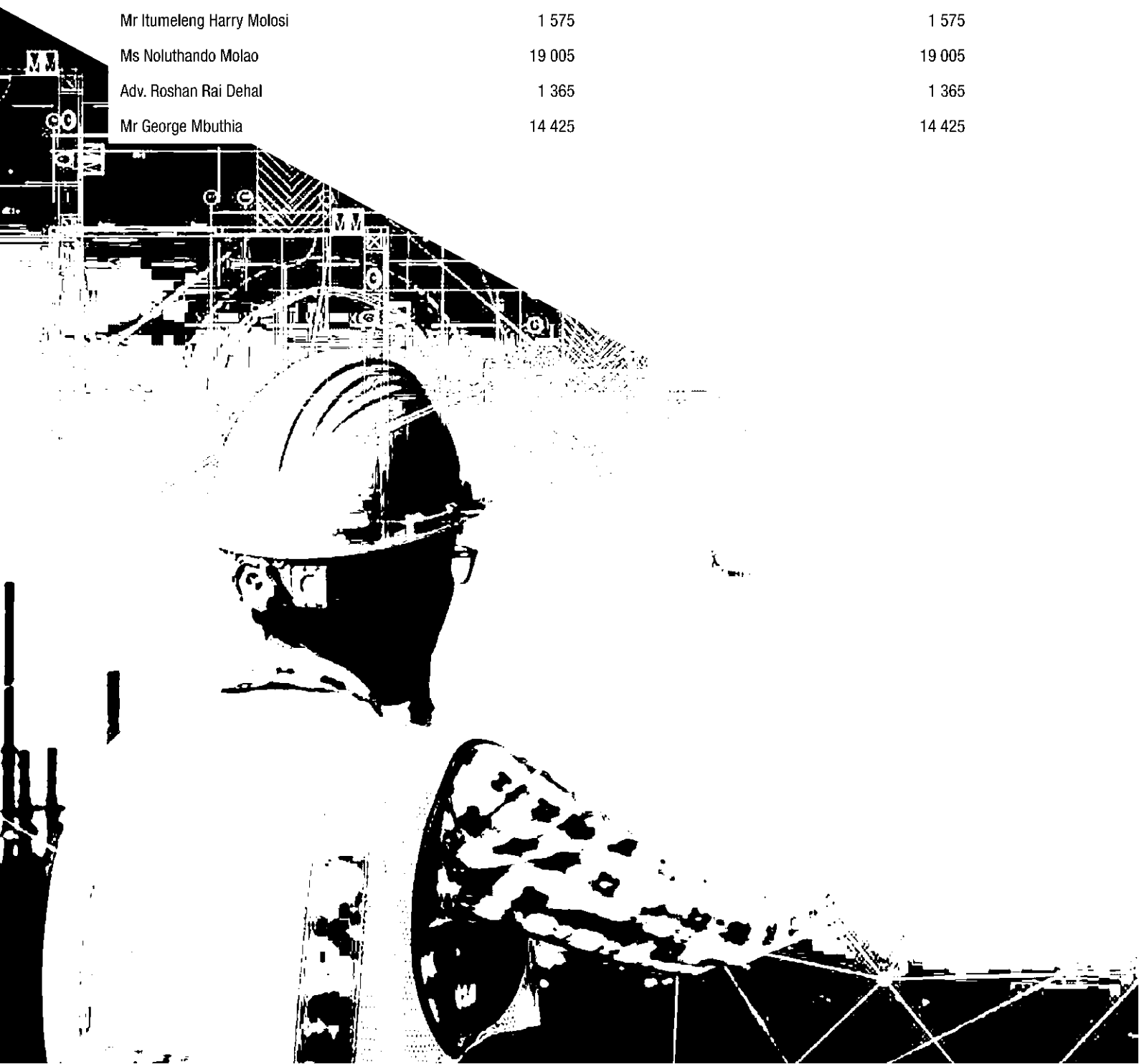
Continuing Professional Development Committee	One	Seven	Eric Manchidi Prof Alfred Talukhaba Dr Claire Deacon Orapeleng Shadrack Moseneke Douw Steenkamp Stephen Leach Neil Enslin
Human Resource Committee	Three	Five	Dr. Claire Deacon Yvonne Mbane Shanitha Singh Leonora Chetty Gugu Komane
Information Communication and Technology Committee*	Four	Four	Ulandi Exner Pule David Moiloa Suleiman Patel Sithembele Ndaba
Registration Appeals Committee	Two	Six	Prof. PD Rwelamila Osman Narker Justus Ngala Agumba Kevern Ramborosa Johann Pearson Douglas Michell
Presidential Forum	Two	Fourteen	Isaac Nkosi (President) Anthony Afordofe (President) Larry Feinberg (CEO) Gerhard Roets (VA Rep) Steven Kaplan (CEO) Webster Mfebe (CEO) Chris Campbell (CEO) Petra Devereux (Sub Saharan Africa, Regional Manager) Basil Jonsson (CEO) Dr Claire Deacon (CEO) Bhekisisa Samson Ngcongco (President) TC Chetty (Country Manager: SA) Luyanda Mpahlwa (President) John Mathews (President) Fabian Buckley (President)
VA Forum	Two	Sixteen	Bonke Simelane (Chair) Nomvula Rakolote Larry Feinberg Gerhard Roets Steven Kaplan Kobus van Wyngaardt Godfrey Ramalisa Petra Devereux Basil Jonsson Neels Nortje Jackie Fort Victor Smith Helen Andrews Bryan Wallis Thembi Mabuza Fabian Buckley

* Managed under the Office of the Registrar

4.7 Remuneration of Board Members

On an annual basis, the Council reviews its proposed budget and allocates remuneration to its members and committees in line with available funding. Due to the current budget constraints the Council relies on the volunteerism of its members and related committees. In light of the above, the SACPCMP caters for cost of travel by its Council and committee members to address Council matters. The approved fees for the 2019/2020 Council Allowance was R1 575.

Mr Isaac Nkosi	36 960	47 520	4 800	89 280
Mr Bafikile Bonke Simelane	25 830			25 830
Mr Eric Manchidi	3 150			3 150
Dr Claire Deacon	17 532			17 532
Mr Itumeleng Harry Molosi	1 575			1 575
Ms Noluthando Molao	19 005			19 005
Adv. Roshan Rai Dehal	1 365			1 365
Mr George Mbuthia	14 425			14 425



5. RISK MANAGEMENT

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

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

5.1 Emerging risks

At the time of finalisation of this report COVID-19 posed an extreme inherent risk to SACPCMP. The SACPCMP is committed to doing everything possible to limit the spread of COVID-19 and has proactively implemented preventative measures to ensure the health and safety of Registered Persons, stakeholders and staff.

Management has established a COVID-19 Task Team that is continually assessing and monitoring developments regarding the disease and the Council is confident that the Council's responses, as contained in its Sustainability Plan, are adequate and that the crisis is being continuously monitored to evaluate the constantly evolving impact of COVID-19 on the SACPCMP's operations and financial sustainability.

The Sustainability Plan aims to respond to the following key risks that may materialise as a direct result of the pandemic:

- Financial sustainability which is linked to the current economic activity of Registered Persons who are the main contributor to the SACPCMP funding model; and
- Operational risk due to the possible health risk to both staff and Registered Persons.

The Council has performed an analysis regarding the potential effect of COVID-19 beyond the financial year, based on information available at the reporting date, and this will be updated depending on how the situation unfolds.

6. INTERNAL CONTROL UNIT

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



7. INTERNAL AUDIT AND AUDIT COMMITTEES

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

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

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

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

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

Corporate governance best practice requires that the IAF reports functionally to the Audit and Risk Committee. Such reporting is ensured by the Audit and Risk Committee mandate to:

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

The Charter of the IAF provides that it reports administratively to the Registrar and functionally to the Audit and Risk Committee. The IAF has been actively operational during the 2019/2020 financial year.

Audit and Risk Committee Meetings

Seipati Boulton	31/07/2018	4
Rashid Patel	01/12/2018	3
Mmemeng Tsehla	01/12/2018	3
Gratitude Ramphaka	24/05/2019	3
Ulandi Exner	24/05/2019	2

8. COMPLIANCE WITH LAWS AND REGULATIONS

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

- Accreditation of programmes offered by educational institutions leading to the awarding of construction management and project management qualifications (Section 13);
- General matters including public health and safety, research, protection of the public in their dealing with Registered Persons, protection of the environment and improving the standards of services rendered by Registered Persons (Section 14);
- Financial matters (Section 15);
- Reporting to the Council for the Built Environment (Section 16);
- Appointment of committees (Section 17);
- Enacting of rules through notices in the Government Gazette (Section 36);
- Registration of persons (Sections 11, 18, 19, 20, 21, 22, 23, 24 and 37);
- Recognition of Voluntary Associations (Sections 14 d and 25);
- Identification of work to be performed by Registered Persons;
- Professional conduct and disciplinary hearings (Sections 27, 28, 29, 30, 31, 32, 33, 35 and 41); and
- Recommendation of fees for professional services (Section 34).

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

9. FRAUD AND CORRUPTION

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

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

In implementing the above policy frameworks, the SACPCMP has aligned itself with the whistleblowing fraud hotline hosted by the Council for the Built Environment. A starter campaign was undertaken to launch the whistleblowing fraud hotline which is an independent and dedicated avenue for Council stakeholders to report fraud and corruption.

10. CODE OF CONDUCT

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

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

11. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The SACPCMP strives to comply with the Occupational Health and Safety Act. The entity continues to create a safe and conducive working environment.

With the advent of COVID-19 and the global pandemic that resulted in a national lockdown being imposed on South Africa in March 2020, the Council established a COVID-19 Task Team to address risks and requirements that arose as a result of the pandemic.

12. SOCIAL RESPONSIBILITY

In marking Nelson Mandela Day in July 2019, the SACPCMP donated groceries, baby food, clothing and educational items to the Botshabelo Charity based in Midrand, as part of its corporate social responsibility activities. To mark World Aids Day 2019, the SACPCMP welcomed the South African National Blood Service (SANBS) to its offices in an effort to encourage staff to donate blood, especially in advance of festive season travels. The blood drive saw a number of employees happily donating to the worthwhile endeavour.



13. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2020.

Audit and Risk Committee Responsibility

The Audit and Risk Committee reports that it has complied with its responsibilities arising from Section 51(1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The Committee also reports that it has adopted appropriate formal terms of reference as its affairs have been regulated in compliance with its Audit and Risk Committee Charter. All responsibilities as contained in the Charter have been discharged, with the exception that changes in accounting policies and practices were not reviewed.

The Committee's review of the findings of the Internal Audit work, which was based on the risk assessments conducted by the Council, revealed certain weaknesses which were then raised with the Council management.

The following internal audit work was completed during the year under review:

- | | |
|-----------------------|---|
| Operations: | <ul style="list-style-type: none">• Information Technology with a focus on IT security, business continuity and disaster recovery• Audit of Predetermined Objectives with a focus on adequacy of support and evidence and effectiveness of reporting• Management of Operations with a focus on the adequacy and effectiveness of controls |
| Financial Management: | <ul style="list-style-type: none">• Revenue and Debtors Management• Supply Chain Management |
| Asset Management: | <ul style="list-style-type: none">• Adequacy and effectiveness of Internal Controls |

The following was an area of concern:

- In all areas audited in the year under review, the Management of Operations resulted in the most audit findings which were rated significant

The Council submits its audited financial statements annually to the Minister and to the CBE as required according to the Project and Construction Management Professions Act.

The Committee reviewed the annual financial statements prepared by the Council for the year ended 31 March 2020 and duly approved these for submission to the auditors.

Subsequently, the Committee reviewed the Auditor's Letter to Management and the Auditors' Report, and agrees with the conclusions expressed therein. The Committee is impressed with the significant improvement in the management of risks and internal controls which is expressed through the conclusions of the external auditors.

The Committee also notes the areas for improvement required, as highlighted by the auditors, for the Council to increase efficiencies and strengthen the control environment.

Auditor's Report

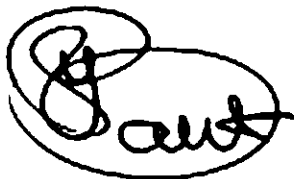
We have audited the financial statements of South African Council for Project and Construction Management Professions as set out and which comprise the statement of financial position as at 31 March 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the South African Council for Project and Construction Management Professions as at 31 March 2020, 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.

Emphasis of Matter

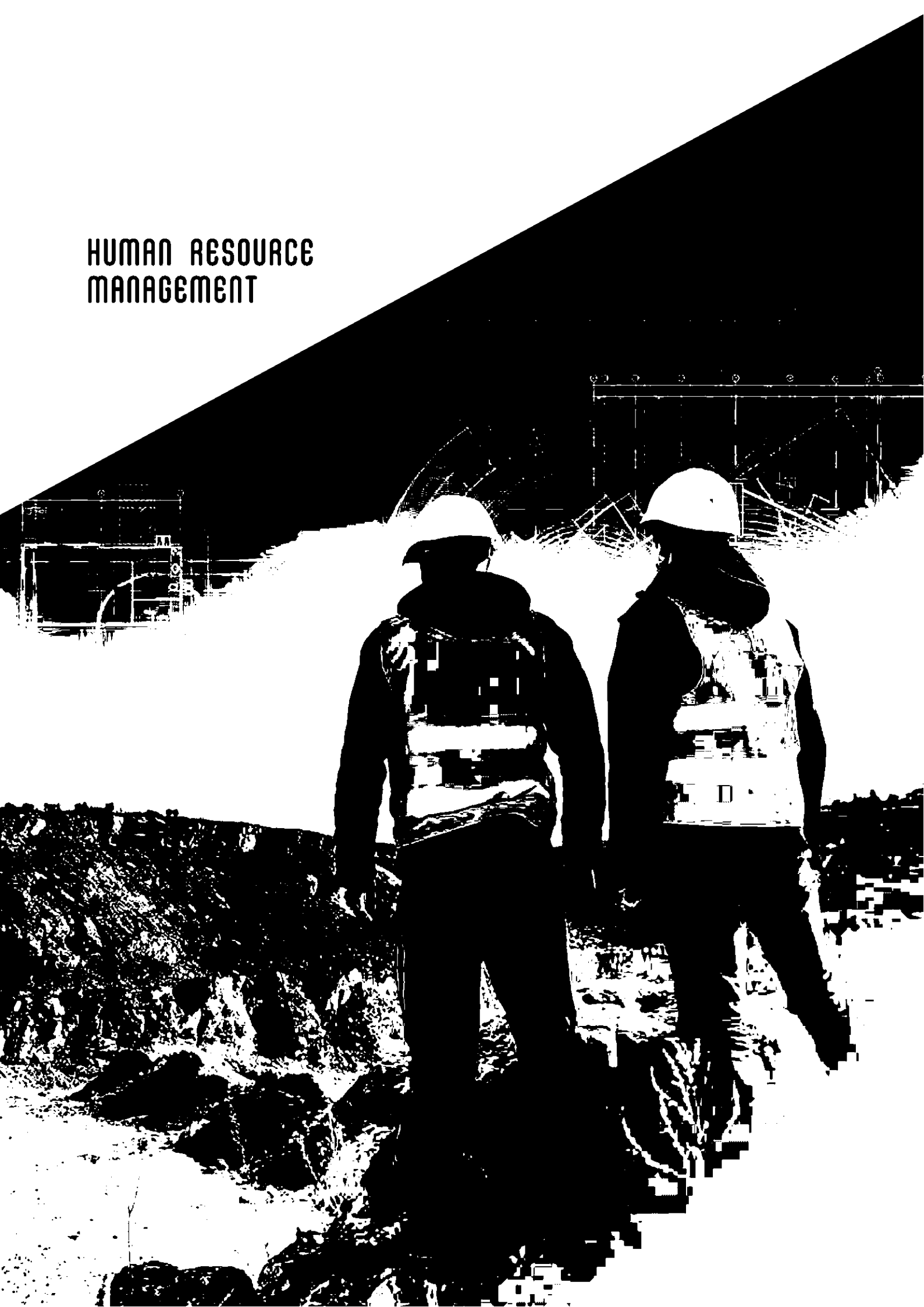
We Draw attention to Note 21 in the financial statements, which deals with subsequent events and specifically the potential impact of COVID-19 on the South African Council for the Project and Construction Management Profession. Our opinion is not modified in respect of this matter.

The Audit and Risk Committee concurs with and accepts the conclusions of Ngubane & Co. Auditors on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the auditor.

A handwritten signature in black ink, appearing to read 'Seipati Y Boulton', enclosed within a large, loopy oval shape.

Ms. Seipati Y Boulton

HUMAN RESOURCE MANAGEMENT



I. INTRODUCTION

Management of Human Capital is a line management function with full support provided by the Human Resource Department. Building on the foundation laid in 2018, when talent management became a central feature of the Council's efforts to ensure effective and efficient people management practices, the Council entrenched employee engagement in its commitment to build a people-centred organisational culture. This commitment was reinforced when a strategic path for the Council was crafted in February 2020.

The economic challenges that have impacted the job market reduced the Council's ability to employ new talent in terms of the approved organisational structure, however, the Council was able to drive efficiencies and deliver on its mandate with a lean staff complement. The redeployment of staff created growth and development opportunities for the existing talent to gain operational exposure in other mandate areas of the Council.

1.1 Human Resources Priorities

During the period under review, the SACPCMP leadership embarked in a process of designing a programme to optimise employee contribution and effective talent utilisation. This programme resulted in the strategic placement of the available talent in critical positions within the Council. This optimisation was undertaken to balance the economic downturn, that negatively impacted the Council's ability to fully resource its structure.

The following priorities were achieved during the year under review:

- **Effective controls:** Previous audits highlighted the areas that needed improvement in line with the growth of the organisation. Effective controls were put in place to manage all the operational activities that require human intervention. Management introduced new controls that include new policies and procedures to support talent management commitments.
- **Crafting of new HR Agenda:** A new Human Resource Management Agenda was crafted. This agenda focuses on people management skills and appreciation of talent. Through employee engagements, managers and supervisors appreciate people factors or dynamics. Through the support of the Human Resource Department, all employees have become active participants in defining the human resource value proposition.
- **Unpacking of the mandate of the Council:** Working in silos may have undesirable consequences if such practice is not by design. Proactive engagement by management to ensure that employees have a full understanding and appreciation of the thirteen mandates of the Council resulted in a changed focus by employees.

1.2 Employee Performance Management

The performance management intervals, recommended in the approved 2018/2019 Employee Performance Management Framework were revised to allow for quarterly staff performance reviews to take place. The Council views performance management assessments as critical to the understanding of the progress made in the delivery of approved projects.

To succeed on its objective of institutionalising a culture of excellent performance, the SACPCMP leadership resolved to review its Performance Management and Development System. The new system will link individual performance to departmental and Council performance.

1.3 Workforce Planning

The Workforce Planning Framework of the SACPCMP serves as a strategic tool to assess the organisational human resource requirements in terms of future needs for talent vis-à-vis the available human resources. The SACPCMP talent requirements have been assessed in terms of this framework.

During the period under review, critical positions that needed to be filled by new talent and those that could be temporarily filled by internal resources were identified. The decision to fill the identified positions was informed by the availability of the budget as well as the extent to which the Council implemented the projects in terms of the Annual Performance Plan.

1.4 Human Resource Policy Development

New policies to be introduced in the next financial year have been identified. The development of these policies is dependent on factors relating to the review of the organisational structure. The completeness of the existing Human Resource Policies that are not dependent on the finalisation of the Organisational Development Project has been given attention by the human resource team.

People management policies continue to be developed and reviewed. Some of the areas that needed urgent review were those that required alignment with new or amended legislation or were not fully aligned with the applicable employment laws.

1.5 Key Human Resources Highlights and Achievements

The Council has recorded achievements in the area of human resource management particularly in the following areas:

- Introduction of internship programme where six interns were appointed in the Customer Relations Management Unit;
- Reduction in the use of recruitment agencies, thus saving on recruitment-related costs;
- Recording of zero labour disputes;
- Filling critical positions, thus improving the Council's vacancy rate; and
- The introduction of employee engagement and improved organisational culture.

1.6 Challenges Experienced by the SACPCMP

During the period under review, the Council received the resignations of two Senior Executives in the short space of three months (May and August). Due to the austerity measures implemented by the Council, these two vacant positions could not be filled, resulting in one position remaining vacant for the remainder of the period under review.

The Council also experienced difficulties in attracting qualified and skilled employees due to its inability to offer better salaries, especially at management levels. Staff training was also impacted when the austerity measures were implemented.

The planned implementation of the Employee Wellness Programme was also affected due to the austerity measures implemented.

1.7 Employee Relations Management

SACPCMP enjoys a relatively balanced employer-employee relationship which makes it easier to identify any elements of ill-discipline that may weaken or strain the good relations between the management and the staff.

During the period under review, three written warnings were issued to staff for various transgressions of the Council's Disciplinary Code. In the same period, the Council experienced no labour disputes or labour unrest as a result of poor management of employee relations.



2. HUMAN RESOURCE STATISTICS

2.1 Personnel Cost by Programme/Activity/Objective

Registrar's office	R2 595 639.80	3	R865 213.27
Finance	R2 778 593.30	9	R308 732.59
PCM	R2 458 650.22	7	R351 235.75
CHS	R2 278 542.70	9	R253 171.41
SRC	R2 160 476.76	14	R154 319.77
HR	R1 162 192.33	2	R581 096.17
IT	R985 052.02	3	R328 350.67
Programme Accreditation and CPD	R596 958.07	3	R198 986.02
Building Inspector Department	R76 417.32	2	R38 208.66

2.2 Personnel Cost by Salary Band

Top Management	R2 052 000.00	14.09	1	R337 671.00
Senior Management	R2 815 124.69	19.34	5	R939 460.25
Professional qualified	R3 834 697.41	26.34	7	R411 980.25
Skilled	R1 618 545.92	11.13	6	R302 141.66
Semi-skilled	R4 108 598.83	28.23	30	R161 828.33
Unskilled	R125 384.20	0.87	1	R119 413.53
Total	R14 554 261.05	100	50	R2 272 495.02

Reflected in the above table is the total number of employees who were paid at the time and it includes the number of employees who left the Council during the period under review.

2.3 Performance Rewards

The SACPCMP issued no performance rewards for the 2019/2020 financial year but tokens of appreciation.

Top Management	0	R0	0%
Senior Management	0	R0	0%
Professional qualified	0	R0	0%
Skilled	0	R0	0%
Semi-skilled	0	R0	0%
Unskilled	0	R0	0%
Total	0	R0	0%

2.4 Training Costs

Top Management	25 104.35	5	5021.00
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2.5 Employment and Vacancies

Registrar's Office	3	4	1	25%
PCM	7	9	2	22.22%
PA CPD	2	3	1	33.33%
BI	2	3	1	33.33%
CHS	8	11	3	27.27%
CSR	3	4	1	25%
CRM	4	4	0	0%
Finance	7	10	3	30%
HR	2	2	0	0%
ICT	2	3	1	33.33%

Top Management	1	1	0	0%
Senior Management	3	4	1	25%
Professional qualified	2	2	1	50%
Skilled	10	13	3	23.08%
Semi-skilled	23	26	5	19.23%
Unskilled	1	1	0	0%
Total	40	47	10	

2.6 Employment Changes

Top Management	1	0	0	1
Senior Management	4	1	2	3
Professional qualified	3	0	1	2
Skilled	7	5	2	10
Semi-skilled	20	10	1	29
Unskilled	1	0	0	1
Total	36	16	6	46

2.7 Reasons for Staff Leaving

Death	0	0%
Resignation	7	15.22%
Dismissal	0	0%
Retirement	0	0%
Ill-health	0	0%
Expiry of contract	0	0%
Other	0	0%
Total	7	15.22%

All the resigning employees cited personal circumstances as the reason for leaving the Council. Of the two Senior Executive positions left vacant when the incumbents resigned, only one was filled through recruitment while the remaining one was temporarily filled by an internal resource on acting assignment.

2.8 Labour Relations: Misconduct and Disciplinary Action

Verbal warning	4
Written warning	3
Final written warning	2
Dismissal	0
Total	9

Dismissals

There were no dismissals during the period under review.

Expiry of Contract

During the period under review, four employment contracts that expired were renewed. These contracts related to the three staff members in the CRM division and one in the HR division.

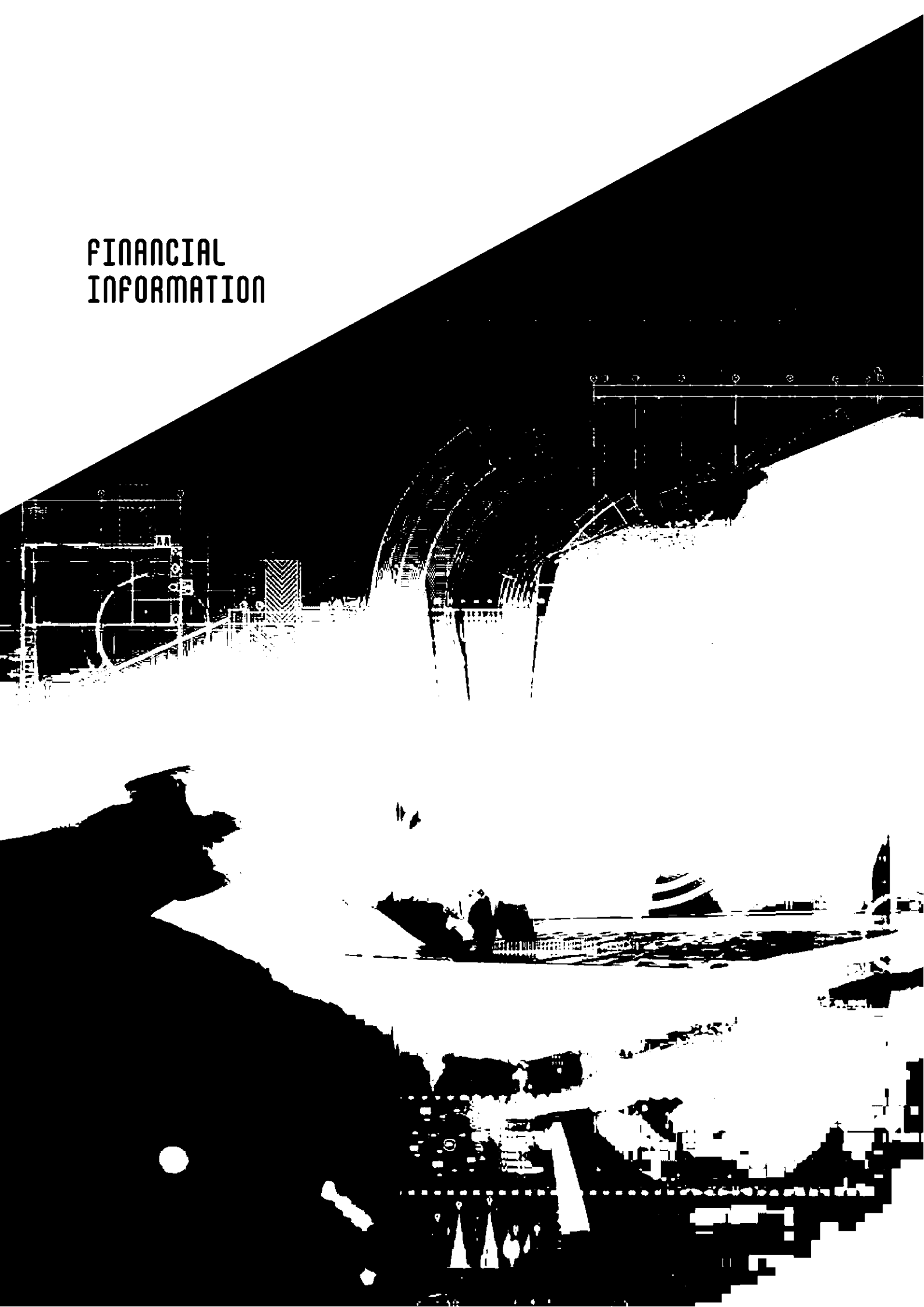
2.9 Equity Target and Employment Equity Status

Levels	Male							
	African	Coloured	Indian	White				
Top Management	1	0	0	0	0	0	0	0
Senior Management	2	3	0	0	0	0	0	0
Professional qualified	4	4	0	0	0	0	0	1
Skilled	3	2	0	1	1	1	0	0
Semi-skilled	0	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
Interns	2	0	0	0	0	0	0	0

Levels	Female							
	African		Coloured		Indian		White	
Top Management	0	0	0	0	0	0	0	0
Senior Management	1	2	0	0	0	0	0	1
Professional qualified	4	4	0	0	0	0	1	0
Skilled	2	2	0	0	0	0	2	2
Semi-skilled	18	18	0	1	0	0	0	0
Unskilled	1	1	0	0	0	0	0	0
Interns	4	0	0	0	0	0		

Levels	Disabled Staff			
	Male		Female	
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	1
Unskilled	0	0	0	0
Interns	0	0	0	0

FINANCIAL INFORMATION



GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Council for the Project and Construction Management Professions
Directors	Mr IM Nkosi (President) Mr B Simelane (Vice-President) Dr C Deacon (Council Member) Ms N Molao (Council Member) Mr E Manchidi (Council Member) Adv. R Dehal (Council Member) Mr G Mbuthia (Council Member) Mr I Molosi (Council Member) Mr S Naidoo (Council Member) Ms G Komane (Council Member) Mr MIB Matutle (Registrar)
Registered office	International Business Gateway, 1 st Floor Gateway Creek Corner New Road and 6 th Road Midrand Gauteng 1685
Business address	International Business Gateway, 1 st Floor Gateway Creek Corner New Road and 6 th Road Midrand Gauteng 1685
Postal address	PO Box 6286 Halfway House Midrand Gauteng 1685
Bankers	Nedbank Investec
Secretary	A Company Secretary is not required in terms of the Project and Construction Management Professions Act No. 48 of 2000.
Preparer	The financial statements were internally compiled by: SACPCMP Management.

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Preparer

SACPCMP Management



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Independent Auditor's Report

To the Councillors of South African Council for Project and Construction Management Professions

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of South African Council for Project and Construction Management Professions set out on pages 82 to 108 which comprise the statement of financial position as at 31 March 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of South African Council for Project and Construction Management Professions as at 31 March 2020, 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the council in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Subsequent event: The impact of the uncertainty of COVID-19

We draw attention to Note 21 in the financial statements, which deals with subsequent events and specifically the potential impact of Covid- 19 on South African Council for the Project and Construction Management Profession. Our opinion is not modified in respect of this matter.

Other Information

The Councillors are responsible for the other information. The other information comprises the information included in the document titled South African Council for Project and Construction Management Professions Annual Financial Statements for the year ended 31 March 2020, which includes the Councillors Report as required by the Project and Construction Management Professions Act No. 48 of 2000. The other information does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Councillors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors.
- Conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Audit Tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ngubane & Co. (Jhb) Incorporated has been the auditor of South African Council for Project and Construction Management Professions for 2 years.

Ngubane & Co (JHB) Inc.

Director: Rangarirai Kuutsi

Registered Auditor

Midrand

22 October 2020

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 financial statements and related financial information included in this annual report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Council as at the end of the financial year and the results of its operations and cash flows for the period then ended.

The financial statements 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 and ensure that the Council's business is conducted in a manner that, in all reasonable circumstances, is above reproach. Management is focusing on identifying, assessing, managing, and monitoring all known forms of risk across the Council. While operating risks cannot be fully eliminated, the Council endeavours to minimise risks by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

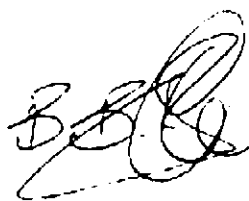
The Councillors have reviewed the Council's budget for the year to 31 March 2021 and have approved the adjusted budget in light of the effects of the COVID-19 pandemic. With this review and the current financial position, they are satisfied that the Council has or will have access to adequate resources to continue in operational existence for the foreseeable future. The budget will be reviewed in the upcoming financial year.

The financial statements set out on pages 80 to 108, which have been prepared on the going concern basis, were approved by the Councillors and were signed on their behalf by:

Approval of financial statements



Mr IM Nkosi (President)



Mr B Simelane (Vice-President)



Mr MIB Matutle (Registrar)

COUNCILLORS' REPORT

The Councillors have pleasure in submitting their report on the financial statements of the South African Council for the Project and Construction Management Professions for the year ended 31 March 2020.

The 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, except for the adoption of IFRS 16 as set out in note 1.

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

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

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

The Council is aware of the impact that the COVID-19 pandemic and National Lockdown will have on Council in the coming months. The COVID-19 pandemic is considered to be a non-adjusting event and there is no immediate impact on the going concern basis that was used to prepare these financial statements. Management has established a COVID-19 task team that is continually assessing and monitoring developments with regards to the disease and at the time of finalising the report, the Council is confident that our responses as contained in the sustainability plan are adequate and the crisis is being continuously monitored to assess the effect on the financial position of the Council.

The Councillors believe that the Council has adequate financial resources to continue in operation for the foreseeable future and the financial statements have been prepared on the going concern basis. The Councillors have satisfied themselves that the Council is in a sound financial position. The Councillors are not aware of any material changes after the reporting date 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.

Ngubane & Co (Johannesburg) Inc. will continue as the independent external auditors of the Council for the 2020 financial year.

STATEMENT OF FINANCIAL POSITION

as at 31 March 2020

Figures in Rand	Note(s)	2020	2019 Restated*
Assets			
Non-current Assets			
Property and equipment	4	950 802	1 485 099
Right-of-use assets	5	1 941 689	-
Intangible assets	6	446 026	357 614
		3 338 517	1 842 713
Current Assets			
Trade and other receivables	8	1 186 088	1 598 939
Cash and cash equivalents	9	15 845 623	12 101 612
		17 031 711	13 700 551
Total Assets		20 370 228	15 543 264
Equity and Liabilities			
Equity			
Accumulated surplus/(deficit)		1 830 680	(1 132 036)
Liabilities			
Non-current Liabilities			
Lease liabilities	5	1 810 414	516 002
Current Liabilities			
Trade and other payables	11	3 191 781	2 899 144
Lease liabilities	5	568 933	402 590
Operating lease liability	7	-	219 145
Income received in advance	10	12 968 420	12 638 419
		16 729 134	16 159 298
Total Liabilities		18 539 548	16 675 300
Total Equity and Liabilities		20 370 228	15 543 264

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2020

Figures in Rand	Note(s)	2020	2019 Restated*
Revenue	12	34 215 549	38 768 904
Other operating income		2 003 573	18 619
Other operating expenses		(33 712 138)	(38 622 501)
Operating profit		2 506 984	165 022
Investment income		728 779	248 944
Finance costs	13	(492 192)	(151 708)
Profit/(loss) for the year		2 743 571	262 258
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		2 743 571	262 258

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020

Figures in Rand	Accumulated surplus/(deficit)
Restated* Balance at 1 April 2018	(1 401 306)
Profit for the year	186 025
Other comprehensive income	-
Total comprehensive income for the year	186 025
Opening balance as previously reported	(1 215 281)
Adjustments	
Prior period errors	83 245
Balance at 1 April 2019 as restated	(1 132 036)
Profit for the year	2 743 571
Other comprehensive income	-
Total comprehensive income for the year	2 743 571
Change in accounting policy	219 145
Total contributions by and distributions to owners of council recognised directly in equity	219 145
Balance at 31 March 2020	1 830 680

STATEMENT OF CASH FLOWS

for the year ended 31 March 2020

Figures in Rand	Note(s)	2020	2019 Restated*
Cash flows from operating activities			
Cash generated from operations	14	6 065 854	6 804 018
Interest income		728 779	248 944
Finance costs		(492 192)	(151 708)
Net cash from operating activities		6 301 674	6 901 183
Cash flows from investing activities			
Purchase of property and equipment	4	(556 138)	(456 562)
Purchase of other intangible assets	6	(380 000)	(473 091)
Net cash from investing activities		(936 138)	(929 653)
Cash flows from financing activities			
Payment on lease liabilities		(1 621 525)	(251 501)
Total cash movement for the year		3 744 011	5 720 029
Cash at the beginning of the year		12 101 612	6 381 583
Total cash at end of the year	9	15 845 623	12 101 612

ACCOUNTING POLICIES

1. Significant accounting policies

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

The financial statements have been prepared in accordance and compliance with International Financial Reporting Standards (IFRS) and the Project and Construction Management Professions Act No. 48 of 2000 of South Africa including any interpretation issued by the IFRS Interpretations Committee (IFRS IC) applicable to the Council.

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

These accounting policies are consistent with the previous period, except for the changes set out in note 2 regarding new International Financial Reporting Standards .

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

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

Useful lives of property and equipment

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

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Impairment of property and equipment

The Council assesses, at each reporting date, whether there is any indication that an asset may be impaired. If any such indication exists, the Council then estimates the recoverable amount of the asset. The recoverable amounts of individual assets are determined based on the higher of value in use and fair value less costs to sell. The excess of the carrying amount over the recoverable amount is recognised as an impairment loss in the statement of profit or loss and other comprehensive income.

Provisions

A provision is recognised when the Council has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

ACCOUNTING POLICIES

(continued)

Expected credit loss

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

Property and equipment owned by the Council comprise leasehold improvements, furniture and fittings, office equipment and computer equipment. Buildings, computer equipment and office equipment leased by the Council are disclosed as right-of-use assets.

Property and equipment including right-of-use assets of the Council are measured at cost less accumulated depreciation and any accumulated impairment. Depreciation is determined using the straight-line method over the useful life. Depreciation for the Council's right-of-use assets is determined based on the lease term as the leased items are only used over that period. The depreciation is recognised in the statement of profit or loss and other comprehensive income. Refer to note 4 for further information on the right-of-use assets.

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

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

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

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

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

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

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

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

Items of furniture and fittings and office equipment were disposed of during this reporting period. The items disposed of were derecognised and any gain or loss recognised in the statement of profit or loss and other comprehensive income.

Assets previously classified as finance lease assets were reclassified as right-of-use assets in the current year.

ACCOUNTING POLICIES

(continued)

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

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

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

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

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

CRM software that was no longer being used was scrapped, refer to note 5. The items disposed of were derecognised and any gain or loss recognised in the statement of profit or loss and other comprehensive income.

The amortisation period and the amortisation method for intangible assets are reviewed annually at year-end.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Useful life
Computer software	3 years
Membership Portal licence	Indefinite

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

Trade receivables are initially recognised when the Council becomes a party to the contractual provisions of the instrument. Trade receivables are initially measured at transaction price.

Financial assets of the Council are classified as financial assets subsequently measured at amortised cost. Council holds its trade receivable to solely collect the principal amounts plus penalty charged on these balances.

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

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

Finance income and expected credit losses are recognised in the statement of profit or loss and comprehensive income. Any gain or loss on derecognition is recognised in the statement of profit or loss and comprehensive income.

ACCOUNTING POLICIES

(continued)

Classification

The carrying amount of the receivable is reduced through the use of an allowance account, and the amount of the deficit is recognised in the statement of profit or loss and other comprehensive income under operating expenses. When receivables are uncollectible, it is written off against the allowance account for receivables once Council approval is obtained. Subsequent recoveries of amounts previously written off are credited in the statement of profit or loss and other comprehensive income. All receivables are on accrual basis.

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

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.

Classification

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

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

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

The Council has changed its accounting policy for leases where the Council is the lessee. Until 31 December 2018, leases of property and equipment where the Council, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases.

Finance leases were capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, were included in other short-term and long-term payables. Each lease payment was allocated between the liability and finance cost.

The finance cost was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property and equipment acquired under finance leases was depreciated over the asset's useful life, or over the shorter of the asset's useful life and the lease term if there was no reasonable certainty that the Council would obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Council as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

ACCOUNTING POLICIES

(continued)

Council as lessee

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

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

Lease liability

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

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 5).

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 13).

Right-of-use assets

Lease payments included in the measurement of the lease liability comprise the following:

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

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

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

Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are as follows:

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

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting 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.

ACCOUNTING POLICIES

(continued)

Provisions are recognised when:

- the Council has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised.

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

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

Annual fees

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

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

Application fees

The entity recognises revenue when application process requirements are met. The entity obligations are met when the application is assessed.

Exam fees

The entity recognises revenue upon providing the service relating to exams. Exams are scheduled on a weekly basis. Exams are billed upon issuing of the results from the assessment.

Registration fees

Registration fees are recognised upon acceptance of the Registered Person to be a member. Registrations are performed throughout the year upon completion of the relevant professional requirements. Registration fees are billed after a successful exam or interview results and assessment.

Continuous Professional Development (CPD)

Revenue is recognised when the Registered Person accepts the proposed Continuous Professional Development invoice as the basis of acceptance of the contract. CPD is billed throughout the year on the basis of demand.

ACCOUNTING POLICIES

(continued)

CPD validation

Companies are expected to apply for CPD. Validation invoices are raised upon sign off of the quotation. A Registered Person pays the amount invoiced prior to any service being rendered. Revenue is recognised upon the Council fulfilling its obligation by assessing the training material.

Conference and Summit

The Council hosts these events on an annual basis. Revenue is recognised at a point in time when the goods are delivered to the Registered Person, such as the date of the event.

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

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

Related party relationships where control exists are disclosed. The Council discloses the nature of the related party relationship as well as information about those transactions and outstanding balances as a note to the financial statements.

The Council is exempted from income tax in terms of section 10(1) (cA)(i)(bb) of the Income Tax Act, 1962 (Act 58 of 1962).

NOTES TO THE FINANCIAL STATEMENTS

2. Changes in accounting policy

In 2019 the Council adopted IFRS 16 Leases retrospectively from 1 April 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening accumulated loss on 1 April 2019. The new accounting policies are disclosed in note 1.6.

On adoption of IFRS 16, the Council recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 April 2019.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use and the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date.

In applying IFRS 16 for the first time, the Council has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases; and
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application.

Adjustments made in the statement of financial position

- Property and equipment – Decrease by R727 337;
- Right-of-use assets – Increase by R1 941 689; and
- Operating lease liability – Decrease by R219 154.

The net impact on accumulated loss on 1 April was a decrease by R219 145

3. New standards and interpretations

A number of new standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted, however, the Council has not early adopted the new or amended standards in preparing these financial statements. The following amended standard and interpretation is not expected to have a significant impact on the Council's financial statements.

Definition of Material (Amendments to IAS 1 and IAS 8) effective for reporting periods beginning 1 January 2020.

The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of 'material' and align the definition used in the Conceptual Framework and the Standards.

NOTES TO THE FINANCIAL STATEMENTS

4. Property and equipment

Figures in Rand	2020			2019		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	457 897	(385 382)	72 515	449 388	(340 506)	108 882
Office equipment	300 597	(228 806)	71 791	372 736	(235 940)	136 796
IT equipment	1 512 074	(737 251)	774 823	2 381 125	(1 205 052)	1 176 073
Leasehold improvements	102 396	(70 723)	31 673	102 396	(39 048)	63 348
Total	2 372 964	(1 422 162)	950 802	3 305 645	(1 820 546)	1 485 099
Reconciliation of property and equipment – 2020						
Figures in Rand	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Furniture and fixtures	108 882	8 510	-	-	(44 877)	72 515
Office equipment	136 796	5 266	(3 800)	-	(66 472)	71 790
IT equipment	1 176 073	542 362	(3 832)	(727 337)	(212 443)	774 823
Leasehold improvements	63 348	-	-	-	(31 674)	31 674
	1 485 099	556 138	(7 632)	(727 337)	(355 466)	950 802
Reconciliation of property and equipment – 2019						
Figures in Rand	Opening balance			Additions	Depreciation	Total
Furniture and fixtures	141 257			14 120	(46 495)	108 882
Office equipment	198 710			-	(61 914)	136 796
IT equipment	1 105 755			704 224	(633 906)	1 176 073
Leasehold improvements	83 827			-	(20 479)	63 348
	1 529 549			718 344	(762 794)	1 485 099

NOTES TO THE FINANCIAL STATEMENTS

4. Property and equipment (continued)

Transfers

Figures in Rand

	2020	2019
Assets previously classified as finance lease assets transferred to right-of-use assets	737 337	-

5. Leases

The Council leases several assets, including buildings and IT equipment. The average lease term is 3 to 5 years

Details pertaining to leasing arrangements, where the Council is a lessee are presented below:

Net carrying amounts of right-of-use assets

Right-of-use assets	Cost	Accumulated depreciation	Carrying value
Figures in Rand			
Buildings	2 237 068	(1 118 534)	1 118 534
Office equipment	591 200	(177 360)	413 840
IT equipment	1 618 908	(1 209 594)	409 314
	4 447 176	(2 505 488)	1 941 688

Reconciliation of right-of-use assets – 2020

	Opening balance	Additions	Disposals	Transfers	Accumulated depreciation	Carrying value
Figures in Rand						
Buildings	-	2 237 068	-	-	(1 118 534)	1 118 534
Office equipment	-	591 200	-	-	(177 360)	413 840
IT equipment	-	254 007	(2 683)	727 337	(569 347)	409 314
	-	3 082 275	(2 683)	727 337	(1 865 241)	1 941 688

Interest expense

Figures in Rand

	2020	2019
Interest expense on lease liabilities	492 192	151 708

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	2020	2019
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5. Leases (continued)

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	2 050 898	505 185
Two to five years	642 246	581 848
	2 693 144	1 087 033
Less finance charges	(313 806)	(168 441)
	2 379 338	918 592
Non-current liabilities	1 810 414	516 002
Current liabilities	568 933	402 590
	2 379 347	918 592

Comparative information for lease liabilities under IAS 17

The information presented for lease liabilities for the comparative period has been prepared on the basis of IAS 17, and therefore only represents the liability as at that date for finance leases and not for operating leases.

NOTES TO THE FINANCIAL STATEMENTS

6. Intangible assets

Figures in Rand	2020			2019		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	553 362	(107 336)	446 026	473 091	(115 477)	357 614
Reconciliation of intangible assets – 2020						
Figures in Rand		Opening balance	Additions	Disposals	Amortisation	Total
Furniture and fixtures		357 614	380 000	(158 869)	(132 719)	446 026
Reconciliation of property and equipment – 2019						
Figures in Rand		Opening balance	Additions	Depreciation		Total
Computer software, other		-	473 091	(115 477)		357 614
Assets with indefinite lives						
Figures in Rand					2020	2019
My Membership licence					380 000	-

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

Intangible assets written off

CRM software that is no longer utilised was scrapped. The items disposed of were derecognised and any gain or loss from the disposals is recognised in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

7. Operating lease asset (accrual)

The Council adopted IFRS 16 Leases retrospectively from 1 April 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening accumulated loss on 1 April 2019, refer to note 2.

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 payment are recognised as an operating lease asset/(liability).

Operating lease liability

Figures in Rand	2020	2019
	-	(219 145)

8. Trade and other receivables

Financial instruments:

Trade receivables	3 259 431	3 709 539
Allowance for impairment	(2 634 068)	(3 026 785)
Trade receivables at amortised cost	625 363	682 754
Other debtors	18 572	-

Non-financial instruments:

VAT	360 550	839 747
Stipend advance	10 000	10 000
Salary advance	46 675	47 237
Pre-payments	124 928	19 201
Total trade and other receivables	1 186 088	1 598 939

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9 Financial Instruments:

At amortised cost	643 935	662 753
Non-financial instruments	542 153	852 326
	1 186 088	1 515 079

Trade and other receivable expected credit loss

As of 31 March 2020, trade and other receivables of R2 685 282 were assessed for credit loss. The amount for the assessed loss was R2 634 068.

Exposure to credit risk

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

NOTES TO THE FINANCIAL STATEMENTS

8. Trade and other receivables (continued)

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

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

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

Trade receivables were previously impaired only when there was objective evidence that the asset was impaired. The impairment was calculated as the difference between the carrying amount and the present value of the expected future cash flows.

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

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables :

Figures in Rand	2020	2019
Opening balance in accordance with IAS 39 Financial Instruments: Recognition and measurement	3 026 785	3 085 681
Opening balance in accordance with IFRS 9	(3 026 785)	(3 085 681)
Provisions reversed on settled trade receivables	392 717	58 896
Closing balance	(2 634 068)	(3 026 785)

Trade receivables of R3 530 997 were written off.

9. Cash and cash equivalents

Cash and cash equivalents at fairvalue consist of:

Cash on hand	159	973
Bank balances	2 454 718	2 035 272
Short-term deposits	13 390 746	10 065 367
	15 845 623	12 101 612

10. Income received in advance

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

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

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	2020	2019
10. Income received in advance (continued)		
Income received in advance	12 968 420	12 638 419
11. Trade and other payables		
Financial instruments		
Trade payables	755 877	623 346
Debtors with credit balances	1 935 215	1 441 392
PAYE, SDL and UIF	-	361 383
Leave provision	500 689	274 338
Accrued expense	-	196 504
Consultants/Allowances	-	2 181
	3 191 781	2 899 144
12. Revenue		
Revenue from contracts with Registered Persons		
Fees revenue	29 962 722	33 005 824
Penalty income	3 013 875	1 324 804
Summit and conference	-	3 257 964
Recognition of prior learning fees	313 878	288 984
Other revenue	42 700	164 087
Continuous Professional Development	882 374	727 241
	34 215 549	38 768 904
13. Finance costs		
Finance leases	492 192	151 708
14. Cash generated from operations		
Profit	2 743 571	262 258
Adjustments for:		
Depreciation and amortisation	2 353 428	878 271
Loss on disposal of assets	169 183	-
Gains on foreign exchange	-	(11 565)
Interest income	(728 779)	(248 944)
Finance costs	492 192	151 708
Movements in operating lease assets and accruals	(219 144)	(28 410)
Movements in provisions	3 501 258	-
Unallocated receipts write-off	(725 796)	-
Reversal of provisions	(716 157)	-
Changes in working capital:		
Trade and other receivables	(954 702)	10 550 440
Trade and other payables	292 636	(2 034 835)
Income received in advance	400 700	(2 714 976)
	6 065 854	6 804 018

NOTES TO THE FINANCIAL STATEMENTS

15. Contingencies

There are no material contingencies that require disclosure.

16. Related parties

Relationships

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

Related party transactions

Figures in Rand	2020	2019
Honorarium and telephone allowance paid to related parties		
Mr TE Manchidi	-	11 800
Mr IM Nkosi	47 520	35 640
Mr TE Manchidi – Telephone allowance	-	1 200
Mr IM Nkosi – Telephone allowance	4 800	3 600
Council Members – Life cover	8 861	-
Council members allowances paid		
Mr IM Nkosi (President)	36 960	37 600
Mr B Simelane (Vice-President)	25 830	34 700
Dr C Deacon	17 532	24 500
Ms N Molao	19 005	25 600
Mr E Manchidi	3 150	16 700
Adv. R Dehal	1 365	6 000
Mr G Mbuthia	14 425	13 600
Mr I Molosi	1 575	1 800
Mr S Naidoo	-	4 500
Compensation to directors and other key management		
Honorarium paid to Mr IM Nkosi (President)	47 520	47 520

NOTES TO THE FINANCIAL STATEMENTS

17. Registrar's emoluments

Executive – 2020

Figures in Rand	Annual remuneration	Subsistence and travel allowance	Other benefits	Total
Registrar	1 914 205	125 000	45 144	2 084 349

Executive – 2019

Figures in Rand	Annual remuneration	Retirement annuity	Subsistence and travel allowance	Medical aid	Other benefits	Total
Registrar*	1 133 600	32 413	6 040	30 345	23 294	1 225 692

* The Registrar resigned in July 2018. New Registrar took office in February 2019.

18. Prior period errors

Assets were incorrectly expensed and not capitalised in the previous financial year.

Reassessed assets' depreciation was incorrectly calculated in the previous financial year.

Revenue invoices relating to a 2018/2019 conference were raised in the current financial year.

The correction of the error(s) results in adjustments as follows:

Figures in Rand	Restated	As previously reported
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Statement of Financial Position

Property and equipment	1 500 826	1 493 814
Revenue	38 768 904	38 676 944
Trade and other receivables	1 598 939	1 515 079
Opening retained earnings	1 116 309	1 215 281
Trade and other payables	2 899 144	2 907 244

Statement of Financial Position

Figures in Rand	As previously reported	Correction of error	Restated
	1 493 814	7 012	1 500 826
Property and equipment	1 515 079	83 860	1 598 939
Trade and other receivables	(1 215 281)	98 972	(1 116 309)
Opening accumulated loss	(2 907 244)	(8 100)	(2 899 144)
Trade and other payables	(1 113 632)	181 744	(915 688)

Profit or Loss

Figures in Rand	2020	2019
Revenue	38 768 904	38 676 944
Depreciation	762 793	747 067

Statement of profit or loss

Figures in Rand	As previously reported	Correction of error	Restated
Revenue	(38 676 944)	(91 960)	(38 768 904)
Depreciation	747 067	15 726	762 793
	(37 929 877)	(76 234)	(38 006 111)

NOTES TO THE FINANCIAL STATEMENTS

19. Comparative figures

Comparative information is not consistent with the prior year. Prior period comparative amounts were restated for Retained Earnings, Revenue, Trade and other receivables, Trade and other payables and Property and equipment.

20. Financial instruments and risk management

Financial risk management

Overview

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

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The Council only deposits cash with major banks with high quality credit standing and limits exposure to a single counter party. Trade receivables comprise amounts owed by Registered Persons.

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

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

Figures in Rand		2020			2019		
		Gross carrying amount	Credit loss allowance	Amortised cost	Gross carrying amount	Credit loss allowance	Amortised cost
Trade and other receivables	8	3 259 431	(2 634 068)	625 363	3 709 539	(3 026 785)	682 754
Cash and cash equivalents	9	15 845 623	-	15 845 623	12 101 612	-	12 101 612
		19 105 054	(2 634 068)	16 470 986	15 811 151	(3 026 785)	12 784 366
Financial assets at fair value		Gross carrying amount	Credit loss allowance	Fair value	Gross carrying amount	Credit allowance	Fair value
Cash and cash equivalents (Note 9)		15 845 618	-	15 845 618	12 101 612	-	12 101 612

NOTES TO THE FINANCIAL STATEMENTS

Liquidity risk

Liquidity risk, in this instance, refers to the risk that the Council may not meet its short-term obligations when they fall due. Management of liquidity risk is particularly important as it ensures that capital and operating expenditure is met.

The Council manages liquidity risk through an ongoing review of future commitments and current cash investments.

Figures in Rand

	2020		
	Less than 1 year	1 to 2 years	Total
Contractual maturities of financial liabilities			
Trade and other payables (Note 11)	(2 691 087)	-	(2 691 087)
Lease liabilities (Note 5)	(2 050 898)	(642 246)	(2 693 144)

Figures in Rand

		2019		
		Less than 1 year	1 to 2 years	Total
Contractual maturities of financial liabilities				
Trade and other payables (Note 11)	11	(2 263 432)	-	(2 263 432)
Lease liabilities (Note 5)		(505 185)	(581 848)	(1 087 033)

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The Council policy with regards to financial assets, is to invest cash at fixed rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity.

NOTES TO THE FINANCIAL STATEMENTS

21. Events after the reporting period

The Council is aware of the impact that the COVID-19 pandemic and National Lockdown will have on Council in the coming months. The COVID-19 pandemic is considered to be a non-adjusting event and there is no immediate impact on the going concern basis that was used to prepare these financial statements. Management has established a COVID-19 task team that is continually assessing and monitoring developments with regards to the disease and at the time of finalising the report, the Council is confident that our responses as contained in the sustainability plan are adequate and the crisis is being continuously monitored to assess the effect on the financial position.

The Council has performed an analysis of the potential effects of COVID-19 beyond the financial year based on information available at the reporting date and will update it depending on how the situation unfolds. The sustainability report, supported by an adjusted COVID-19 worst-case scenario budget, was approved and is being implemented. The sustainability report details measures to be taken to ensure that the Council continues as a going concern.

Strategic risks have been updated to incorporate potential risks arising from the COVID-19 pandemic with mitigation strategies and plans to be implemented.

The following are areas considered as well as Council's responses and mitigations:

Health and safety (Employees and premises)

COVID-19 potential implications:

1. Suspension of physical operations at the SACPCMP offices;
2. Risk of key personnel being unavailable due to COVID-19 affects;
3. Employees unable to remain productive due to technological failures and exposure to cyber risks;
4. Risk of COVID-19 infections amongst employees and the uncertainties of safety in the workplace.

To address the above implications, the Council established a COVID-19 task team to keep employees informed regarding COVID-19 developments and made IT resources available to support remote working and meetings.

Financial viability assessment

COVID-19 potential implications:

1. Negative impact on Council's liquidity;
2. Outstanding annual fees may not be recovered from Registered Persons; and
3. The financial year's business plan is significantly impacted (Unfunded mandates).

To respond to these emerging threats to Council's liquidity, the following measures were implemented.

1. Adjusted the approved budget based on the worse-case scenario;
2. Management is closely monitoring the cash position of Council;
3. Reviewed and renegotiated terms with creditors without incurring penalties;
4. The current business plan is being reviewed;
5. Recruitment of non-critical positions has been deferred;
6. Application for UIF relief packages considered and other government relief packages e.g. skills levy payment holiday;
7. Mandatory annual leave for non-mission critical staff; and
8. Grant proposal drafted for government for financial assistance.

Stakeholders (Registered Persons and construction industry)

COVID-19 potential implications:

1. Registered Persons and businesses experienced financial losses;
2. Physical engagement sessions with Registered Persons impacted; and
3. Potential reduction in new registrations.

NOTES TO THE FINANCIAL STATEMENTS

To address the above, the Council implemented the following measures.

21. Events after the reporting period (continued)

1. Rescheduled exam and interview dates;
2. Exploring opportunities for online assessments;
3. Extended the timeframe for instituting late penalty fees;
4. Extended the timeframe for the deregistration of Registered Persons; and
5. Deferment of CPD non-compliance deregistrations.

22. Assessment of useful life

Management assessed the expected wear and tear on some of its categories of property and equipment. This resulted in the revision of the expected useful life as the assets were assessed to still be in a satisfactory condition for use by the Council.

23. Income tax

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

DETAILED INCOME STATEMENT

Detailed Income Statement Figures in Rand	Note(s)	2020	2019 Restated*
Revenue			
Fees revenue		29 962 722	33 005 824
Penalty income		3 013 875	1 324 804
Other revenue		42 700	164 087
Summit and conference income		-	3 257 964
Recognition of prior learning fees		313 878	288 984
Continuous Professional Development		882 374	727 241
	12	34 215 549	38 768 904
Other operating income			
Bad debt recoveries		-	7 054
Gain/loss from foreign exchange		-	11 565
Unallocated receipts write-off		1 299 945	-
Reversal of provisions		703 628	-
		2 003 573	18 619
Expenses (Refer to page 108)		(33 712 138)	(38 622 501)
Operating profit		2 506 984	165 022
Investment income		728 779	248 944
Finance costs	13	(492 192)	(151 708)
Profit for the year		2 743 571	262 258

DETAILED INCOME STATEMENT

Figures in Rand	Note(s)	2020	2019 Restated*
Other operating expenses			
SARS interest and penalty fees		(29 854)	(3 223)
Amortisation		(132 720)	(115 477)
Auditors remuneration – External auditors		(228 845)	(125 892)
Auditors remuneration – Internal audit		(310 660)	(186 480)
Bad debts written off		(3 530 998)	(1 419 064)
Bank charges		(253 048)	(213 099)
Cleaning		(12 425)	(18 950)
Consulting and professional fees – Accounting		(48 030)	(123 000)
Consulting fees – Other		(703 920)	(1 882 009)
Investigation of complaints		(302 174)	(64 184)
Refreshments		(42 279)	(77 750)
Depreciation		(2 220 708)	(762 794)
Employee costs		(16 341 126)	(13 916 876)
Entertainment		(14 727)	(23 740)
Council allowances and expenses		(415 012)	(284 646)
Design and printing		(73 502)	(146 195)
Assessment of application		(1 703 721)	(2 617 959)
Appeals		(14 035)	-
Transformation programme expenses		(4 165)	(372 306)
Interviews		(756 882)	(681 731)
Examination		(150 939)	(173 187)
Grant expenditure (LG SETA)		(63 341)	(157 265)
Meetings and workshop		(484 404)	(293 250)
Marketing and communication		(571 719)	(523 729)
Insurance		(285 834)	(273 767)
IT expenses		(2 021 037)	(1 604 727)
Lease rentals on operating lease		(127 463)	(299 548)
Provision for bad debt and cancellation		-	(5 498 540)
Water and electricity		(228 927)	(335 514)
Rental – Buildings		-	(1 167 087)
General expenses		(60 257)	(126 725)
Recruitment		(113 299)	(209 958)
Postage and courier		(37 047)	(95 167)
Printing and stationery		(261 667)	(204 368)
Registry expenses		(102 862)	(143 789)
Construction summit		-	(661 958)
Construction conference		-	(1 406 827)
Security		(273 603)	(207 362)
Staff welfare		(3 057)	(12 625)
Telephone and fax		(588 352)	(824 467)
Training and development		(25 104)	(183 666)
Travel – local		(1 005 211)	(1 183 600)
Loss on disposal of assets		(169 184)	-
		(33 712 138)	(38 622 501)


BREAKDOWN OF STATISTICS



TOTAL NUMBER OF REGISTERED PROFESSIONALS BY CATEGORY


Total number of registered professionals by category

Male	146	650	37	37	870
Female	11	5	1	1	18
Male	481	907	121	56	1 565
Female	82	30	7	5	124
Male	11	10	4	3	28
Female	0	0	0	0	0
Male	14	51	6	12	83
Female	7	8	2	0	17

Professional Construction
Managers – Male



Black	White	Indian	Coloured
146	650	37	37

Total: 870


Professional Construction
Managers – Female


Black	White	Indian	Coloured
11	5	1	1

Total: 18

Professional Construction
Project Managers – Male


Black	White	Indian	Coloured
481	907	121	56

Total: 1 565


Professional Construction
Project Managers – Female


Black	White	Indian	Coloured
82	30	7	5

Total: 124

Professional Construction
Mentors – Male


Black	White	Indian	Coloured
11	10	4	3

Total: 28


Professional Construction
Managers – Female

Black	White	Indian	Coloured
0	0	0	0

Total: 0

Professional Construction Health
and Safety Agents – Male


Black	White	Indian	Coloured
14	51	6	12

Total: 83


Professional Construction Health
and Safety Agents – Female

Black	White	Indian	Coloured
7	8	2	0

Total: 17

TOTAL NUMBER OF REGISTERED PERSONS OTHER THAN PROFESSIONALS BY CATEGORY

Total number of Registered Candidates by category

Male	174	441	46	70	731
Female	92	79	5	14	190
Male	1 295	744	105	327	2 471
Female	579	224	26	67	896

Construction Health and Safety Managers – Male


Black	White	Indian	Coloured
174	441	46	70

Total: 731


Construction Health and Safety Managers – Female

Black	White	Indian	Coloured
92	79	5	14

Total: 190

Construction Health and Safety Officers – Male


Black	White	Indian	Coloured
1 295	744	105	327

Total: 2 471


Construction Health and Safety Officers – Female

Black	White	Indian	Coloured
579	224	26	67

Total: 896

Total: 921

Total: 3 367

TOTAL NUMBER OF REGISTERED PERSONS OTHER THAN PROFESSIONALS BY CATEGORY

Total number of Registered Candidates by category

Male	145	154	24	25	348
Female	64	3	0	2	69
Male	1 000	179	72	55	1 306
Female	592	23	15	9	639
Male	53	37	5	3	98
Female	22	14	1	4	41
Male	27	41	2	16	86
Female	11	7	1	2	21
Male	851	186	33	132	1 202
Female	684	93	20	55	852

**Candidate Construction
Managers – Male**



Black	White	Indian	Coloured
145	154	24	24

Total: 348

**Candidate Construction
Managers – Female**



Black	White	Indian	Coloured
64	3	0	2

Total: 69

**Candidate Construction Project
Managers – Male**



Black	White	Indian	Coloured
1 000	179	72	55

Total: 1 306

**Candidate Construction Project
Managers – Female**



Black	White	Indian	Coloured
592	23	15	9

Total: 639

**Candidate Construction Health
and Safety Agents – Male**



Black	White	Indian	Coloured
53	37	5	3

Total: 98

**Candidate Construction Health
and Safety Agents – Female**



Black	White	Indian	Coloured
22	14	1	4

Total: 41

**Candidate Construction Health
and Safety Managers – Male**



Black	White	Indian	Coloured
27	41	2	16

Total: 86

**Candidate Construction Health
and Safety Managers – Female**



Black	White	Indian	Coloured
11	7	1	2

Total: 21

**Candidate Construction Health
and Safety Officers – Male**



Black	White	Indian	Coloured
851	186	33	132

Total: 1 202

**Candidate Construction Health
and Safety Officers – Female**



Black	White	Indian	Coloured
684	93	20	55

Total: 852

Total: 417

Total: 1 945

Total: 139

Total: 107

Total: 2 054

NOTES

NOTES

SACPCMP

The South African Council for the Project and Construction Management Professions

— CONSTRUCTING NEW PERSPECTIVES —

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