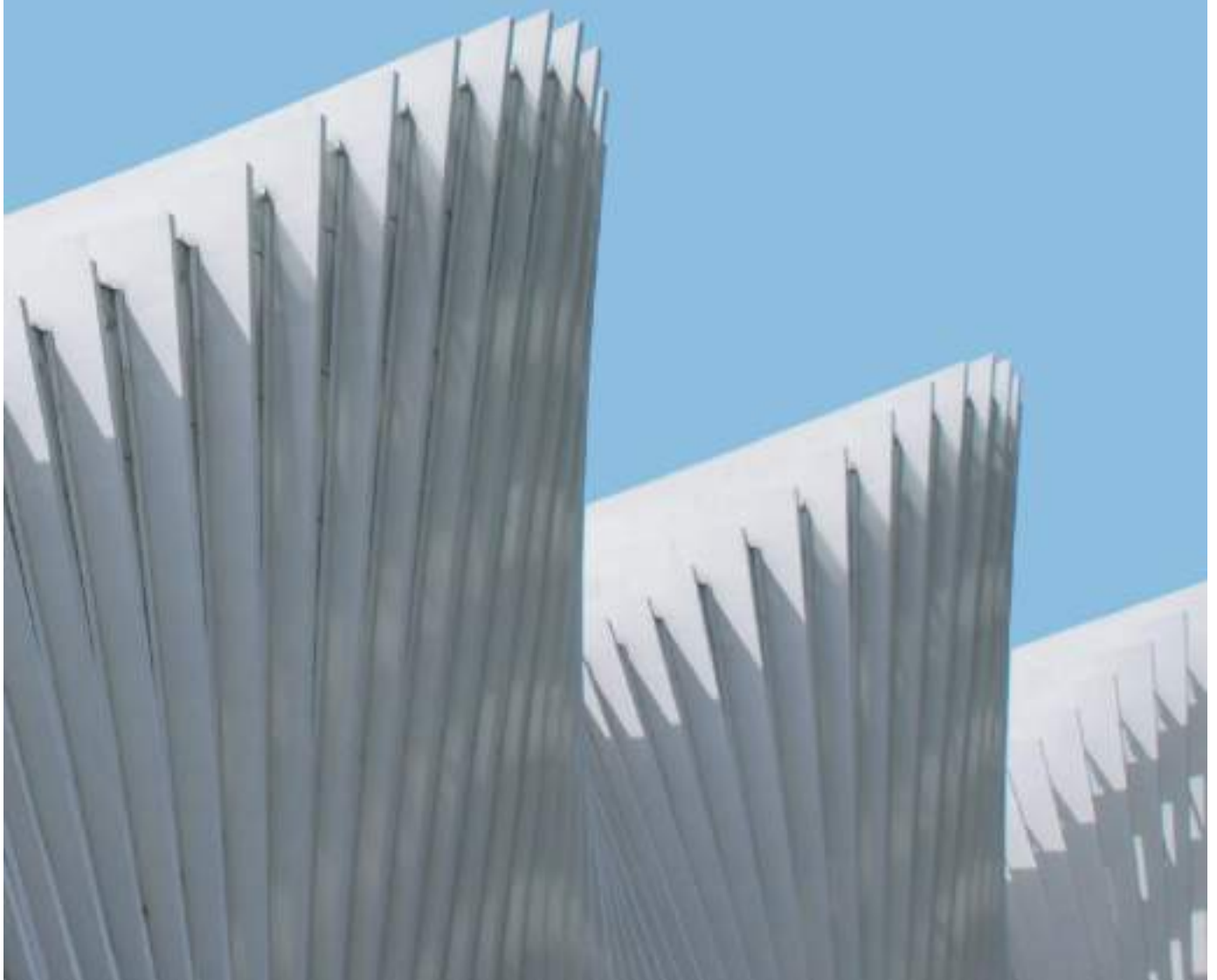


Annual Report

2018 / 2019



South African Council
for the Architectural Profession



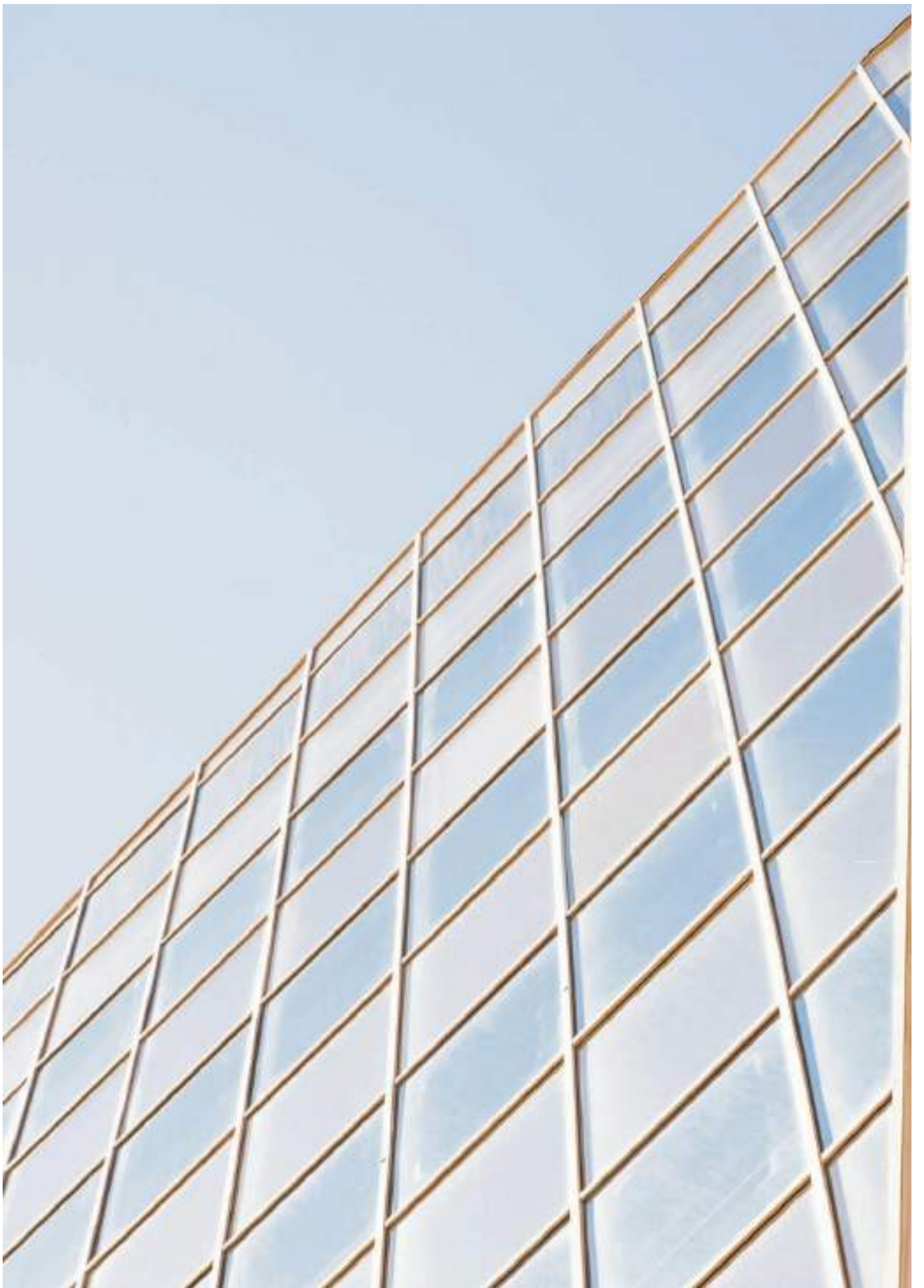
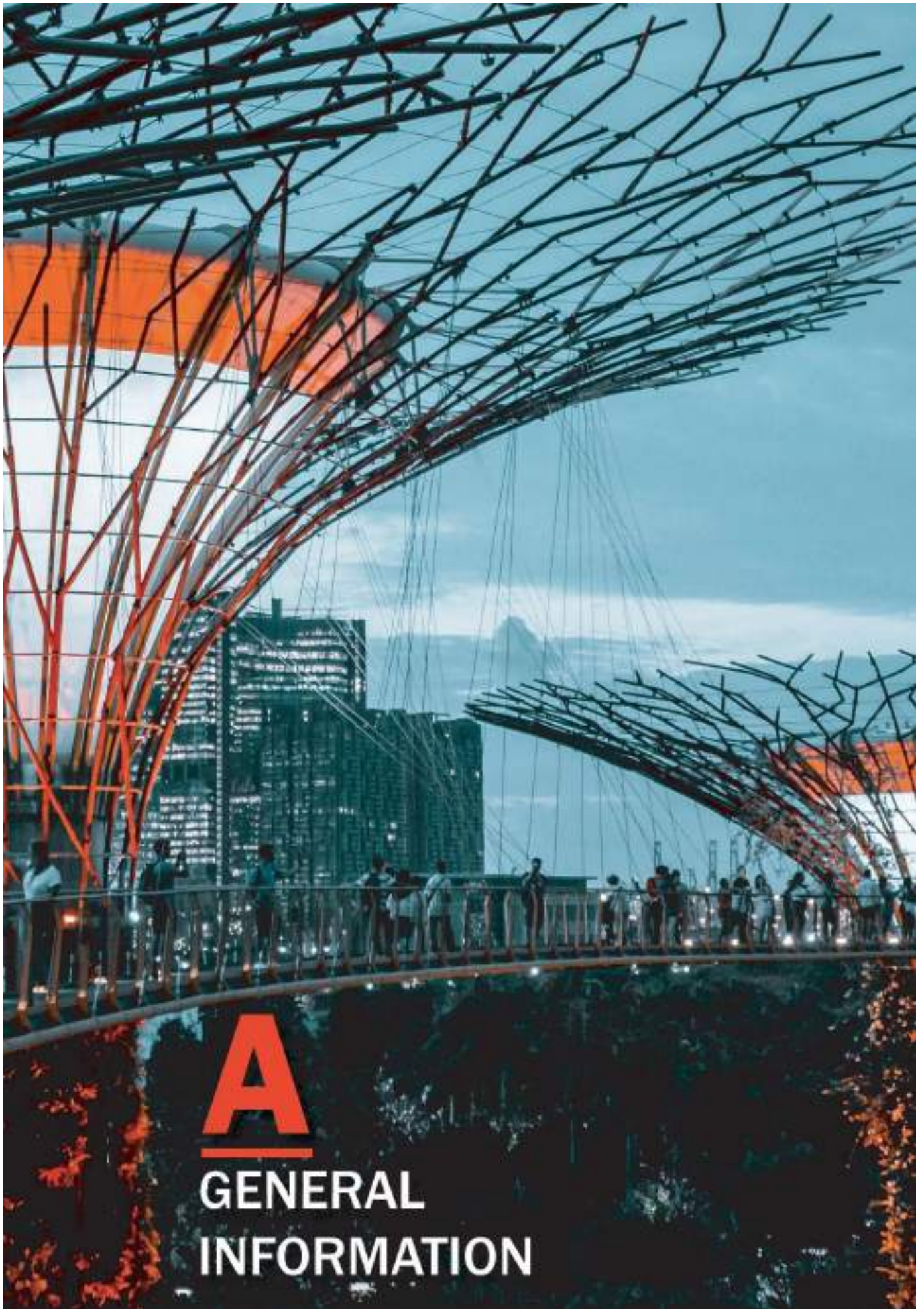


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A

**GENERAL
INFORMATION**

General Information

| | |
|--------------------------|---|
| Registered name | South African Council for the Architectural Profession (SACAP) |
| Physical address | 51 Wessel Road, Right Wing Rivonia, Sandton 2128 South Africa |
| Postal address | PO Box 1500 Rivonia 2128 |
| Telephone number | + 27 11 479 5000 |
| Fax number | + 27 11 479 5100 |
| External auditors | PricewaterhouseCoopers Inc |
| Bankers | First National Bank Nedbank Investec Bank |

List of Abbreviations

Stakeholders (National)

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

Acts of Parliament and Policy Frameworks

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

Stakeholders (International)

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

Stakeholders (Architectural Learning Sites)

| | |
|-------------|---|
| CPUT | Cape Peninsula University of Technology |
| DUT | Durban University of Technology |
| NMU | Nelson Mandela University |
| NUST | Namibian University of Science and Technology |
| UCT | University of Cape Town |
| UFS | University of the Free State |
| UJ | University of Johannesburg |
| UKZN | University of KwaZulu-Natal |
| UP | University of Pretoria |
| TUT | Tshwane University of Technology |
| WITS | University of the Witwatersrand |

Recognised Stakeholders (Voluntary Associations)

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

SACAP Programmes

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

SACAP's Registered Persons

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

Other

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



FOREWORD: **by the President**

The Architecture of Corporate Governance: Eve of fifth Term Council

The South African Council for the Architectural Profession (SACAP) is established in terms of Section 2 of the Architectural Profession Act (APA), 44 of 2000. SACAP's mandate is to protect the public by setting up standards for registrants' education and training, professional skills, conduct, performance and ethics; keep a register of candidates and professionals who meet those standards; approve programs at Architectural Learning Sites (ALSs) which professionals must complete to register; and take action when candidates and professionals on the register do not meet our standards.

The term 'corporate governance' has been hovering around in our media space for a while and it may be thought by the regular practitioner of architecture that this term applies only to government. Deeper reading and being indulged into serving on the Council has led me to remind all of us that corporate governance is free for the taking and is applicable not only to all large entities - such as SACAP - but also to small practices and entrepreneurial set-ups. This notion is formulated by the King Report on Corporate Governance of 2016.

Corporate governance speaks to the way companies and entities are run or governed and for what purpose. It is concerned with sharing power, protecting the rights of stakeholders, employees and lenders. It also speaks to accountability of the holders of power on their omissions and actions. It neatly sets out the roles of SACAP, the President, the governing body being Council - as well as its valued Registered Professionals and the stakeholders that plug into our ecosystem, and vice versa.

Appointment of new Council members and election of new President

Following a slew of resignations by several Council members during the 2017/18 financial year, the Minister of Public Works, Mr Thulas Nxesi, in order to ensure that our Council quorated and became better enabled to dispense its duties, appointed six Councillors to supplement the remaining 1 or 2 Councillors who remained. Councillors Rakau Lekota, Krish Ranchod, Vusi Phailane, Philasande Jolobe, Charles Nduku, Samuel Manyathela and myself speedily imbibed the notion that we were part of SACAP to help rectify and restore good governance. I am deeply grateful to this team who helped make Council meetings intensely engaging, productive but still feel like a working vacation.

Allegations vs Facts

The seven Councillors knew that it would be irresponsible of us to bring those accountable for maladministration to book by following allegations that were untested. On 27 July 2018, the Council, following the letter and spirit of the Act, took a decision to suspend the then Registrar. Advocate Toto Fiduli, then head of SACAP's Legal Department, was hurriedly appointed in as the interim guide that will be the Acting Registrar to move us to a SACAP that respected the

principles of good governance.

Predictably, we faced a backlash and were taken to the High Court for our decision. We filed our response late at night and were victorious. The Act reigned supreme and it guided us towards a better SACAP. An investigative report commissioned by SACAP helped us immensely towards gaining sight into the gross errors and maladministration of the first half of the fourth Term Council's tenure. As SACAP still pursues the hands that have brought our profession into such distress, the forensic investigation report document remains sub-judice. This means it may be instrumental to the legal processes as we embark on ensuring those who violated the rules and brought the profession into disrepute answer for their actions.

CEO, COO and EXCO

Our Act, the beacon which illuminates the road ahead for the profession, prescribes for a Registrar and not a Chief Executive Officer (CEO). The positions of CEO and Chief Operating Officer (COO) have been purged from SACAP's organogram and removed from all reachable stationery and signage. The position of Registrar remains, as per Section 8 (1) (a) of the Architectural Profession Act, pure to the note. Excessive salaries that flowed from these have been stopped by the Council and the position of COO has been discontinued as it seemed like a duplication. Prior to our supplementation of the fourth Term Council, there was an Executive Committee (EXCO) of Council, something like a 'council within council'. Decisions that have been taken in this club possibly caused disparity, rift and compromised transparency in the Council and evaded the core values of governance. This club comprised of the then Registrar, the Financial Senior Manager, the President and the Treasurer, it seemed. The EXCO is now redundant and buried. To date the Council sits; we all deliberate, consult the current Registrar and other advisers and resolutions are passed. When the day is done as Councillors, we all retreat back to our desks and practice our Architecture. This democratic style became the tone of our Council meetings – which led to the Council becoming a fun, intellectual event, with therapeutic laughs and effective outcomes.

Excessive salaries

Stakeholders are the custodians of all the monies of SACAP. During the era of Ms Marella O'Reilly, all those who committed acts of improper conduct have been charged and put through disciplinary processes. Council is taking a fierce stance against maladministration. Ours is to soldier on steps to stop and attempt to recoup all excessive salaries which were paid to past executives without approval. SACAP should never be seen as a place of financial gain through vague approvals. With governance in place, all sizable spends are decided upon in the Council through a healthy debate; nowhere else. This practice allows us to sleep well at night not worrying about looking over our shoulders.

Resignation of former Registrar

Following investigations and charges into her conduct while heading the SACAP, Marella O'Reilly resigned in February 2019. The former SACAP Registrar was in late 2018 placed on suspension pending a full investigation into her conduct, with a communique on the suspension circulated to stakeholders on 8 September 2018. Council accepted her resignation. O'Reilly's resignation came after the conclusion of the investigations and during scheduled disciplinary hearings against her. The first hearing was conducted on 21 January 2019 and postponed to 15 February 2019. O'Reilly was unable to attend her hearing due to unforeseen circumstances. SACAP welcomed O'Reilly's resignation as it now paved a clearer path for steaming ahead on the SACAP mandate which is to serve and protect.

Performance

The Performance of all Councillors' and committees is reported on meeting by meeting. The Councillors summarize their reports and note progress and achievements. The Education Committee has been evaluating the quality of education at schools of architecture. The Audit and Risk Committee has been advising us on identifying, assessing and mitigating risks, one such big risk led SACAP to procure, by open tender, a whole IT system that is future-ready and will relieve frustration off our RPs. This was a big feat as we had inherited a system hanging by sorry threads. The Stakeholder Relations Committee will soon be launching an affordable Unstructured Supplementary Services Data (USSD) that will enable authentications of practitioners and swifter communication between SACAP and RPs.

The enhanced Role of the Registrar

The Council understood that to be effective we needed to give the Registrar his space to run his operational domain while we run our space as the Council. The Council dispenses resolutions to the Registrar who is the 'actioner' of those decisions. Ours is to spell the tone of the architectural profession. As the Council, we steered clear of the Registrar's executive role. My duty as Chair was to ensure that he effectively carried out our wishes as resolved in the Council. The Registrar now accounts purely to the Council, nothing and no-one else. In the second half of the 2018/19 financial year the Council resolved to advertise and seek a suitable Registrar for SACAP. Submissions were received and the Committee presiding over this vital duty has begun its work.

Professional Fees

Our Act says we should publish Professional Fees Guidelines. To finalise those fees guidelines, we must ensure that the Professional Fees Guidelines do not contravene competition laws. A study was shared with the Competition Commission to show that our fees are set as a guideline - a recommendation - as labelled on the document. We wanted to explain to the Commission that our fees are not fixed and should not be seen as some type of 'collusion'. The study

showed a myriad of charging of services, all straddling around the guideline.

Identification of Work (IDoW)

Thirteen years later, the objective of the latest workshopped Identification of Work policy is purely to ensure that Registered Persons perform work they are qualified for, competent in and experienced to perform. The fourth Term Council ferociously worked on this policy. SACAP has now introduced a Limited Special Dispensation Mechanism in the IDoW recommendations to enable Registered Persons in lower categories of registration to continue to perform architectural work outside their identified Scope of Work as it identifies the Scope of Work for each category of Registered Persons. An application for Limited Special Dispensation and a Special Consent Mechanism in the identification will enable Registered Persons in lower tier categories of registration to continue to perform architectural work outside their identified scope of work. Additionally, SACAP has re-introduced the Recognition of Prior Learning(RPL) mechanism to enable Registered Persons in lower tiers categories of registration to upgrade to higher categories.

National Architectural Students Forum (NASF)

Prior to our entry into the fourth Term Council, the National Architectural Students Forum (NASF) was established but inactive. This is a committee made up of student leaders in the various study years of Architecture from various South African Schools of Architecture. SACAP sees this Forum as a conduit that gives a pulsating direct access to the hearts and hope of learners; the future Architects, Architectural

Technologists and Draughtspersons. The NASF vibrancy is tangible as they convene from all over the country during university holidays. They now know that they have a home in our Council and we look forward to forming some philosophical and physical spaces around them; with them.

Acknowledgements /Appreciation

Where there is love there will be a way. I have learnt that with the love of Architecture, the bigger picture will enable one to hand the reigns over to fellow competent colleagues and continue to serve with them. It has always been about having a healthier economically fruitful profession that co-exists with other built environment professions. I thank the spiritual places of refuge that keep us ignited. I thank you, our stakeholders and Voluntary Associations that wish to move the profession forward with us. We know that SACAP's public protection mandate has to remain firm and unwavering as it serves as guide to the practitioner. I thank the Ministry of Public Works, outgoing and incoming Council Members, registered practitioners, all stakeholders and the staff and management of SACAP for their support over the past years and look forward to even more exciting challenges ahead.

SACAP for us all!



Mrs Letsabisa R Shongwe née Lerotholi
President of the Council



Registrar OVERVIEW

General Financial Review of SACAP

It gives me the utmost pleasure to present to all stakeholders the SACAP Annual Report for the 2018/2019 financial year. Our Annual Report provides our stakeholders with a consolidated view of SACAP's financial position and how the finances were used to perform mandates of SACAP. During the 2018/19 financial year SACAP received revenue of R31,502,175. The revenue is derived from annual fees, registration fees and penalties. Only about 5% of Registered Persons failed to pay annual fees. SACAP is not listed on the Public Finance Management (PFMA) Act Schedule 1 to 3. Notwithstanding that, SACAP is not statutorily obliged to comply with the PFMA, our policies and procedures have been aligned to the PFMA and King IV. I am humbled that SACAP received an unqualified audit opinion for 2018/19 financial year.

Although we achieved a clean unqualified audit, we had a net deficit of R4,655,605 (2018: surplus of R564,559). This was mainly due to an internal audit service provider who failed to submit invoices for services rendered for the previous reporting periods while we did not make a provision for the invoices.

The principal activity of SACAP is to regulate the architectural profession. There were no major changes herein during the year. The operating results and consolidated statement of the financial position of SACAP are fully set out in the attached financial statements and do not, in my opinion, require any further comment.

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

Challenges

I must say that the year under review has been an eventful and challenging one, particularly on governance failures and maladministration matters. The Council was faced with myriad of complaints of maladministration and irregularities. A petition was published in the public domain with numerous allegations of maladministration. These allegations cast SACAP in a negative light in the eyes of all our stakeholders. The former Registrar was suspended on 31 July 2018 and eventually resigned on 18 February 2019 with immediate effect after being charged by the fourth Term Council for various indiscretions. Consequently, I have been acting as the Registrar effective 1 August 2018. I feel very privileged to have served and contributed to the architectural profession as the Acting Registrar.

The fourth Term Council has investigated all allegations of maladministration and irregularities, working in conjunction with the Department of Public Works and the Public Protector.

Sizwe Ntsaluba Gobodo was appointed to undertake investigations and eventually produced a final report with recommendations on 4 June 2018. The investigation report was implemented and those implicated were disciplined.

Service Charter

We have introduced a Service Charter which sets out the standards of service all stakeholders can expect from SACAP. We are committed to quality service standards to all our stakeholders, including more extensive consultation with and feedback from our stakeholders. This Charter commits us to the highest standards of professionalism, integrity and competence.

The organogram was reviewed in this period and the title Chief Executive Officer was removed. Now the only title used is Registrar. The position of Chief Operations Officer was removed from the organogram and all excessive salaries were reduced to ensure that they are in line with the market.

Registration

One of the core mandates of SACAP is to provide for the registration of professionals, candidates and specified categories in the architectural profession. Registration is a pre-requisite to perform architectural work for the public. Over the years, we have seen steady decline in the number of Registered Persons, with a record of 13 000 persons' registration being cancelled. There were 10 638 Registered Persons during the reporting period. Mechanisms have been put in place to encourage persons to re-register and regularise their practices.

Building Control Officers

The Council approved the registration of Building Control Officers under specified categories and the actual registration process will commence in the new financial year. This will increase the number of Registered Persons in the profession.

Student Registration

The Student Registration category was introduced in the period under review. However, this category has not done well and we intend to market and promote this category in all Architectural Learning Sites more vigorously going forward.

Recognition of Prior Learning (RPL)

Recognition of Prior Learning (RPL) has been re-introduced as a tool to redress historical imbalances. During the period under review, five (5) applications were assessed for upgrades to a higher category. In the new financial year, we intend to assess more applications.

Improving Architectural Education

SACAP is enjoined to conduct accreditation visits to educational institutions which has a department, school or faculty of architecture; either conditionally or unconditionally grant, refuse or withdraw accreditation to all educational institutions and their educational programmes with regard to architecture. SACAP provides independent assurance to the

public that the architectural qualifications meet the minimum acceptable standards. In the financial year under review, we accredited three (3) programmes at the University of Johannesburg. SACAP established an Education Fund to assist historically-disadvantaged students towards funding their architectural studies. In the period under review, all the Architectural Learning Sites were offered bursaries of R40 000 per ALS to distribute among eligible students.

Identification of Work and Professional Fees Guidelines

In keeping with the practice of engaging with Voluntary Associations, meetings were held in Johannesburg to engage on issues affecting the profession, particularly the Scope of Work and Fees Guidelines. After consultations on 14 December 2018, the Council submitted a Framework of Identification of Work to the Council for the Built Environment (CBE). The CBE is mandated to consult with the Competition Commission prior to determining the scope of work for each category of Registered Persons. Research will be conducted on the cost of providing architectural services throughout the profession and based on that, Professional Fees Guidelines that are in line with competition laws will be published.

Acknowledgment or Appreciation

In conclusion, we extend our sincere gratitude to the Minister of the Department of Public Works, Mr Thulas Nxesi; the Council for the Built Environment; Voluntary Associations, Registered Persons and the public who tirelessly contribute to the architectural profession at large.

We also wish to thank all Council and Committee members and staff at large for their contributions towards the delivery of SACAP's mandate and implementing the SACAP strategy.



Advocate Toto Fiduli
Acting Registrar

Statement of Responsibility and Confirmation of Accuracy of the Annual Report

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

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

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

The Annual Report has been prepared in accordance with the guidelines on the Annual Report as contemplated in King VI report.

The Annual Financial Statements (Part E) have been prepared in accordance with the International Financial Reporting Standards.

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

The Council 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.

It is the responsibility of the External Auditor to report on the fair presentation of the separate and consolidated Annual Financial Financial Statements of the Council.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the South African Council for the Architectural Profession(SACAP) for the financial year ended 31 March 2019

Yours faithfully



Adv. Toto Fiduli
Acting Registrar
10 September 2019



Mrs Letsabisa R Shongwe née Lerothodi
Council President
10 September 2019

Strategic Overview

Vision

People-centred Architecture for South Africa

Mission

SACAP will **transform**, promote and regulate the Architectural Profession through collaborative engagements in the pursuit of **excellence**.

Values

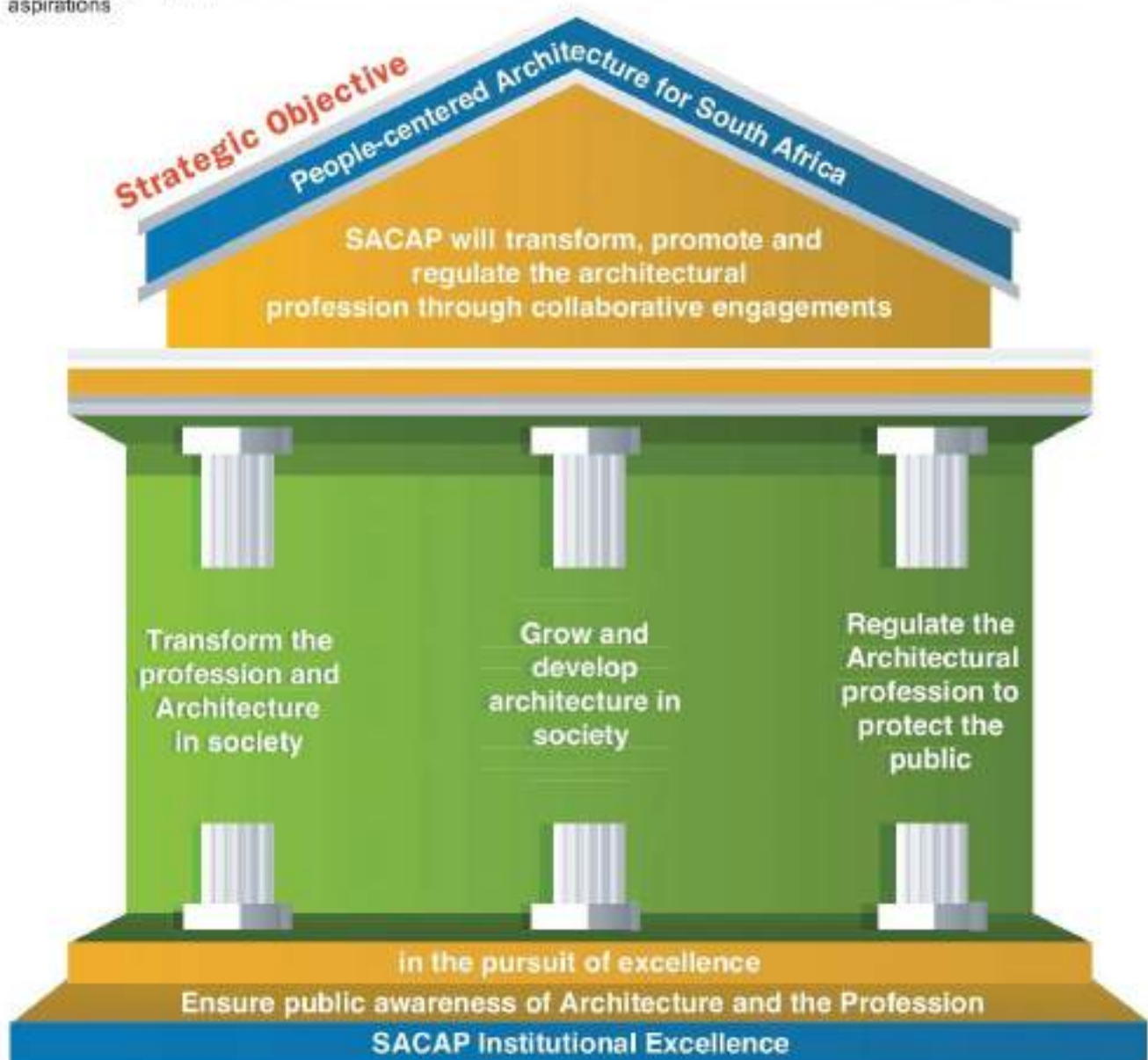
Responsibility: being accountable for our decisions and actions

Excellence: promoting high standards

Integrity: ethical behaviour, honesty and trustworthiness

Respect: ethos of dignity, tolerance and consideration

Transparency: appropriate disclosure of information and open debate
Cohesiveness: shared, coherent values and aspirations



Legislative and Other Mandates

The Architectural Profession was regulated under the Architects Act No. 35 of 1970. This Act established the South African Council for Architects on 1 March 1971. The Act remained in force for almost 30 years, though it was amended on various occasions.

The Architects Act No. 35 of 1970 was replaced by the Architectural Profession Act, 2000 (Act No. 44 of 2000). The new Act was published on 1 December 2000 and came into effect on 26 January 2001. The new Council was renamed the South African Council for the Architectural Profession (SACAP) and was established with effect from 12 September 2001.

Act No. 44 of 2000 introduced four different categories of registration, which are as follows:

- Professional Architects;
- Professional Senior Architectural Technologists;
- Professional Architectural Technologists; and
- Professional Architectural Draughtspersons.

Act No. 35 of 1970 only allowed for the registration of Professional Architects.

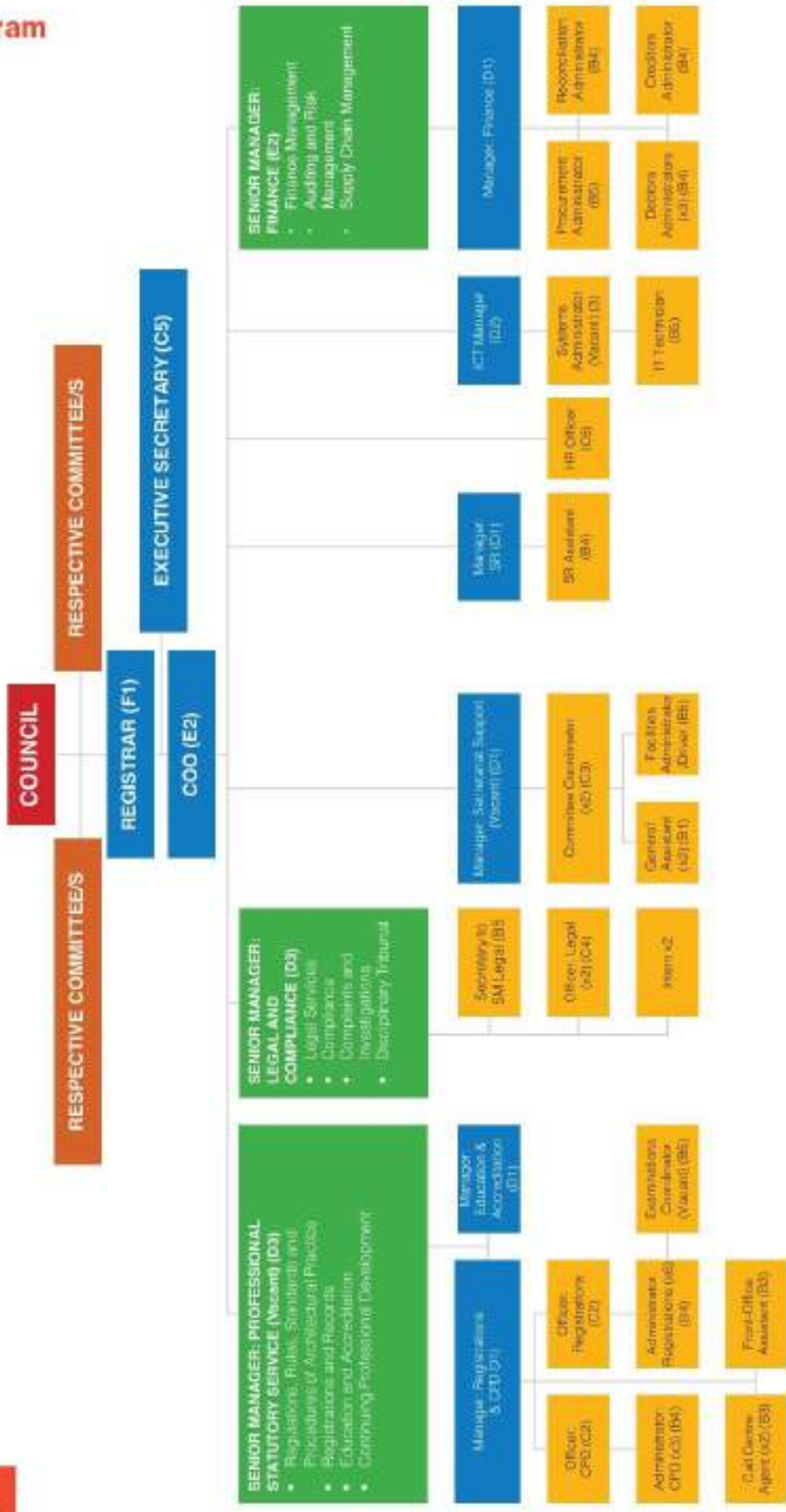
The protection of the public is intrinsic to Act No.44 of 2000. Inasmuch as the Code of Professional Conduct is applied and administered, and therefore protects the public in their dealings with Registered Persons, it equally protects Registered Persons. Furthermore, the Code of Professional Conduct reinforces the development and sustainability of the Architectural Profession as a whole, and enhances the integrity and status of SACAP's Registered Persons.

SACAP's Statutory Mandates

1. Regulate the Architectural Profession by setting standards for persons' education and training, professional skills, conduct, performance and ethics;
2. Establishment of a Standards Generating Body (SGB) and development of competency standards;
3. Register persons in professional categories who have demonstrated competency against the standards determined by the Council for the profession for the relevant categories and have passed any additional examination that may be determined by the Council for the profession;
4. Register persons who meet educational requirements in candidate categories;
5. Prescribe specified categories of registration and register persons in these categories;
6. Require Registered Persons to renew registration at intervals and under conditions that the CBE prescribes;
7. Recommend to the CBE the type of work which may be performed by persons registered in any of the categories of registration of that profession;
8. Conduct accreditation visits to any educational institution which has a department, school or faculty of the relevant Built Environment Profession and conditionally or unconditionally grant, refuse or withdraw accreditation to educational institutions and educational programmes;
9. Evaluate educational qualifications that are not accredited or recognised;
10. Enter into agreements with any person or body of persons, within or outside the Republic, with regard to any examination or qualification for the purposes of the relevant Built Environment Professions Act;
11. Develop and administer a Code of Conduct;
12. Investigate complaints and probable instances of improper conduct against Registered Persons, charge Registered Persons with improper conduct and sanction Registered Persons found guilty accordingly;
13. Determine annually Guidelines of Professional Fees and publish those fees in the Government Gazette;

14. Recognise Voluntary Associations (VAs);
15. Advise the Minister, any other Minister or the CBE, on any matter relating to its profession;
16. Take the necessary steps to protect public interest, health and safety, improve standards of professional services, and create awareness of the need to protect the environment;
17. Encourage and undertake research into matters related to its profession; and
18. Determine, after consultation with the VAs and Registered Persons, conditions relating to and the nature and extent of continuing education and training.

Organogram



Executive Management



Ms Marella O'Reilly
Registrar/CEO



Ms Barbara van Stade
Chief Operations Officer (COO)

Senior Management



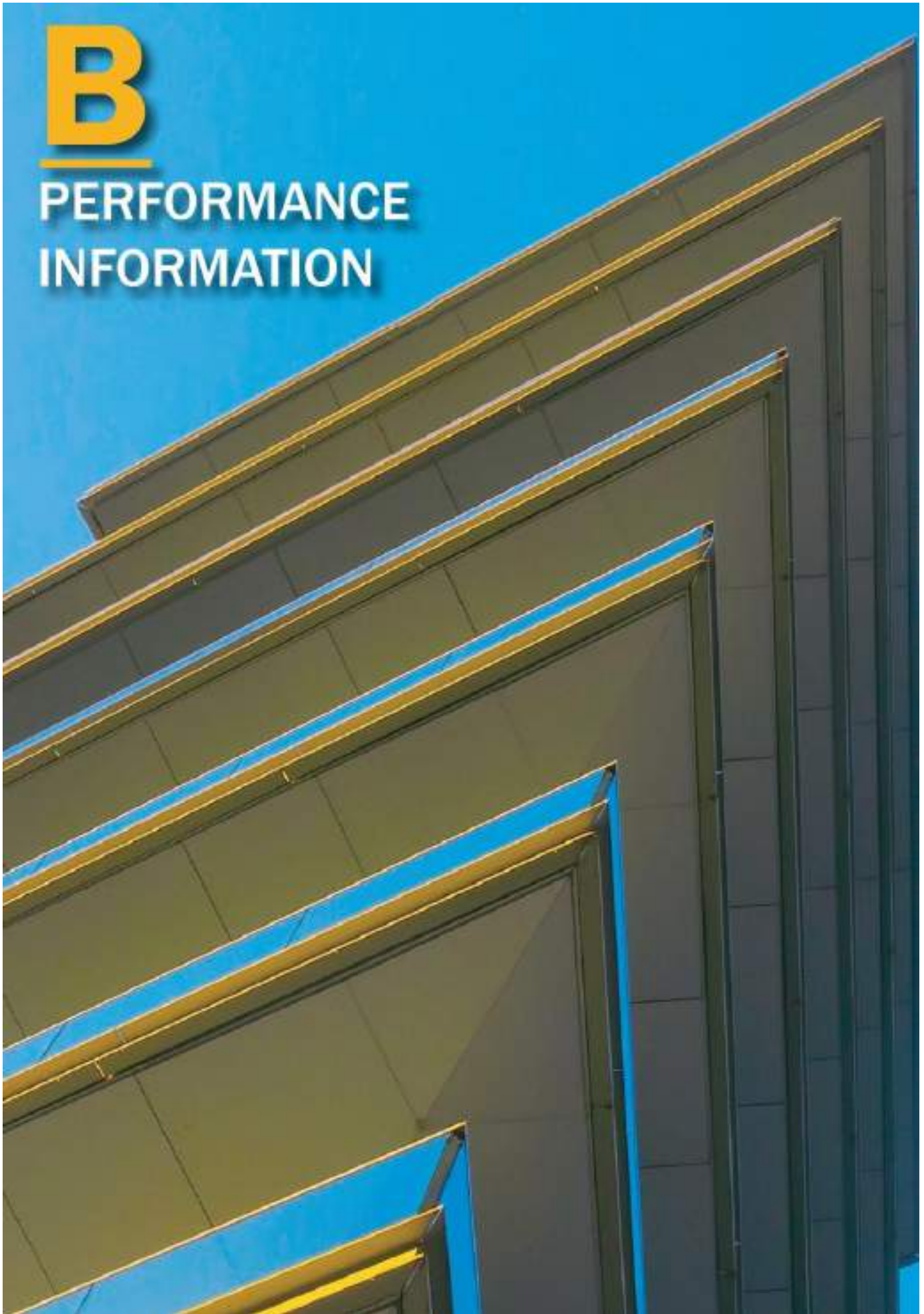
Adv. Toto Fiduli
Senior Manager: Legal and
Compliance



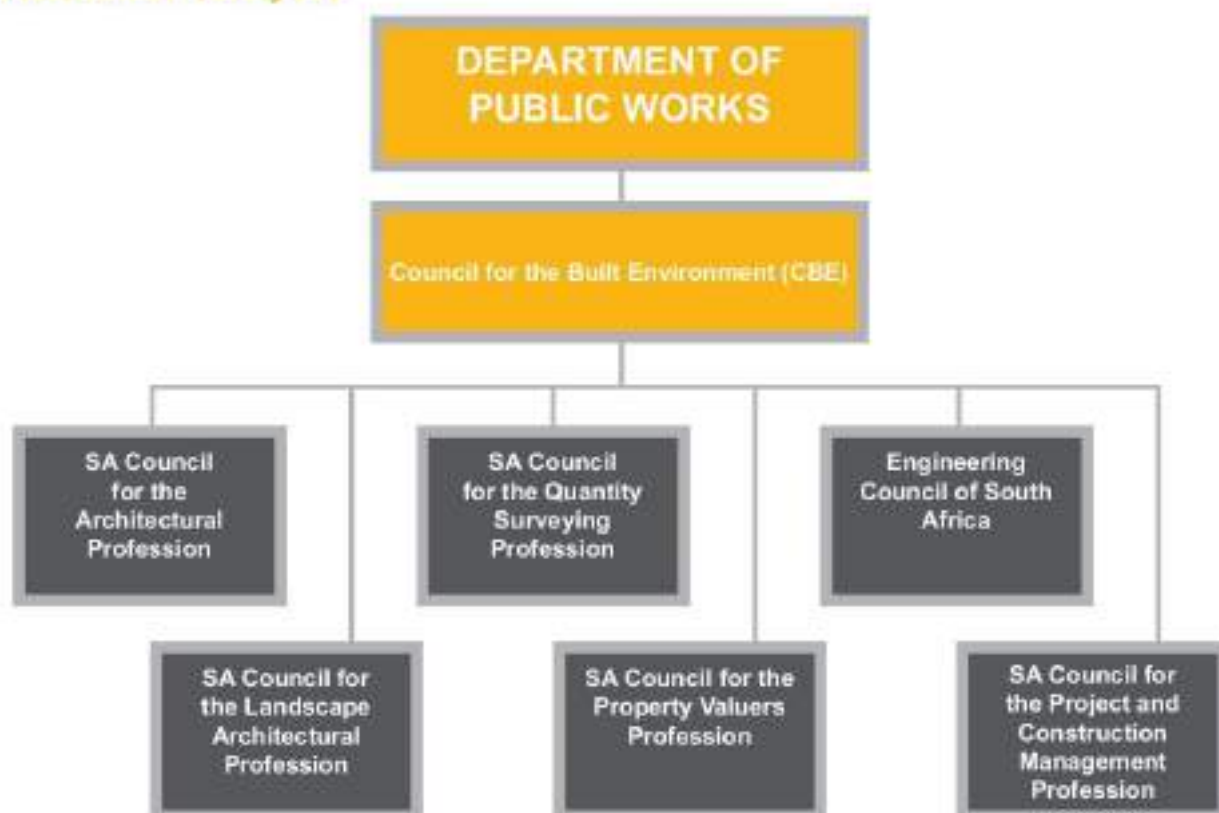
Mr Tshepo Tefo
Senior Manager: Finance

B

**PERFORMANCE
INFORMATION**



Situational Analysis



Service Delivery Environment

In the financial year 2018/19, all departments of SACAP have continued to make great strides in ensuring the implementation of the statutory mandate of SACAP as prescribed by the Architectural Profession Act. This has largely been driven by SACAP's adoption and implementation of the quarterly reports and Annual Performance Plan (APP) to manage organizational performance.

SACAP's Council and Management are satisfied that by utilizing the quarterly reports and APP methodologies, the performance of SACAP can be assessed objectively. SACAP has enhanced the operationalisation of its Strategic Organizational Plan for the period 2014 – 2019.

At the end of 2018/19 year, each strategic obligation with five programmes had performance targets and indicators set to measure performance. These indicators have been set by Council and Management and were refined in the current year.

The following initiatives were put in place to ensure that the service delivery needed for Registered Persons and the public is well-taken care of:

- Implementation of the firewall in the IT server to ensure that information is protected and stakeholders have access to SACAP;
- Creation of an online system for Monthly Training Record (MTR) submissions;

- Drafting of a Procurement Policy and the appointment of a Procurement Officer in order to mitigate the risk of fraud and financial misconduct;
- Review of all the policies to ensure that all activities of SACAP are implemented in accordance with approved policies; and the
- Implementation of the revamped newsletter. The aim of the publication is to ensure that our stakeholders are kept abreast of the developments within SACAP; encourage and promote interactions and the sharing of ideas and information between industry professionals.

SACAP also made great strides in its turn-around strategy and restructuring efforts and the development of identified transformation programmes. Such improvements in operational efficiencies naturally placed a great demand on the Council (and the committees that each Councillor chairs) to resolve on all arising matters – ideologically and practically.

This is an indication of an entity fully engaged in holistic transformation.

On 27 July 2018, Dr Yashaen Luckan was voted out as the fourth Term Council President and Mrs Letsabisa R Shongwe née Lerotholi was elected to serve the remainder of the period as President of the fourth Term Council. This was necessitated by various complaints of maladministration and financial misconduct under the leadership of Dr Luckan.

The Identification of Work Policy remains a challenge in the period under review. However, on 14 December 2018, SACAP submitted its recommendations on the Scope of Work for each category of registration for Registered Persons to the CBE for consideration after extensive consultation with stakeholders. The CBE is enjoined to consult with the Competition Commission prior to determining the scope of work for each category of registration for Registered Persons.

Professional Fees Guidelines remained a challenge in the period under review. The Fees Committee took a short-term decision to work on publishing Interim Professional Fees Guidelines. The Committee requested the South African Institute for Architects (SAIA) Fee Benchmarking Survey to develop the 2019 Interim Professional Guidelines Fees for the Architectural Profession. The information has been received. The Committee is working on appointing an economist who will assist to use the Fee Benchmarking Survey information to prepare the Interim Professional Fees Guidelines.

In the long term, the Committee intends to publish the final Professional Fees Guidelines. The Committee intends to conduct cost survey research across the profession. Voluntary Associations, and Architectural Practices will partake in the survey. In addition, research will be undertaken on salaries of various professionals across all disciplines.

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

Key policy developments and legislative changes

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

Meanwhile, the development of SACAP's transformational policies remains an ongoing process and of great importance. The RPL programme is the Council's key transformation strategy which will significantly change the complexion of the Architectural Profession Landscape and aims to increase the representation of PDIs by race and gender on the register. Other transformational programmes include Women in Architecture South Africa (WASA) which actively addresses the decolonisation of education calls. SACAP's established RPL policy gave rise, this year, to the development and announcement of the online RPL self-assessment platform.

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

Strategic outcome-orientated goals of the Council

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| STRATEGIC GOAL 1 | Transform the Profession and Architecture in society (collaboration) |
| Goal statement | Increase demographic representation of historically disadvantaged groups and that of women in the architectural profession |
| Link to national outcome(s) | <ul style="list-style-type: none"> • Decent employment through inclusive growth • An efficient, competitive and responsive economic infrastructure network • Responsive, accountable, effective and efficient local government • Protect and enhance our environmental assets and natural resources • Quality based education • A skilled and capable workforce to support an inclusive growth path • A diverse, socially cohesive society with a common national identity |
| STRATEGIC GOAL 2 | Grow and develop Architecture and the Profession |
| Goal statement | Increase membership, determine and publish the IDoW, publish the fees schedule. |
| Link to national outcome(s) | <ul style="list-style-type: none"> • Decent employment through inclusive growth • An efficient, competitive and responsive economic infrastructure network • Responsive, accountable, effective and efficient local government • Protect and enhance our environmental assets and natural resources • A skilled and capable workforce to support an inclusive growth path • A diverse, socially cohesive society with a common national identity |
| STRATEGIC GOAL 3 | Regulate the Architectural Profession to protect the public |
| Goal statement | Regulate the profession to protect the public. Protecting the public is an objective derived directly from SACAP's mandate. |
| Link to national outcome(s) | <ul style="list-style-type: none"> • Protect and enhance our environmental assets and natural resources • A comprehensive, responsive and sustainable social protection |

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| STRATEGIC GOAL 4 | Ensure public awareness of Architecture and the Profession |
| Goal statement: | Promote the architectural profession |
| Link to national outcome(s) | <ul style="list-style-type: none"> • Quality basic education • Decent employment through inclusive growth • A skilled and capable workforce to support an inclusive growth path • An efficient, competitive and responsive economic infrastructure network • A diverse, socially cohesive society with a common national identity |

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| STRATEGIC GOAL 5 | SACAP institutional excellence |
| Goal statement: | Implement processes and systems to ensure the smooth functioning of SACAP |
| Link to national outcome(s) | <ul style="list-style-type: none"> • Decent employment through inclusive growth • Vibrant, equitable, sustainable rural communities contributing to food security for all • Sustainable human settlements and improved quality of household life • Responsive, accountable, effective and efficient local government • Protect and enhance our environmental assets and natural resources |

Performance, Information by Programme

PROGRAMME 1 : TRANSFORMATION

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

Goal Statement/Objective : Increase demographic representation of historically disadvantaged groups and that of women in the architectural profession.

Purpose of the Programme

The aim of this programme is collaborating with other stakeholders in order to transform the profession and architecture in society. Through a number of transformation programmes such as the RPL, WiASA and the NASF, SACAP strives for collaboration with ALS, Voluntary Associations (VAs) and Registered Professionals (RPs) in order to achieve these goals and will assist the profession to transform the local and global built environment.

The fifth programme, namely; Institutional Excellence, addresses SACAP's own transformation in all spheres. SACAP's Stakeholder Engagements programmes enables all of the above.

Key Performance Indicators, Planned Targets and Actual Achievements

| | PROGRAMME PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2018/19 | PLANNED TARGET 2019/20 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2018/19 | LONG-TERM STRATEGIC PLAN TARGETS 2019/20 | COMMENT ON DEVIATION |
|-----|--|---|---|--|---|--|
| 1.1 | Increased representation on the level of registration within the PDI, including race and gender. | Total of 577 new registrations for 2018/19 financial year. Registration of PDIs increased by: Black 212 Coloured 60 Indian 54 | Grow representation with regards to PDI individuals as represented by different race and gender groups. | SACAP does not have a research unit. | Approval and implementation of Amnesty for 'Removed' persons. | Targeting persons that were previously registered, but had their registration cancelled due to non-payment will grow the register. |

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| | | The Professional Practice Examination (PPE), a chance for candidates professionals to upgrade their registration categories to professionals, increased from twice a year to three times a year. | The appointment of an Education Co-ordinator to assist with the increased volume of registration. | | To ensure the continued operational logistics of the PPE and the continued quality of the new registration. | The PPE increased from 2 to 3 times a year. |
| 1.2 | Availability of an Integrated Transformation Strategy and Implementation Plan. | <p>SACAP approved three independent institutions for the delivery of Architectural programmes.</p> <p>Call for nominations to serve as a committee member on the WiASA has been put out.</p> <p>Strategies will be implemented on increasing the number of women in the Architectural Profession.</p> <p>SACAP, together with NASF, showcased the registration of the Student Chapter at the AZA2018 event.</p> <p>As part of the Career Outreach Programme, SACAP partnered with the DPW and made a formidable team in promoting the architectural profession to underprivileged schools.</p> | <p>SACAP plans to continue to work with the independent institutions to further increase the number of ALS that cover architectural programmes.</p> <p>SACAP plans to facilitate a full campaign of promoting the Student Chapter with the slogan You Catch Them Young; You Have Them For Life and working together with RPs and VAs will encourage the Architectural Students at the ALSs to, in future, be affiliated with the Council.</p> <p>The WiASA committee to implement strategies that will assist in addressing the current inequality facing the architectural profession by attracting young women to venture into the profession.</p> <p>SACAP to partner with young architectural professionals/ students from the ALSs when promoting the profession to learners.</p> | | To ensure that more independent institutional programmes are approved and registered. Encourage and collaborate with RPs, keeping them involved as a key enabler for SACAP to achieve its objectives. Implementation of devised approved programmes. | |
| 1.3 | Implementation of the RPL programme enabling SACAP-registered professionals from HD groups (specifically women) to upgrade their registration designation. | 205 Applications for Phase 1: Self-Assessment were received. These can be broken down as follows: Upgrading from: PAD to PAT – 60 PAT to PSAT – 44 PSAT to PrArch- 101 In addition, five (5) applicants will complete Phase 2: Authentication in March 2019. | Phase 2 of the RPL will be conducted which will include an assessment panel review of the portfolios of the applicants from Phase One. | The online application system for the RPL Phase 1 faced a few technical errors that needed to be rectified. | To complete the Phase 2 process and ensure that members are upgraded to the specific category designation that they applied for. | The technical errors have been sorted out and Phase 1 of the RPL phase can continue. |

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| 1.4 | Development of an Architectural Student Register. | The category of registration as a student was developed and rolled-out to students. Only one (1) student registered during this period. | To increase the student registration through increasing the knowledge of the student registration category at the ALSs. | Lack of awareness caused a limited registration of students with SACAP through the student portal. | To embark on a national roadshow with the Stakeholder Relations and Registration departments to increase the awareness of the student categories of registration. | The national roadshow at the ALSs will increase the awareness of the student registration categories. |
| 1.5 | Development of a special programme to encourage the re-entry and rise of women in Architecture. | WIASA was registered as a SACAP trademark. A WASA Committee to be appointed. | WIASA committee to develop strategies that will ensure that SACAP has an entity to advocate for interests of female architectural RPs. Develop strategies that will make the Architectural Profession attractive to female learners. | Out of 2 724 females, only six (6) women expressed interest in forming part of the WIASA committee. | WIASA Programme: Advocating for Women in Architecture and making the profession attractive to female learners. | In progress. |

Strategy to overcome areas of underperformance

- Increased awareness through roadshows.
- Assisting of students from ALSs to register as architectural students.
- Ensure effective student registration guidelines.

Changes to Planned Target

- Increase the awareness of the profession at school level by an increased awareness at Open Days

Linking Performance with Budgets

- The programme budget increased by 6% from the previous financial year in order to invest in the delivery of transformation programme mechanism.

PROGRAMME 2: GROWTH

Strategic Goal: Grow and develop architecture and the profession

Goal Statement/Objective: Increase membership, determine and publish the IDoW, publish the Fees Schedule

Purpose of the Programme

The strategic objective of this programme is to retain and grow the profession and to develop people-centred architecture. The public's safety is ensured by the registration and development of Registered Professionals through activities such as the Continuing Professional Development (CPD). Through the identification of clear areas of competencies and appropriate market-related fee guidance for the public, SACAP can assist in the appointment of the correct architectural professional, at the correct fee. This is done through engagements with collaborating stakeholders in a way that does not contravene the Competitions Act.

Key Performance Indicators, Planned Targets and Actual Achievements

| | PROGRAMME PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2018/19 | PLANNED TARGET 2019/20 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2018/19 | LONG-TERM STRATEGIC PLAN TARGET 2019/20 | COMMENT ON DEVIATION |
|-----|--|---|--|---|---|----------------------------|
| 2.1 | Keep an up-to-date and accurate register of Registered Persons. | Data clean-up process was undertaken to ensure correct statistics and information. Accurate and timely reporting to the Council for the Built Environment (CBE) on a quarterly basis. Submission of data to SAQA in accordance with their requirements. | Further enhancement of the online system, in particular the MTR system. | None | Streamlining of the database Further development of the MTR system to include reporting facilities. | |
| 2.2 | Grow the register of (candidates and professionals) | Total of 577 New registrations for 2018/19 Financial year: Black 212 Coloured 60 Indian 54 White 251 | 11 500 Registered Persons. | The total number of Registered Persons – 10 638. Registration of 768 persons suspended due to non-payment of annual fees in December 2018. | Implementation of Amnesty Initiative to re-register at least 1 500 Professionals and 450 Candidates. | 10 638 Registered Persons. |
| 2.3 | Publication of the IDoW | Recommendations prepared and submitted to the CBE. | Gazetting IDoW | Awaiting CBE to review. | | |
| 2.4 | Determine the recommended Fees Guideline Framework. | Draft prepared. Awaiting finalization. | Publications of Interim Fees Guidelines. | None. | Annual Publication. | |
| 2.5 | Redress for Historically-Disadvantaged Individuals (HDI) Registered Professionals. | RPL system enhanced. 131 Applications received for Phase 1: Self-Assessment. Phase 2: Authentication of first 11 applicants to be finalized in March 2019. | Five (5) Professionals to finalize Phase 2 of RPL process in order to upgrade through the RPL. | Proposed amendments to online system resulted in a delay in the finalization of the assessments. | 20 Professionals upgraded through the RPL. | |
| 2.6 | Effective and efficient validation of ALS's. | SACAP completed its last validation visit for the 4th Term Council in 2018, the Validation Protocols and procedures are currently under review to ensure that going forward the validation processes will be a smoother task. | To complete the final draft of the Validation Protocols and have it ratified by Council. | | To ensure that all the ALSs' and Validation Panel members are trained in full on the new improved Validation Protocols. | Completed. |

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| 2.8 | Increase number of registration categories | SACAP has created the registration categories for the Building Inspectors. | The Registration Categories for the BCOs will be rolled out to the profession in 2019. | The development of the Building Inspectors curriculum programme took longer than expected to develop and get approved. | To register the current BCOs within the profession. | The QCTO has fine-tuned the curriculum documents and the programme is ready for approval. |
| 2.9 | Increase number of first-time registrations | 300 newly-registered Candidates. | Finalization of a further 100 new registrations before end of March 2019. | A large number of first-time applicants submit their applications without the necessary supporting documents and/or payment. Registrations could, therefore, not be finalized. | Investigate ways of ensuring submission of the required information at initial application to ensure quick turn-around time in the finalization of registrations. | 480 new registrations finalized. |
| 2.10 | Ensure effective and efficient upgrade of Candidates to Professional category. | The Professional Practice Examination (PPE), a chance for candidates to upgrade their registration categories to professionals, increased from twice a year to three times a year. | The appointment of an Education Co-ordinator to assist with the increased volume of registration. | | To ensure the continued operational logistics of the PPE and the continued quality of the new registrations. | |

Strategy to overcome areas of underperformance:

- Encourage registration of students at all validated ALS's.
- Ensure that only registered professionals practise in the architectural sector.
- Collaborate with Local Municipalities and the South African Police Service to ensure only persons who are registered in good standing practise architecture.
- Motivate and create awareness amongst Candidates to upgrade to Professionals directly after completion and meeting the requirements of their Candidacy period.

Change to Planned Targets:

- More rigorous activities aimed at growing the register.
- Public awareness to ensure that only Registered Professionals perform architectural work for the public.

Linking Performance with Budgets:

This programme aims at growing the Profession -

- in terms of the registration of Candidates and upgrading them to Professionals,
- by creating awareness of Architecture.

PROGRAMME 3: REGULATION AND OVERSIGHT OF ARCHITECTURAL PROFESSION

Strategic Goal: Regulate the architectural profession to protect the public

Goal Statement/Objective: Regulate the profession to protect the public.

Purpose of the Programme

The Council is enjoined by the Architectural Profession Act to take any steps it considers necessary for the protection of the public in their dealings with Registered Persons for the maintenance of the integrity and the enhancement of the status of the architectural profession; take any steps it considers necessary for the improvement of the standards of services rendered by Registered Persons; create an awareness amongst Registered Persons of the importance to protect the environment against unsound architectural practices; and take any steps which it considers necessary, where, as a result of architectural related undertakings, public health and safety is prejudiced.

Key Performance Indicators, Planned Targets and Actual Achievements

| PROGRAMME PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2018/19 | PLANNED TARGET 2019/20 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2018/19 | LONG-TERM STRATEGIC PLAN TARGET 2019/20 | COMMENT ON DEVIATION |
|---|---|------------------------------|---|--|----------------------|
| 3.1 Investigate all complaints received from the public against Registered Persons. Report all complaints against persons who are not registered to the South African Police Service (SAPS). | Attend to 70% of complaints of improper conduct received. 18 matters were dismissed by Council due to lack evidence of improper conduct on the part of the registered. 33 matters were referred to the South African Police Service for further investigation and prosecution due to the fact that Council has no jurisdiction on persons who are not registered. Two (2) matters concluded and (8) pleaded not guilty. 30 Registered Persons were charged with improper conduct. 26 complaints under investigation. | Attend to 80% of complaints. | None | Protection of the public when dealing with Registered Persons, for maintenance of the integrity and the enhancement of the status of the profession. Improvement of standards of services rendered by Registered Persons. | |

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| 3.2 | <p>Convene Disciplinary Tribunals as prescribed by Section 30 of the Architectural Profession Act to hear all charges of improper conduct against Registered Persons.</p> <p>Ensure efficient appeal procedures against decisions of Disciplinary Tribunal by the Council.</p> <p>Ensure publication of the findings and sanctions imposed in the Gazette.</p> | <p>Convene 70% of Disciplinary hearings for all matters referred to in Disciplinary Hearings.</p> <p>64 matters adjudicated at the Disciplinary Tribunal within this financial year.</p> <p>Four (4) pleas of guilt within this financial year.</p> | Convene 80% of Disciplinary hearings. | None | Protection of the public in their dealings with Registered Persons for the maintenance of the integrity and the enhancement of the status of the architectural profession. |
| 3.3 | Engage with Law Enforcement agencies and Municipalities to ensure that only persons who are registered and in good standing with SACAP submit building applications for approval at all Municipalities. | Conclude Memorandum of Understanding (MOU) with the SAPS, National Prosecuting Authority (NPA), the South African Local Government Association (SALGA) and Local Municipalities. | The MOU with the National Prosecuting Authority. | NPA has declined to enter into an MOU with SACAP. | <p>Create awareness amongst Registered Persons of the importance to protect the environment against unsound architectural practices.</p> <p>Creating awareness to the public that only Registered Persons can perform architectural work.</p> |
| 3.4 | Refine all investigative processes and procedures to ensure that all complaints are resolved with a reasonable time. | Investigation Procedures reviewed and published. | Review the Sanction Guidelines and Code of Professional Conduct. | None | Efficient and effective investigation methods |
| 3.5 | <p>Conducting workshops to Registered Persons about the Architectural Profession Act, Code of Professional Conduct and all regulations in the profession.</p> <p>Publication of Rule 4.1 'Terms of appointment' and ensuring that Registered Professionals do not undertake to perform architectural work without setting out the terms of appointment in writing.</p> | <p>Presented papers on the Rules of the Profession at conferences, workshops and the Voluntary Association Forum.</p> <p>The Code Of Conduct was workshopped to 10 events.</p> <p>'Terms of appointment as prescribed by Rule 4.1 have been published.</p> <p>Practice notes were published.</p> | Present papers on the Rules of the Profession at conferences, workshops and Voluntary Association Forum. | None | <p>Collaboration with stakeholders such as Voluntary Associations, and built environment councils to ensure better regulation of the profession.</p> <p>Educate the public and Registered Persons about standards expected from Registered Persons.</p> |
| 3.6 | <p>Review and publish the Code of Professional Conduct for Registered Persons (Board Notice 154 of 2009).</p> <p>Publication of the sanction guidelines in terms of Section 32 (3) (a) of the Act.</p> | <p>Consulted and received comments from Voluntary Associations on the revision of Board Notice 154 of 2009.</p> <p>Code of Professional Conduct Committee appointed to review the Code of Professional Conduct and the appropriate sanction guideline. Sub-committee was appointed to review the draft</p> | Implementation of the Code of Professional Conduct and the Sanction Guidelines. | None | Ensure that the Code of Professional Conduct is current and that it addresses all the mischief as a result of the improper conduct of Registered Persons. |

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| 3.7 | Collaboration with Local Municipalities, Building Control Officers and the SAPS to protect the public and ensure that the standards of services rendered by Registered Persons is of good quality | Entered into an MOU with 3 Local Municipalities to ensure that only persons who are registered submit applications. Building Control Officers will be registered in the architectural profession under a specified category. | 50% of Municipalities should have signed the MOU. Regulation of Building Control Officers. | None | Collaboration with stakeholders such as Voluntary Associations, and built environment councils to ensure better regulation of the profession. |
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Strategy to overcome areas of underperformance

- Continuing engagement with the South African Police Service to improve the successful finalization of all matters against persons who are not registered referred to them.

Change to Planned Targets

- The Legal and Compliance department is currently not adequately capacitated to investigate all complaints and prosecute Registered Persons charged with improper conduct. In addition, assist the South African Police Service to finalize all matters against persons who pass themselves as Registered Persons to unsuspecting members of the public when they are not.

Linking Performance With Budgets

- Investigation of complaints and undertaking Disciplinary Tribunals constitute the biggest budget drivers within SACAP as the protection of the public is one of the key mandates of SACAP. More resources are required to employ investigators and prosecutors to enable SACAP to effectively protect the public, architectural profession and the built environment.

PROGRAMME 4: STAKEHOLDER ENGAGEMENT

Strategic Goal: Ensure public awareness of Architecture and the Profession

Goal Statement/Objective: Promote the Architectural Profession

Purpose of The Programme

The strategic objective of the Stakeholder Engagement Programme addresses positive engagement with the architectural profession and the public at large. This will lead to a well-informed Architectural Profession stakeholder base and ensure collaboration for the realisation of SACAP's vision, mission and regulatory mandates.

Regular contact and consultation with SACAP's stakeholder base through various platforms creates a spirit of collaboration between those who can influence transformation. Informing all those who could potentially access the inherent value offered by the Architectural Profession is achieved through creating awareness amongst the general public.

Stakeholder engagement further aims to educate school-leavers and students about the profession and the mandate of SACAP. This ensures that the profession attracts historically-disadvantaged persons. The programme also safeguards SACAP's integrity in the public domain because it aims to attract historically-disadvantaged persons.

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

Key Performance Indicators, Planned Targets and Actual Achievements

| | PROGRAMME PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2018/19 | PLANNED TARGET 2019/20 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2018/19 | LONG-TERM STRATEGIC PLAN TARGET 2019/20 | COMMENT ON DEVIATION |
|-----|---|---|--|---|---|---|
| 4.1 | A comprehensive Stakeholder Relations Strategy and Communication Plan for the public entity in alignment with the 4th Term Council's Transformation objectives | Draft policies have been developed to mitigate risk, protect its reputation and also protect the brand. Developed policies are awaiting Council's approval. | Develop and implement the Stakeholder Relations Strategy and Communication Plan. | | SR Strategy and Communication Plan to be implemented. | |
| 4.2 | Creates open and active communication platforms that reach key stakeholders and deliver SACAP's regulatory information and news of the 4th Term Council's activities to all stakeholders. | Ongoing regular communication activities via the following platforms: 1. Website Update 2. Newsletter from the Registrar's Desk 3. Editorials in traditional media (Print, online, radio and television) | Explore USSD and podcasts | None | Skype, webinars, podcasts and USSD to be presented. Development of a corporate animation video. | Achieved, developed strategic partnership (Inc. Media) to raise awareness of SACAP regulatory requirements. |

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| 4.3 | Implement Stakeholder Engagements as per Stakeholder Relations Strategy and Activity Plan. | <p>Sponsorship of special events attended by Built Environment candidates and professionals with emphasis on architecture and the Professional Code of Conduct.</p> <p>Presence at career and industry expos and participation at CSI (Corporate Social Investment) events. Career Expos - 11 Industry Expos - 10 CSI events - 2</p> <p>SACAP sponsored nine (9) events, some of the events were hosted by VAs. Direct engagements with VAs. Two (2) workshops were attended by the VAs.</p> | <p>SACAP to implement its own flagship events for purposes of stakeholder engagements in order to build its own brand.</p> <p>Directly engage stakeholders in the Built Environment to maintain and further build constructive relationships in order to achieve SACAP strategic objectives.</p> | None | <p>Stakeholder engagements to be guided by Stakeholder Relations Strategy and Communication Plan.</p> <p>An approved Stakeholder Relations and Communication Strategic Plan will provide targets for additional specific outcomes</p> | |
| 4.4 | Promote Corporate Identity (CI) across all platforms, in line with the vision of a people-centred architecture | Stakeholders can now identify SACAP with our new CI. | <p>To continuously rollout the SACAP CI to internal and external stakeholder.</p> <p>CI Manual to be constantly used so that the brand is applied consistently.</p> | None | | |
| 4.5 | Ensure that SACAP's Quarterly Report and Annual Report published is accordance with Council for the Built Environment's template, including the Annual Performance Plans for Council for the Built Environment Profession Councils. | Stakeholders can now identify SACAP with our new CI. | <p>To continuously rollout the SACAP CI to internal and external stakeholder. CI Manual to be constantly used so that the brand is applied consistently.</p> | None | To develop the SACAP online flip page for the Annual Report for easy reading. | |

Strategy to overcome areas of underperformance

- Stakeholder and Communication Strategy to address all our stakeholders and the public at large.
- Impactful activities to realise increased awareness of the architectural profession.

Change to Planned Targets

- Achieving penetration in a dynamic market is challenging with resource and budget constraints. Notwithstanding the increase in the budget, the public awareness mandate is hampered by ever-increasing market-related costs.

Linking Performance with Budgets

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

PROGRAMME 5: INSTITUTIONAL EXCELLENCE

Strategic Goal: SACAP Institutional Excellence

Goal Statement/Objective: Implement processes and systems to ensure the smooth functioning of SACAP

Purpose of the Programme

The strategic objective of the Institutional Excellence Programme is to implement processes and systems to ensure the smooth functioning of SACAP. As excellence is determined by the acceptance of Registered Persons of the Council's legitimacy, the programme includes various initiatives to establish the legitimacy of the Council to fulfil SACAP's mandates. Excellence mainly encompasses internal operations and their respective desired outcomes. The intended outcome is effective governance and processes, skillful and driven staff, adequate IT capability and efficient service delivery.

Performance Indicators And Their Corresponding Long-Term Targets

| | PROGRAMME PERFORMANCE INDICATOR | ACTUAL ACHIEVEMENT 2018/19 | PLANNED TARGET 2018/19 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2018/19 | LONG-TERM STRATEGIC PLAN TARGET 2020/21 | COMMENT ON DEVIATION |
|-----|--|---|--|--|--|---|
| 5.1 | Ensure that all applications and registrations, re-registrations, and annual fees are paid within the prescribed timeframe. | The following amount was collected for annual fees R31 125 681 vs the invoiced amount of R32 664 603, which mean 95% was achieved. For all the other revenue, R2 665 588 was collected vs invoiced revenue of R3 391 476, meaning 84% was achieved. | To collect all monies due to SACAP | Collection of annual fees – 5%. Collection of other revenue – 16%. | To collect 100% fees dues for annual fees as well as all the other revenue due. Have a Revenue Collection Plan. | A more robust approach to be adopted in the coming year to ensure that fees are collected timely. This will be done through sending reminders on a weekly basis to RPs once annual fee invoices have been issued, intermittent SMSs to be sent out and calls to RPs who have outstanding amounts due. This will be within the 60 days to ensure that more revenue is collected. |
| 5.2 | Ensure performance management of all staff of SACAP to improve both individual and organizational performance by identifying performance requirements, providing regular feedback and assisting the employees in their career development. | All employees signed Performance Agreements for 2018/2019 financial year. Performance Reviews were completed in October 2018 for the 1st semester of the financial year. | Performance Agreements to be signed by all employees by end of April 2018 for the 2018/2019 financial year. Bi-annual Performance Reviews, 1st reviews by end of October 2018 and 2nd reviews by end of March 2019. | None | Realistic targets to be set between line managers and employees based on the re-evaluated job descriptions from the salary benchmarking. | Ongoing. |

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|-----|--|---|--|--|--|---------------------|
| 5.3 | <p>Obtain a clean audit or unqualified audit on three aspects: the financial statements with no material misstatements, no material findings on the Annual Performance Report and lastly, no material findings on non-compliance with key legislation.</p> | <p>Audit for 2018/19 has been performed.</p> | <p>A clean audit and no material findings and/or repeat findings to be avoided.</p> <p>Constant adherence to legislation.</p> | <p>No deviation.</p> | <p>Continue with having clean audits and this will be achieved by up-to-date records, reviews of information captured, and aligning processes to policies.</p> | |
| 5.4 | <p>Ensure good corporate governance in line with policies and procedures of SACAP. Fostering accountability, fairness, transparency, inclusivity and effectiveness and efficiency.</p> <p>Compliance with all regulatory requirements. Effective record-keeping.</p> | <p>Policies workshopped with employees to promote transparency and understanding of what is required of them.</p> <p>Progressive discipline instilled to ensure that employees adhere to policies and procedures. Two (2) executive managers suspended.</p> <p>Disciplinary hearings for accountability noncorporate governance and not adhering to policies in progress.</p> <p>Clean audit for UIF in January 2019. Research is done on an ongoing basis to keep up-to-date with regulatory requirements.</p> <p>Employee files are upto-date. Payroll reports are signed and filed on a monthly basis.</p> | <p>Review of the HR Manual.</p> <p>Compliance with all government Acts that has to do with employer and employee. Keep record of employees and payroll</p> | <p>None</p> | <p>Monthly meetings with employees to promote accountability, fairness, transparency and inclusivity between managers and employees.</p> | <p>Ongoing.</p> |
| 5.5 | <p>Website Revamp to promote SACAP to all stakeholders. Increase knowledge about SACAP.</p> <p>Maintain communication with all Registered Persons and all key stakeholders.</p> <p>Easy access to information on the website.</p> | <p>Website was redesigned to align with our new Corporate Identity Brand Strategy and a clean, elegant, user-centric design.</p> | <p>Improvement of site navigation and usability in progress</p> | <p>None</p> | <p>Effective use of the site by all RPs</p> | <p>Ongoing.</p> |
| 5.6 | <p>An effective online RPL web portal system for all Registered Persons who wish to apply</p> | <p>Re-alignment of outcome of Phase 1 RPL self assessment identified and attended to.</p> | <p>Re-aligned self-assessment implemented.</p> | <p>None</p> | <p>Maintenance and enhancement of the self-assessment portal</p> | <p>Ongoing.</p> |
| 5.7 | <p>Secure Network system.</p> | <p>System upgrade not completed, still awaiting Council resolution</p> | <p>To implement a new refreshed server infrastructure</p> | <p>Awaiting Council approval for the tender.</p> | <p>To maintain and support the server infrastructure.</p> | <p>In progress.</p> |
| 5.8 | <p>YourMembership system (YM) Offline Sync Backup</p> | | <p>Implemented.</p> | <p>None.</p> | <p>Continuous maintenance and support.</p> | <p>Achieved.</p> |

| | | | | | | |
|------|--|--|---|-----------------------|---|-------------------------|
| 5.9 | Verification of RPs credentials and validity of registration when submitting plans | Implementation of PrivySeal | For verification of RPs registration credentials when submitting plans at Local Authorities | Terminated by Council | | |
| 5.10 | Implementation of the POP and WSP | PDPs are done in line with the Performance Review which is bi-annually. WSP submitted to CETA in April 2018. | Submit WSP to CETA on a yearly basis. Have completed PDPs to ensure that employees' skills are upgraded for effective performance. | None | Recommend that Council approve the Study Assistance for employees to further their studies in the field that they are employed in which benefit SACAP in achieving its mandate. | Bi-annually and Yearly. |

Strategy to Overcome Areas Of Underperformance

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

Change to Planned Targets

- Budget constraints relating to the updating of IT system for improved service delivery.

Linking Performance with Budgets

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



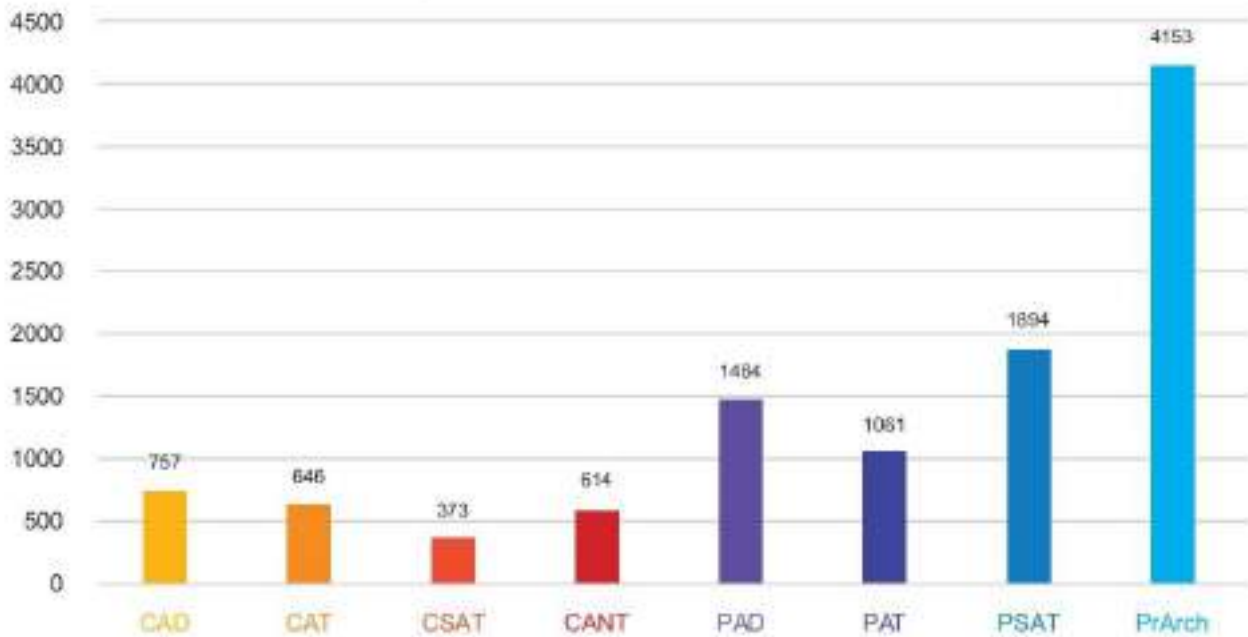
Registrations 2018/2019

Upon application for registration, all applicants are registered in a Candidate Registrations Category. The NQF level of the recognised architectural qualification that the applicant holds, determines the category of registration. Once registered all candidates must complete a pre-determined period of internship. During the period of internship candidates are required to submit Monthly Training Records. The Monthly Training Records must be verified and signed off by the Candidate's mentor. Before applying to upgrade to a professional registration category, Candidates are also required to write and pass the Professional Practice Examination.

The registrations for the 2018/19 financial year are broken down in the tables and graphs below:

Cumulative total of registered persons

As at the end of the 2018/19 financial year

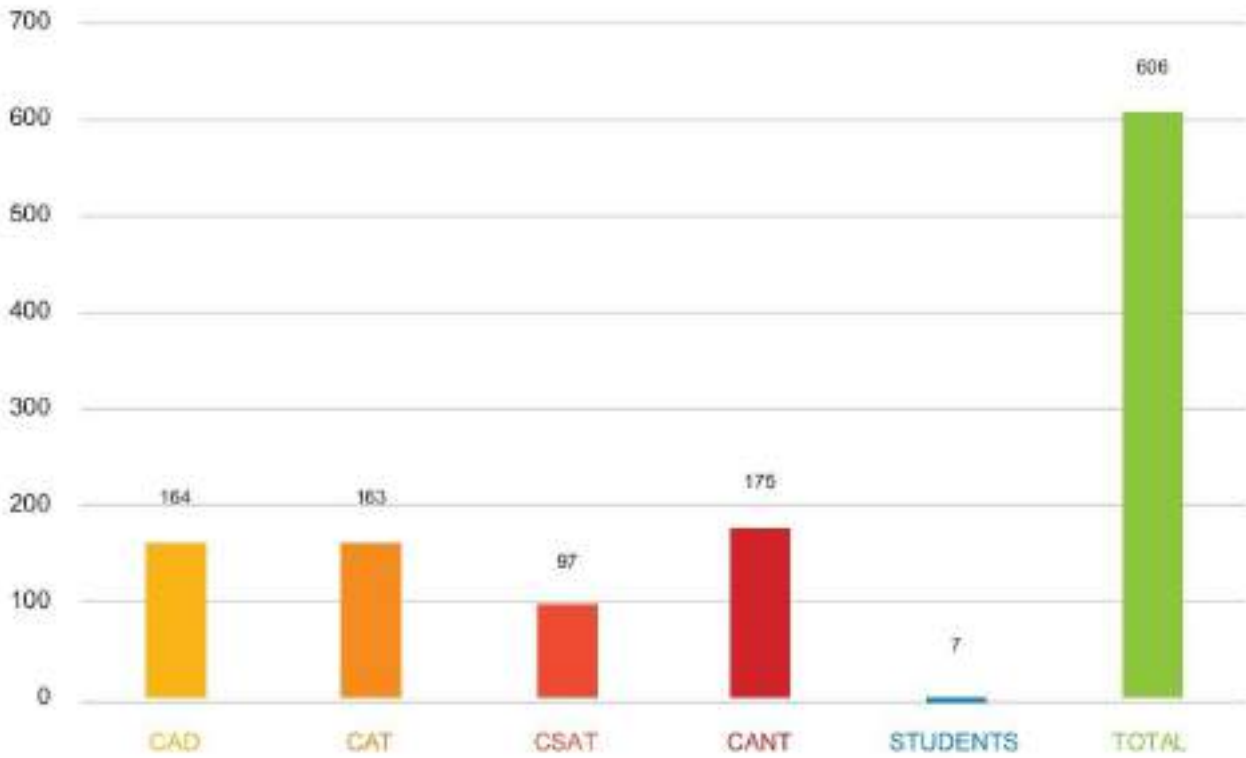


Over the last five years



NEW CANDIDATE REGISTRATIONS

By category 2018/19

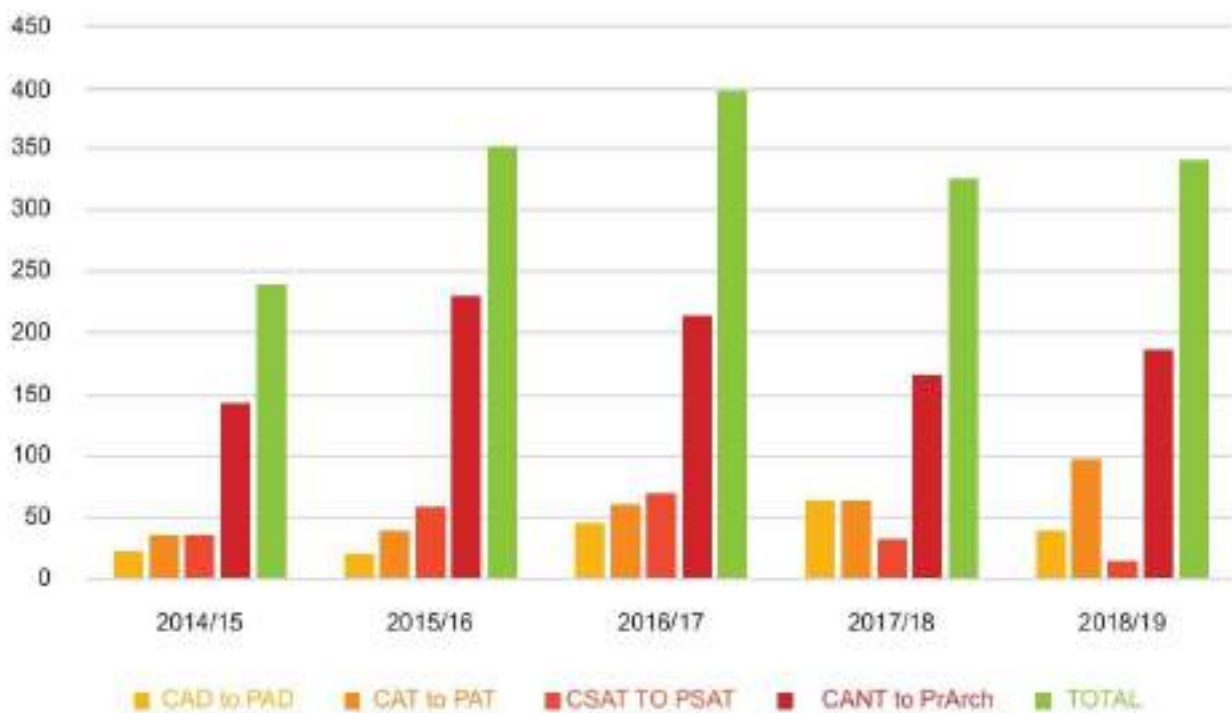
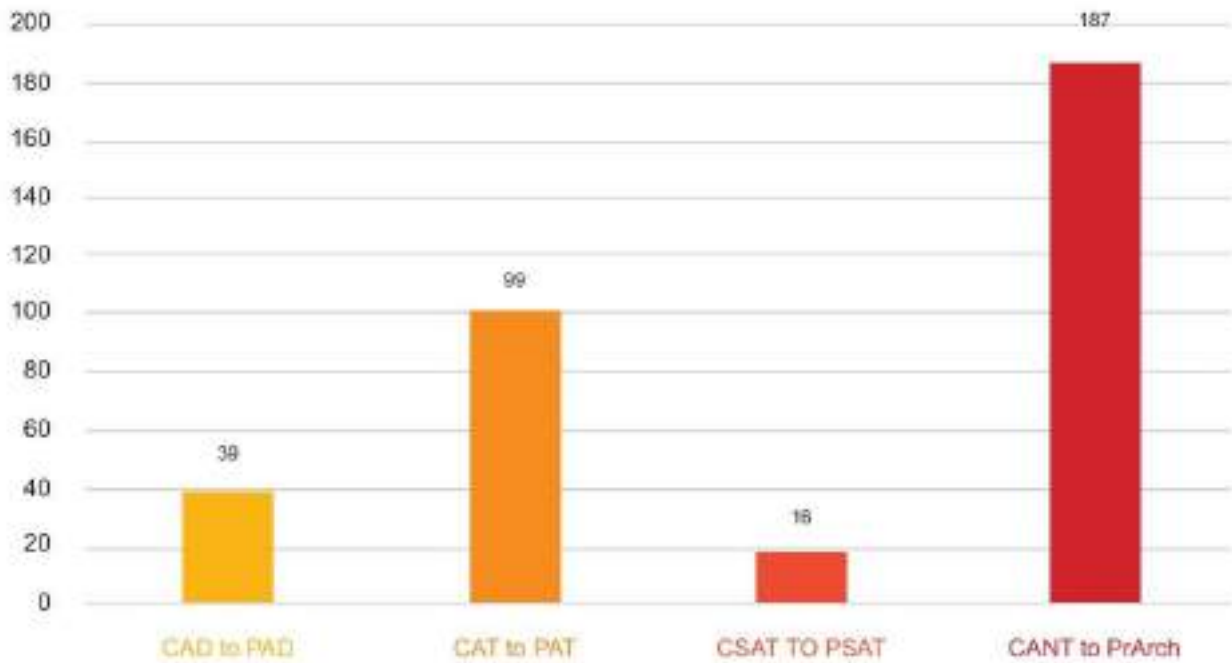


By category for the last five years

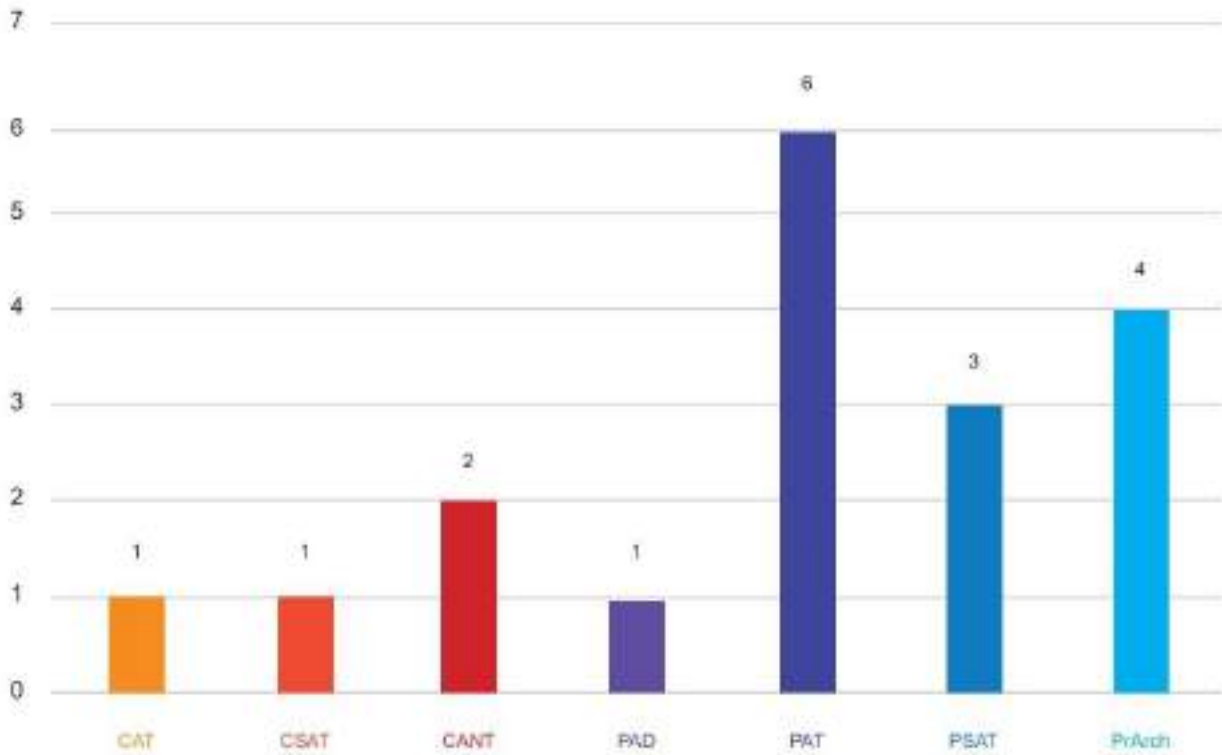


UPGRADES

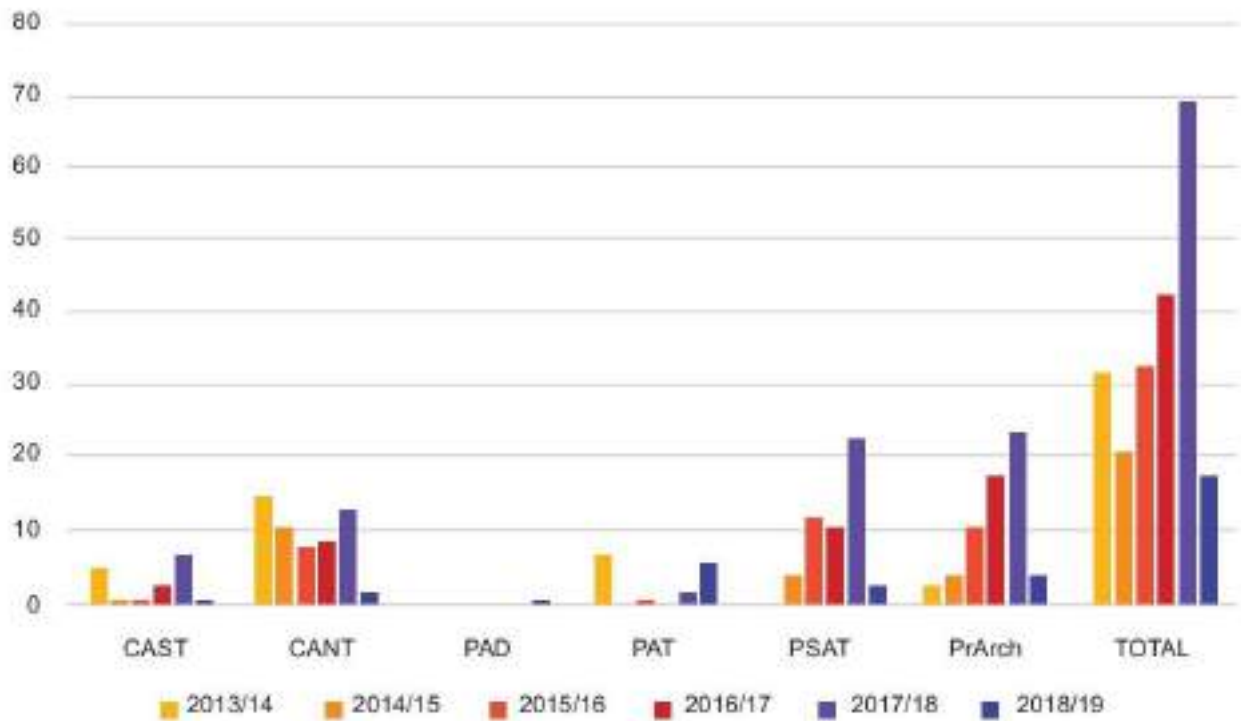
After applicant completed Candidacy and passed the PPE in 2018/19



After applicant obtained a further architectural qualification in 2018/19

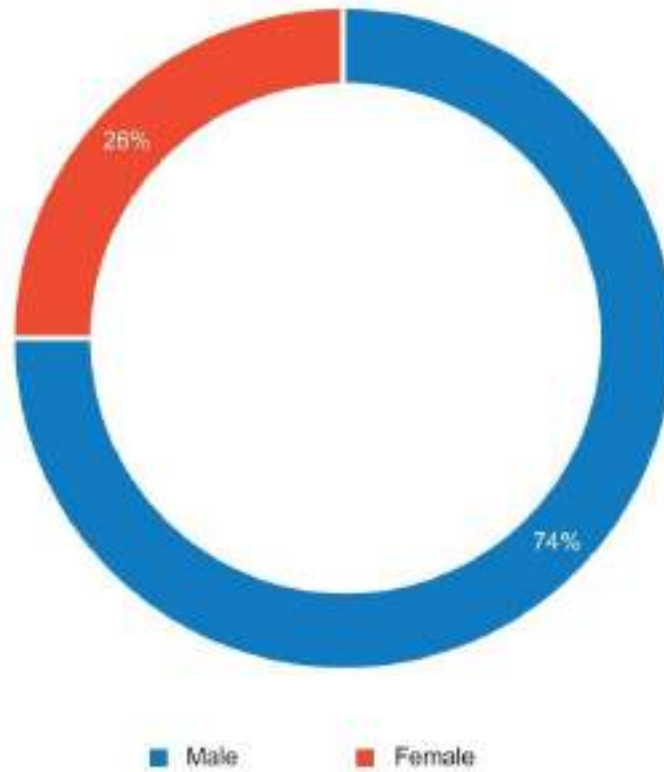


After the applicant obtained a further architectural qualification in (last five years)

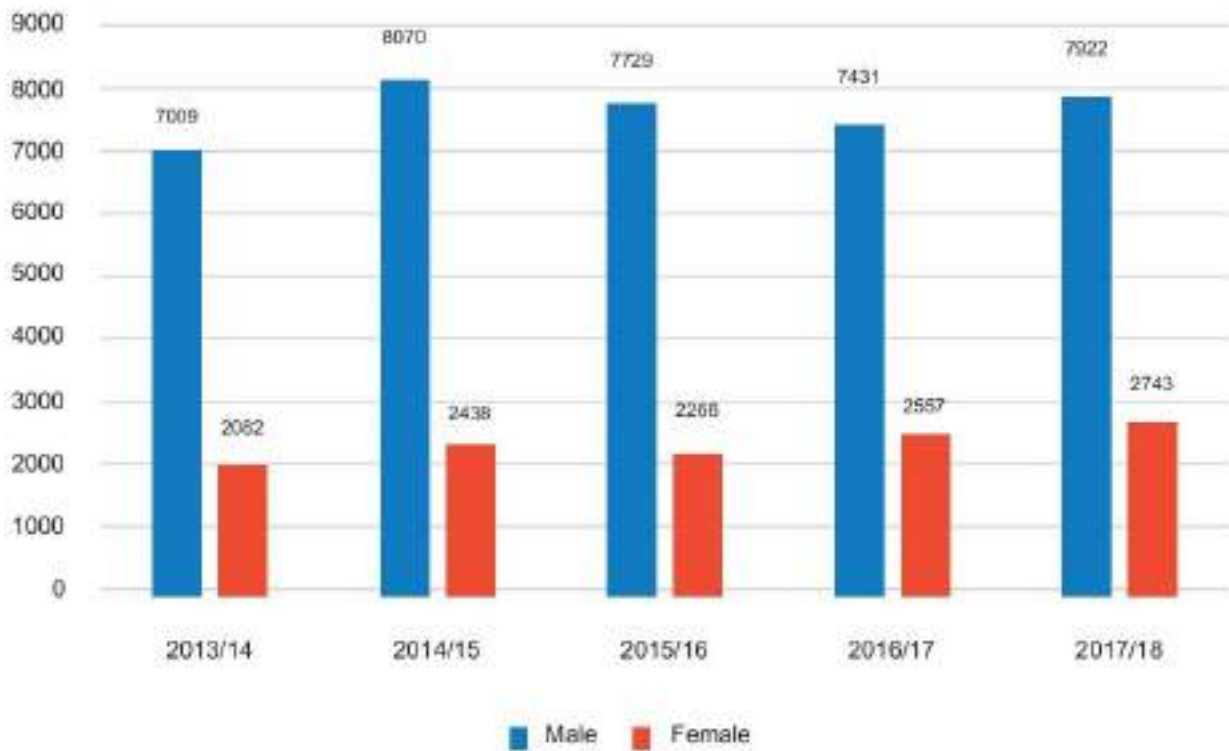


GENDER

Split of SACAP's register for 2018/19

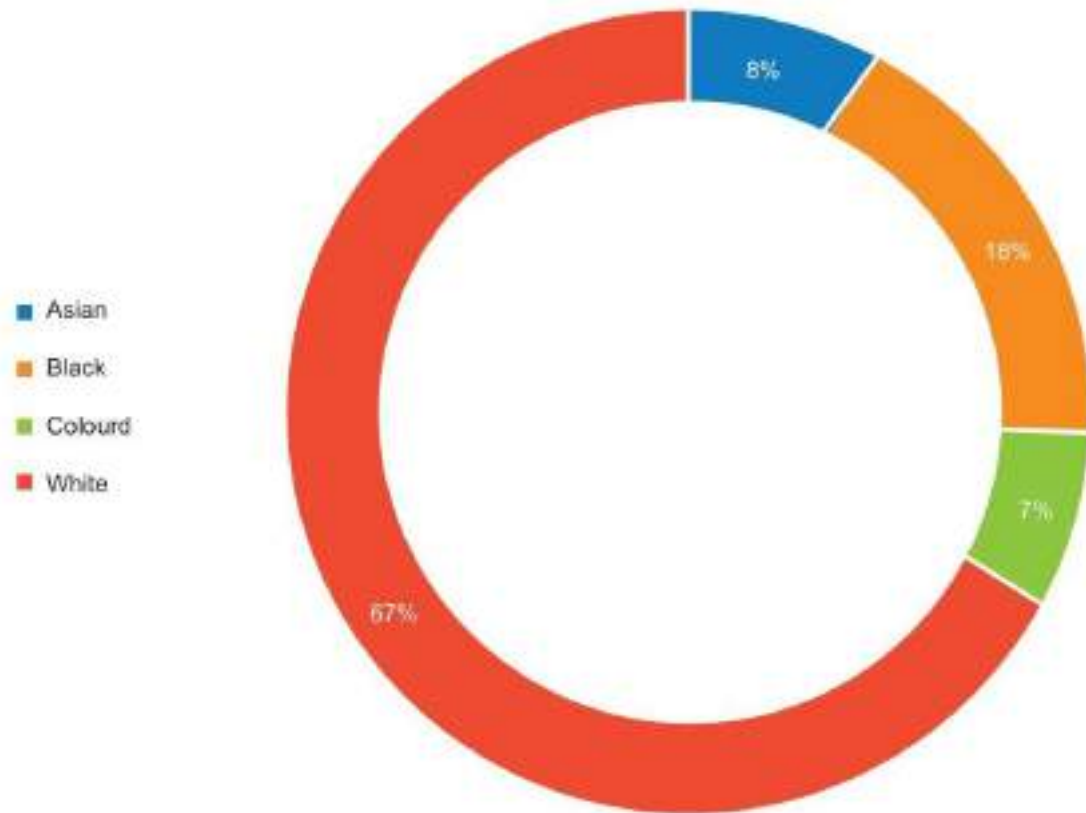


Split of SACAP register over the last five years



RACE

Racial split of all on register in 2018/19

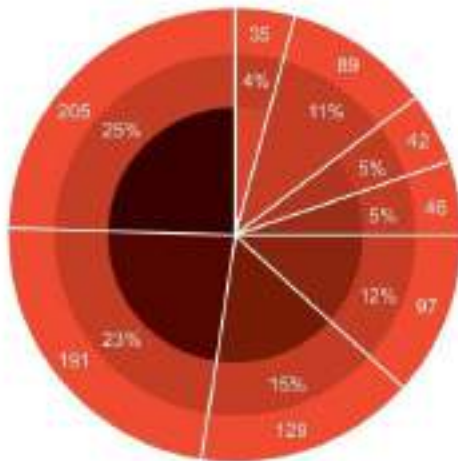


Racial split of total register over the last five years

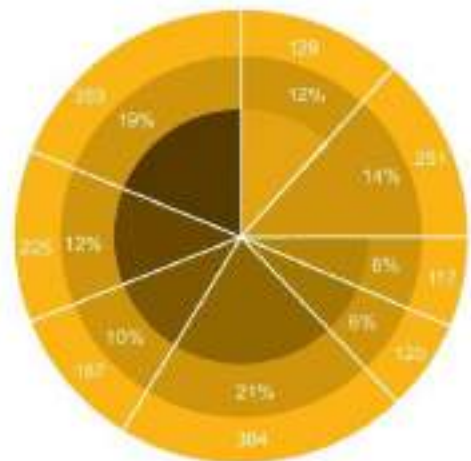


Racial split by registration category 2018/19

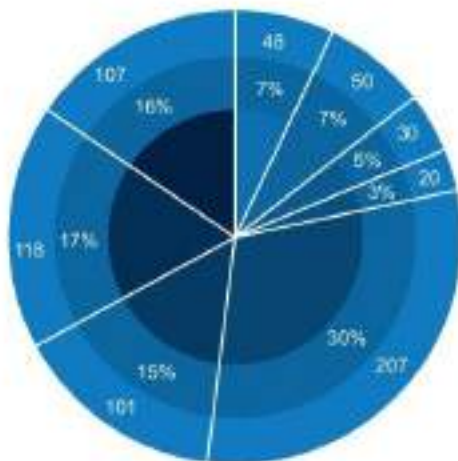
ASIAN



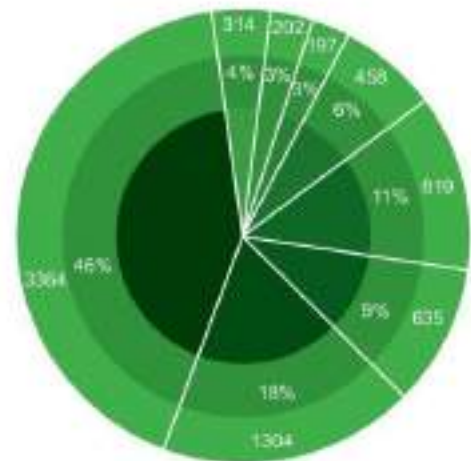
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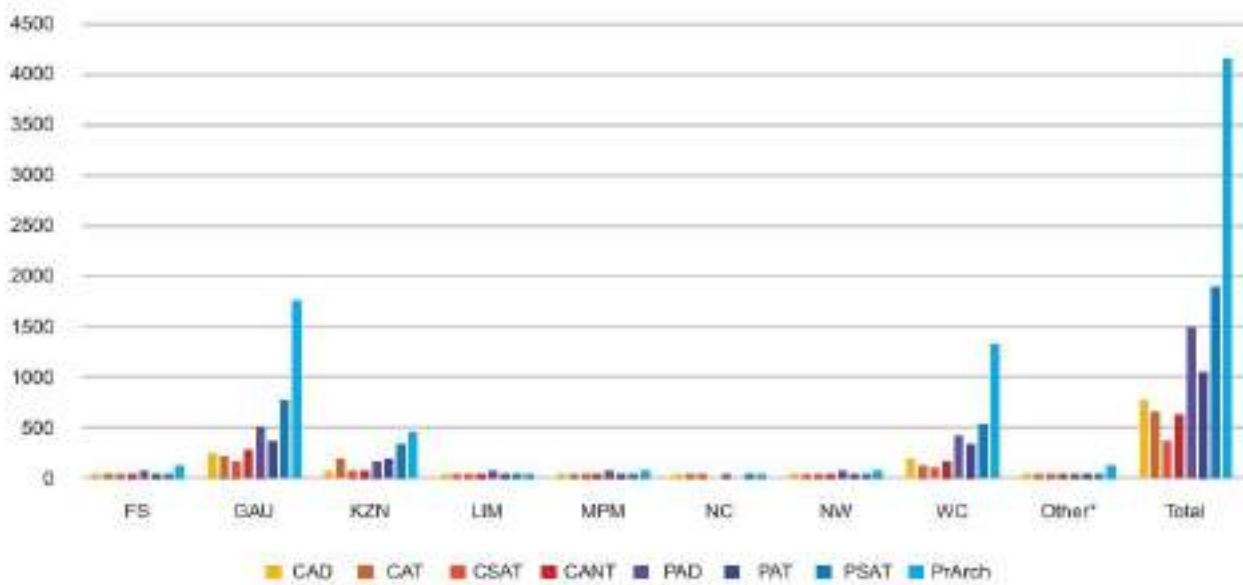


PROVINCE

Registered Persons by province in 2018/19

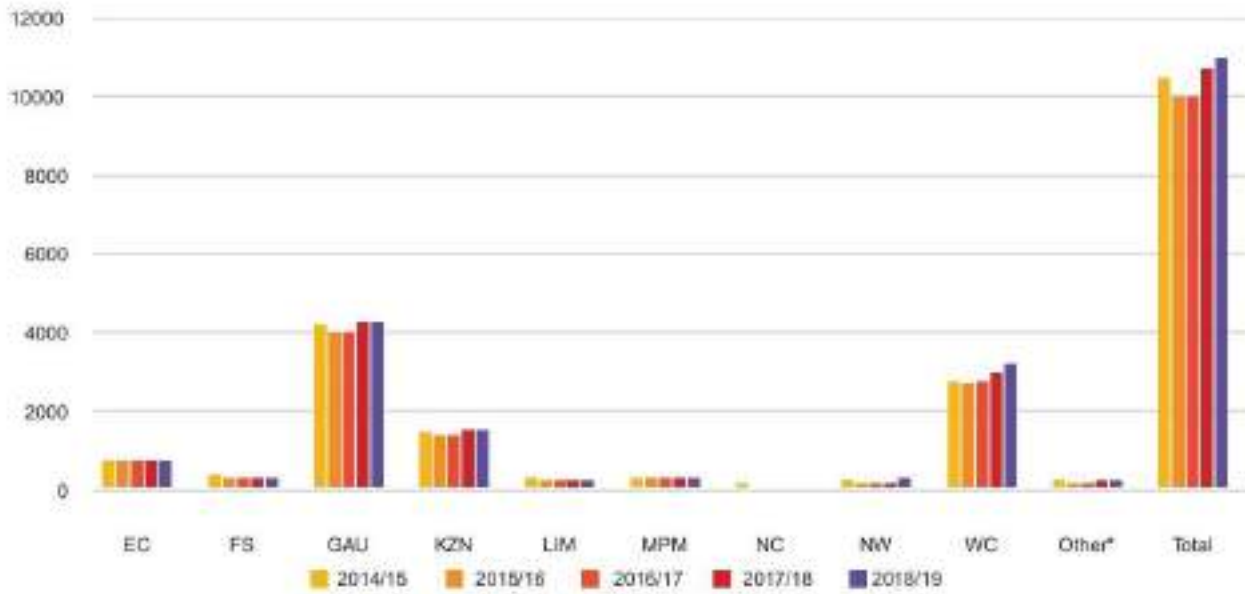
| | EC | FS | GAU | KZN | LIM | MPM | NC | NW | WC | Other* | Total |
|--------------|------------|------------|--------------|--------------|------------|------------|-----------|------------|--------------|------------|---------------|
| CAD | 47 | 30 | 257 | 79 | 48 | 44 | 6 | 32 | 196 | 18 | 757 |
| CAT | 67 | 10 | 217 | 183 | 10 | 14 | 2 | 10 | 119 | 15 | 647 |
| CSAT | 16 | 4 | 158 | 68 | 6 | 6 | 1 | 4 | 104 | 8 | 373 |
| CANT | 46 | 11 | 283 | 58 | 5 | 10 | | 7 | 166 | 28 | 614 |
| PAD | 121 | 64 | 496 | 166 | 60 | 82 | 3 | 70 | 412 | 10 | 1 484 |
| PAT | 77 | 27 | 368 | 180 | 27 | 20 | | 31 | 325 | 5 | 1 060 |
| PSAT | 141 | 19 | 763 | 323 | 43 | 37 | 3 | 31 | 528 | 6 | 1 894 |
| PrArch | 231 | 122 | 1 746 | 460 | 38 | 63 | 2 | 60 | 1 302 | 129 | 4 153 |
| TOTAL | 746 | 287 | 4 286 | 1 517 | 237 | 276 | 17 | 245 | 3 152 | 219 | 10 982 |

*Other: Registered Persons residing/practicing outside of South Africa.



Registered Persons by province over the last five years

| | EC | FS | GAU | KZN | LIM | MPM | NC | NW | WC | Other | Total |
|---------|-----|-----|-------|-------|-----|-----|-----|-----|-------|-------|--------|
| 2014/15 | 710 | 316 | 4 211 | 1 469 | 284 | 290 | 104 | 177 | 2 771 | 173 | 10 508 |
| 2015/16 | 697 | 283 | 4 044 | 1 376 | 232 | 268 | 89 | 151 | 2 698 | 157 | 9 995 |
| 2016/17 | 682 | 261 | 4 044 | 1 346 | 205 | 266 | 86 | 149 | 2 769 | 100 | 9 988 |
| 2017/18 | 733 | 310 | 4 248 | 1 471 | 227 | 272 | 88 | 164 | 2 976 | 176 | 10 665 |
| 2018/19 | 746 | 287 | 4 288 | 1 517 | 237 | 276 | 17 | 245 | 3 152 | 219 | 10 982 |



Accreditation and Validations of Architectural Learning Sites

The Council's vision is for excellent architectural education that develops and grows people-centred Architecture, which, in turn, enables the spatial transformation of South Africa's historically-segregated Built Environment. SACAP ensures that the qualifications under validation meet the prescribed national standards for registration as well as compatibility with international standards.

11 ALSs' assessed by a Validation Board every five years

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

2018/19 Accreditation Visits by the Validation Board

Sections 5 and 7 of the Higher Education Act enjoin the Council to undertake educational visits to ALSs and either conditionally or unconditionally grant, refuse or withdraw previous SACAP accreditation to such Institutions.

SACAP's Validation Board was satisfied that it could validate two of these ALSs' programmes in the reported year. Please see the full list of ALSs below. Both of the ALSs' assessed received unconditional continued validation.

The Validation Board

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

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

SACAP's Student Category of Registration

In May 2018, SACAP launched the Student Category of Registration to allow students who are entering the education system to gain access to SACAP's categories of registration and gain knowledge of SACAP's mandate.

Private Institutions

SACAP is responsible to give advice or render assistance to any educational institution, Voluntary Association or examining body with regards to educational facilities and for training and education of Registered Persons and prospective Registered Persons. SACAP supported the programme offerings by three Private Institutions in 2018/2019.

These Private Institutions and their programmes are:

- Arcia School of Architecture: Advanced Certificate in Architectural Technology NQF level 6: 120 (Candidate Draughtsperson).
- MyAcademy (also known as The Independent Institution of Excellence: IIE): Higher Certificate in Architectural Technology NQF 5: 140 (Candidate Draughtsperson); ; Diploma in Architectural Technology NQF 6: 360 (Candidate Architectural Technologist); and
- School of Explorative Architecture (SEA): Bachelor of Architectural Studies (BAS) NQF 7, Candidate Architectural Technologist; Bachelor of Architectural Studies (Hons) NQF 8 Candidate Senior Architectural Technologist; and Masters in Architecture (Prof) NQF 9 Candidate Architect.

Heritage Sub-Committee

In 2018, the Heritage Sub-Committee was established as a sub-committee of the Education Committee in order to meet SACAP's mandate and advise Council on the establishment of a registration category for the Architectural Professionals in the Heritage Sector of the Built Environment. This will allow current registered architectural professionals who are active in the Heritage sector to further advise on future competencies.

Bursaries

SACAP understands the importance of education in the South African context, each year SACAP distributes an amount of R40 000.00 to each of the ALSs in order to support a well-deserving student the opportunity to further their studies within the profession.



Validation Board accreditation visits 2017/18

These ALSs were validated in the reported year.

| Date of Validation Board | Institution | Qualification accredited | Type of validation |
|--|--|---|--|
| 05–07 April 2017 | University of the Free State (UFS) | 1. Bachelor of Architectural Studies (BAS) 2. Bachelor of Architectural Studies (BAS) (Hons) 3. Master of Architecture (Professional) (M. Arch) | Unconditional continued validation |
| 22–24 May 2017 | Namibian University of Science & Technology (NUST) | 1. Bachelor of Architecture 2. Bachelor of Architecture (Hons) | Initial unconditional validation |
| 12–14 August 2017 | Tshwane University of Technology (TUT) | 1. Bachelor of Architectural Studies (BAS) 2. Bachelor of Architectural Studies [BAS (Hons)] 3. Master of Architecture (Professional) (M. Arch) | Unconditional continued validation |
| 24–27 May 2015 | Nelson Mandela University (NMLU) | 1. Bachelor of Architectural Studies (BAS) 2. Master of Architecture (March) | Unconditional continued validation |
| 28–30 September 2015 and 15–16 August 2016 | Cape Peninsula University of Technology (CPUT) | 1. National Diploma: Architectural Technology 2. Bachelor of Technology: Architectural Technology | Conditional continued validation (in 2015) Unconditional continued validation (in 2016) |
| 16–18 November 2015 | University of KwaZulu-Natal (UKZN) | 1. Bachelor of Architectural Studies (BAS) 2. Master of Architecture (March) | Unconditional continued validation |
| 17–20 April 2016 | Durban University of Technology (DUT) | 1. National Diploma: Architectural Technology (ND: Architectural Technology) 2. Bachelor of Technology: Architectural Technology (BTech: Architectural Technology) | Unconditional continued validation |
| 07–09 September 2016 | University of Cape Town (UCT) | 1. Bachelor of Architectural Studies (BAS) 2. Bachelor of Architectural Studies [BAS (Hons)] 3. Master of Architecture (Professional) (M. Arch) | Unconditional continued validation |
| 12–14 September 2016 | University of the Witwatersrand | 1. Bachelor of Architectural Studies (BAS) 2. Bachelor of Architectural Studies [BAS (Hons)] 3. Master of Architecture (Professional) (M. Arch) | Unconditional continued validation |
| 27 February 2017 – 01 March 2017 | University of Pretoria (UP) | 1. Bachelor of Architectural Studies (BAS) 2. Bachelor of Architectural Studies [BAS (Hons)] 3. Master of Architecture (Professional) (M. Arch) | Unconditional continued validation |
| Scheduled for April 2018 | University of Johannesburg (UJ) | 1. National Diploma: Architectural Technology 2. BTech: Architectural Technology 3. MTech: Architectural Technology | Unconditional continued validation |

Identification of Work (IDOW)

SACAP is enjoined by the Architectural Profession Act to consult with all stakeholders and put together recommendations on the IDoW for each category of Registered Persons and submit same to the Council of the Built Environment (CBE).

The CBE is enjoined by the Council for the Built Environment Act to identify the scope of work for each category of Registered Person after consultation with all relevant stakeholders.

In line with the provisions of the Architectural Profession Act, the IDoW Committee, chaired by Councillor Vusi Phailane consulted widely with the stakeholders on the recommendations of the IDoW for each category of Registered Persons and drafted recommendations. The recommendations were circulated to all stakeholders for comments.

On 4 December 2018, a stakeholder engagement took place to discuss the recommendations. Subsequent to the stakeholder engagement, SACAP received more comments from Registered Persons and some comments came directly from the CBE which were attended to.

SACAP then submitted the recommendations on the IDoW for each category of Registered Persons to the CBE as prescribed in Section 26 (2) of the Architectural Profession Act.

Professional Fees Guidelines

Section 34 (1) of the Architectural Profession Act stipulates that the Council must, in consultation with the Voluntary Associations, formulate recommendations with regard to the principles referred to in section 4(k)(v) of the Council for the Built Environment Act (CBE), 2000. Section 34 (2) states that the Council must annually, after consultation with the Voluntary Associations, determine guideline professional fees and publish those fees in the Gazette.

Section 4 (k) (v) of the CBE Act, stipulates that the CBE should develop consistent principles upon which the Councils for the professions must base the determination of fees which registered persons are entitled to charge in terms of any of the professions' Acts, and in accordance with any legislation relating to the promotion of competition.

In compliance with the provisions of the Architectural Profession Act and the CBE Act, the Fees Committee took a short-term decision to work on publishing interim professional fees guidelines. The Committee requested the South African Institutes for Architects (SAIA) fee benchmarking survey to develop 2019 interim professional guidelines fees for the architectural profession.

In a long term, the Committee intends to publish final professional fee guidelines. The Committee intends to conduct cost survey research across the architectural profession. Voluntary Associations, registered professionals and architectural practices will partake in the survey. In addition, a research will be undertaken on salaries of various registered persons across all categories of registration. This is to ensure that the guideline professional fees are cost related.

Voluntary Associations (VAS)

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

Recognised Voluntary Associations (VAS)

| | |
|--------------|---|
| CIFA | The Cape Institute for architecture, CIFA, a region of SAIA (the South African Institute of Architects) |
| FACE | Freedom Architecture Consulting Empowerment |
| GIFA | Gauteng Institute for Architecture, a region of SAIA |
| PIA | Pretoria Institute for Architecture, a region of SAIA |
| BKIA | SAIA Border Kei, Border Kei region of SAIA |
| ECIA | SAIA Eastern Cape, Eastern Cape region of SAIA |
| KZNIA | SAIA KZN |
| SAIA | South African Institute of Architects |
| SAIBD | South African Institute of Building Design |
| SAID | South African Institute of Draughting NPC |
| IID | The African Institute of Interior Design Professions |
| SAIAT | The South African Institute of Architectural Technologist |

Continuing Professional Development (CPD)

The purpose of CPD is to continuously develop the skills of a registered professional in the best interest of people-centered Architecture. CPD is compulsory for all registered architectural Professionals in all categories of professional registration. This differs to Candidates registered with SACAP who submits MTR's.

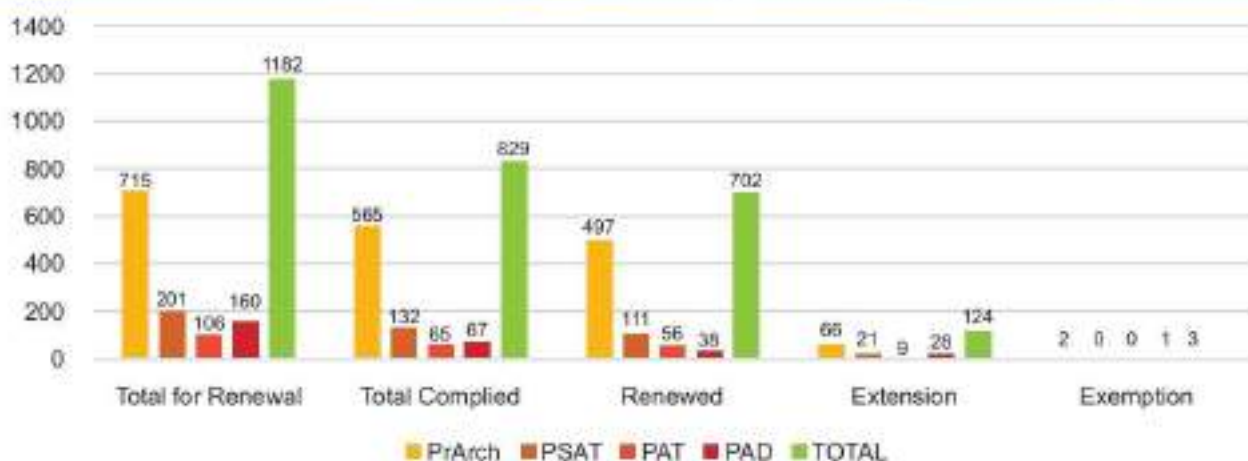
A total of 1 182 Registered Professionals were due for renewal of the registration by January 2018, in terms of the CPD conditions.

However, the main challenges that are still experienced with regards to the submission of CPD credits by Registered Professionals, on SACAP's online system, are:

- RPs not adhering to deadlines;
- Not complying with the requirements of Category One of the CPD requirements; And
- Registered Professionals still not understanding the requirements of CPD compliance.

Renewal of registration in terms of CPD Conditions:

| Category of Registration | | Total for Renewal | Total Complied | Renewed | Extension | Exemption |
|---|--------|-------------------|----------------|------------|------------|-----------|
| Professional Architects | PrArch | 715 | 565 | 497 | 66 | 2 |
| Professional Senior Architectural Technologists | PSAT | 201 | 132 | 111 | 21 | 0 |
| Professional Architectural Technologists | PAT | 106 | 65 | 56 | 9 | 0 |
| Professional Architectural Draughtspersons | PAD | 160 | 67 | 38 | 28 | 1 |
| TOTAL | | 1182 | 829 | 702 | 124 | 3 |



Percentage of Registered Professionals that complied with CPD requirements for the renewal of registration:



Non-compliance with CPD requirements:

The main reasons for non-compliance are:

- Failure to claim CPD credits annually:
Although registration is only renewed once every five years, RPs are required to submit their CPD credits on an annual basis;
- Failure to pay the administration fee for renewal of registration:
At the end of the five-year cycle, professionals are required to apply for renewal of registration with the accumulation of stipulated minimum CPD point;
- Failure to claim the minimum number of CPD Credits:
Registered Professionals do not claim the 5 Credits in Category 1, or the total of 25 credits, during a 5-year cycle.

RECOGNITION OF PRIOR LEARNING (RPL)

Purpose of Recognition of Prior Learning (RPL)

Through the RPL process, registered Professional Architectural Draughtspersons, Professional Architectural Technologists and Professional Senior Architectural Technologists can gain access to the Professional Architect registration category. This process will uplift the professional status of successful applicants and it is expected to help them unlock more lucrative work opportunities within the built environment. It must be emphasized that the RPL will award successful applicants with a higher registration category; and not a qualification.

Professionals who wish to upgrade to a higher category of registration can submit a total of five (5) projects online for analyses to see if they will satisfy the ten competencies of the profession. Applicants who have completed Phase 1 – Self-assessment, will then progress to Phase 2, where the authentication process takes place. The RPL panel will review the portfolios of evidence of the applicants. There were eight (8) applicants who were assessed in Phase 2 for the 2018/ 2019 financial year.

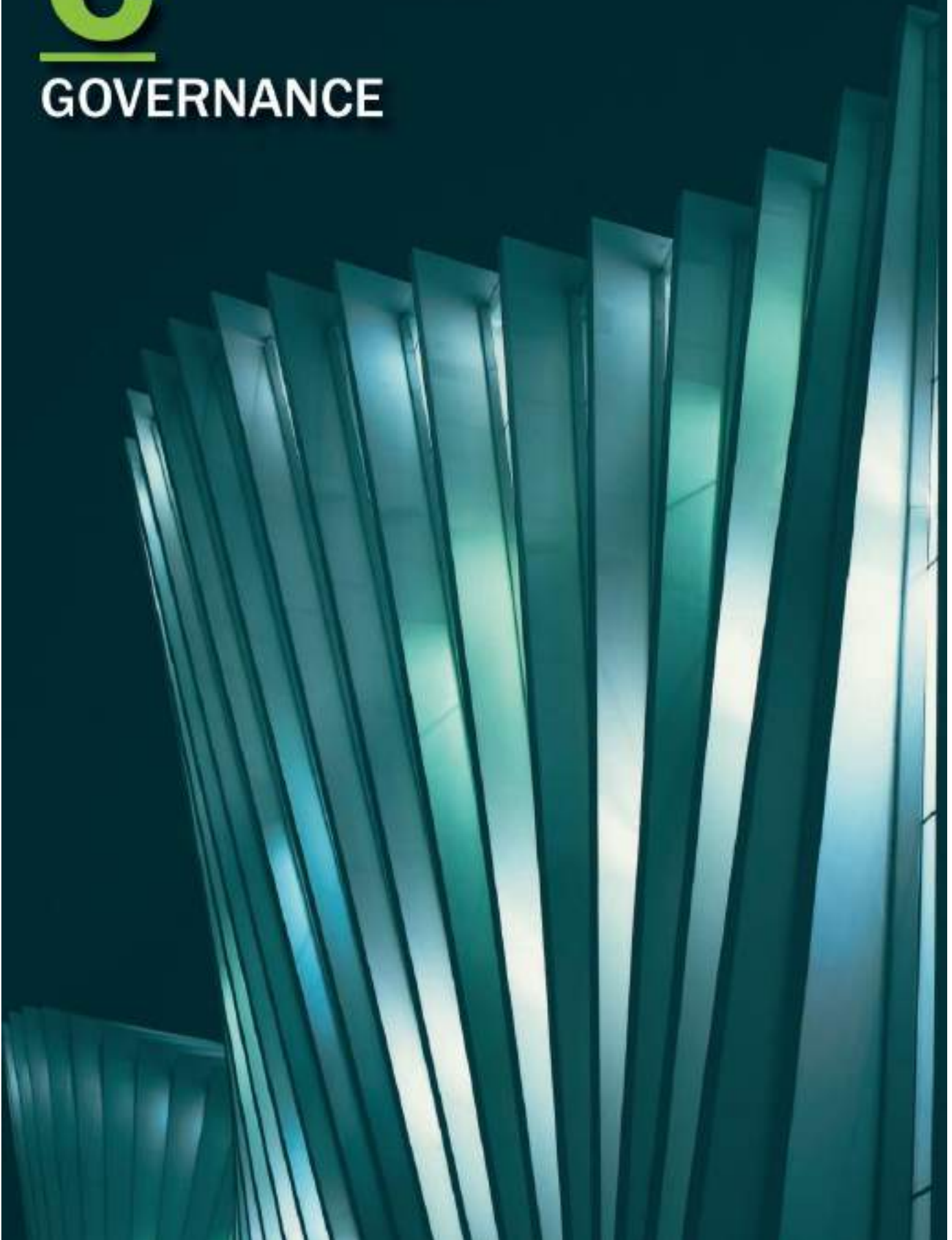
The Way Forward

Phase 1 – Self-assessment, will be continuously monitored administratively and dates for Phase 2 will be set accordingly to ensure an ongoing review of the applicant's portfolio of evidence.



C

GOVERNANCE



Introduction

Corporate governance embodies processes, policies, frameworks and systems by which entities are directed, controlled and held to account. The Architectural Profession Act sets out the powers and functions of the Council. SACAP is required to adhere to the principles contained in the King Report on Corporate Governance to ensure sound governance practices. In addition, Public Finance Management Act is an important governance legal instruments for financial management that SACAP aspire to comply with.

This Annual Report focuses on qualitative and quantitative issues arising in 2018/19 that are material to SACAP's business operations and strategic objectives.

Materiality was determined through extensive consultation with stakeholders and by taking into consideration, SACAP's core objectives and the way in which its value chain operates. SACAP is accountable to the Department of Public Works through the coordination of the Council for the Built Environment (CBE).

Executive Authority

The Minister of the Department of Public Works is responsible for the appointment of SACAP Council members. The Council is responsible for the regulation of the profession. The CBE is responsible to ensure that there is uniform application of norms and guidelines set by Councils and to ensure consistency on the application of policy within the built environment.

Accounting Authority Board

Composition of the Council

The fourth Term Council was appointed in terms of Section 4 (4) of The Act, and comprises of seven Registered Persons, excluding candidates, of which at least four must actively practice in the architectural profession, two professionals in the service of the State nominated by any sphere of government, of whom at least one must be nominated by the department; and two members of the public nominated through a public participation process.

The Role of the Council

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

Council Charter

In March 2014, the third Term Council introduced the Council Charter which outlines the main corporate governance practices that are in place for the South African Council for the Architectural Profession and to which the Council, Committees and the management are collectively committed. The Charter sets out the Code of Conduct for Council and Committee members.

COMPOSITION OF THE COUNCIL

| Name | Designation (in terms of the public entity Board Structure) | Date appointed | Qualifications | Other committees or task teams (e.g.: Audit Committee/ Ministerial Task Team) | Number of meetings attended |
|-------------------------------------|--|---------------------------------------|---|--|-----------------------------|
| Dr Yashaen Luckan | President | 15 April 2014 Resigned August 2018 | PhD, M.Arch, B.Tech Arch, N.Dip.Arch | IDO/W Committee, RPL Committee, Education Committee | 7 |
| Ms Gillian Bolton | Treasurer (absent with leave of absence granted) | 15 April 2014 | BA of Arts, BA of Law, MBA | Finance Committee, SR Committee, Investigating Committee, Audit and Risk Committee, Remuneration Committee | 0 |
| Mr Rowen Rutgers | Chairperson: SR Committee since July 2016 until February 2018 and CPD Committee since Jly 2016 until February 2018 | 15 April 2014 Resigned August 2018 | B.Tech Arch, N.Dip.Arch, B.Tech Project Management | CPD Committee | 2 |
| Mr Koena Maryathela | | 5 December 2017 | B.Sc Arch (Hons), FA, ARD, LLB | Audit and Risk | 20 |
| Mr Rakau Lekota | Chairperson: Education Committee and HoS | 15 April 2014 | M.Tech Arch, B.Tech Arch, N.Dip.Arch | IDO/W Committee | 31 |
| Mr Krish Ranchod | Chairperson: Remuneration Committee | 8 September 2014 | | Education Committee, RPL Committee, Heritage Subcommittee | 34 |
| Mrs Letsabisa Shongwe née Lerotholi | Chairperson: SR Committee since 16 March 2018 | 5 December 2017 | M.Arch, B.Tech Arch, N.Dip.Arch | SR Committee | 5 |
| Mr Phlasande Joba | Chairperson: CPD Committee since 16 March 2018 | 5 December 2017M | M.Arch, B.Tech Arch, N.Dip.Arch | CPD Committee | 4 |
| Mr Ntandiso Charles Nduku | Chairperson: Professional Fees since 16 March 2018 | 5 December 2017 | M.Arch, B.Arch, BAS | Professional Fees Committee | 21 |
| Mr Vusi Phelane | Chairperson: IDoW Committee 16 March 2018 | 5 December 2017M | M.Arch, B.Arch, BAS | IDO/W | 48 |

4TH Term Council 2019



Mrs Letsabisa Shongwe née Lemtholl:
M.Arch, B.Tech Arch, N.Dip Arch
Chairperson Stakeholder Relations Active
March 2018-April 2019



Mr Philasande Joloba: M.Arch, B.Arch, BAS,
Chairperson CPD Committee Active March
2018-April 2019



Mr Koena Samuel Manyathela: BSc Arch
Hon. FA Arb, LLB
Member Audit and Risk Committee
March 2018-April 2019



Mr Krish Ranchod (Public Representative):
Chairperson Remuneration Committee
April 2014-April 2019



Mr Ntsindiso Charles Nduku:
M.Arch, B.Arch, BAS
Chairperson Professional Fees Committee
March 2018-April 2019



Dr Yashaen Luckan: PhD, M.Arch, B.Tech
Arch, N.Dip Arch
President April 2014-August 2018



Mr Rakau Lekota: M.Tech Arch, B.Tech
Arch, N.Dip Arch (State Representative)
Chairperson Education Committee
April 2014-April 2019



Mr Rowan Ruiters: (PAT) B.Tech Arch,
N.Dip Arch, B.Tech Project Management
April 2014-August 2018



Mr Vusi Phallane: M.Arch, B.Arch, BAS
Chairperson IDOW Committee
March 2018 -April 2019



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

Activities of Council (2018/2019) financial year

During the period under review there were 8 meetings of Council which were scheduled in terms of the Corporate Calendar. However, due to the challenges of maladministration and irregularities within SACAP, the Council ended up meeting 12 times.

The initial meeting of Council in May 2018 dealt with corporate governance failures and forensic investigation that the Minister of the Department of Public intended to undertake at SACAP.

The next meeting of Council in July 2018 culminated in the suspension of the Registrar and the appointment of the Acting Registrar. In addition, the Department of Public Works directed the Council to implement the recommendation of the Sizwe Ntsaluba Gobodo. Furthermore, Council instituted disciplinary processes against the former Registrar and commenced legal proceedings to recover excessive salaries which were not approved by Council. All litigation against the Minister was withdrawn.

At the subsequent Council meetings, the Council reviewed and approved all policies and procedures to improve governance, and ensure that there is transparency and fairness in all decision made by SACAP administration. In addition, the organogram was reviewed and amended. The Council introduced a policy on the remuneration of Council and Committee members and aligned it to the Treasury. Thereafter, Council consulted with the CBE prior to implementing the policy.

The Council approved the server infrastructure upgrade to improve our information technology systems. Furthermore, the Council introduced an amnesty program with the objective to re-register persons whose registration was cancelled due to failure to pay prescribed annual fees. The objective of the policy was to allow persons to regularise their practices. This yielded good result as the register improved significantly.

The Council also met to approve the budget for 2019/20 financial year

COUNCIL MEETING ATTENDANCE

| Name | Number of Council and Committee Meetings attended | Number of special SR Events attended | Total Honoraria paid to each Councillor for each Council Meeting and SR Events Meetings |
|------------------------------|---|--------------------------------------|---|
| Dr Y Luckan (President) | 7 | 3 | R120 000.00 |
| Mr R Ruiters | 11 | 1 | R34 572.00 |
| Mr K Ranchod | 34 | 0 | R93 693.00 |
| Mr R Lekota | 3 | 10 | R89 673.00 |
| Mrs LR Shongwa née Leretheli | 42 | 3 | R298 203.00 |
| Mr V Phatlana | 48 | 0 | R138 974.00 |
| Mr P Jobe | 24 | 0 | R84 918.00 |
| Mr KS Manyathela | 20 | 0 | R50 724.00 |
| Mr NC Nduku | 21 | 0 | R46 697.00 |

Remuneration of Council members

In terms of section 10 of the APA Act, the Council may determine the remuneration and allowances payable to its members or the members of any committee of the Council. All Council and committee members are remunerated by payment of Honoraria for attending meetings. Council members are fully reimbursed for travel expenses. Travel is paid at R3.69 per kilometre as per the SA Revenue Services (SARS) guideline.

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

Honoraria paid to each Council member, per meeting

| | |
|--|-----------|
| President of Council | R8 273.00 |
| <i>On the 24 October 2018 the honorarium amount was reduced to R5 230</i> | |
| Vice President of Council | R3 896.00 |
| <i>On the 24 October 2018 the honorarium amount was reduced to R4 445.00</i> | |
| Treasurer of Council | N/A |
| Chairperson of the Audit and Risk Committee | R868.00 |
| Audit and Risk Committee Members | R7 239.00 |
| Chairpersons of Committees | R3 896.00 |
| Council and Committee Members | R1 948.00 |
| <i>On the 24 October 2018 the honorarium amount was reduced to R2 108.00</i> | |

COUNCIL PORTFOLIO COMMITTEES

| Committee | Number of meetings held | Dates of each meeting | Number of members per committee | Names of committee members |
|---|-------------------------|--|---------------------------------|---|
| Remuneration Committee | 5 | 16 May 2018 13 August 2018 7 November 2018 5 December 2018 6 March 2019 | 5 | Mr K Ranchod, Mr Rutgers resigned August 2018, Mr P Mkhonza, Mr Anand Govender resigned 2019 Ms Nonhlanhla Ncoongwane |
| Audit and Risk Committee | 6 | 16 May 2018 15 August 2018 26 September 2018 7 November 2018 6 March 2019 11 March 2019 | 7 | Mr P Setoto, Ms G Bolton (absent with leave of absence granted), Adv F Mukaddam, Mr C Motau, Mr K Manyathela, Mr R Rutgers resigned August 2018, Mr K Ranchod |
| Education | 4 | 8 June 2018 30 August 2018 30 November 2018 20 March 2019 | 6 | Mr R Lekota, Mr Y Luckan resigned August 2018, Mr K Ranchod, Prof. R Fisher, Ms H Dodd, Mr J Manning |
| Investigating | 5 | 27 March 2018 19 June 2018 09 October 2018 11 December 2019 26 February 2018 | 4 | Mr Rowen Rutgers resigned August 2018, Mr Vusi Phalane Mr Dhanashwar Basdeo Ananda Govender Ms Helen Grimsehl |
| Identification of Work (IDoW) | 5 | 22 June 2018 1 October 2018 15 November 2018 14 February 2019 9 March 2019 | 5 | Dr Yashaan Luckan resigned August 2018, Mr Dhanashwar Basdeo, Mr Denzell Fortuin, Mr Mohammed Mohideen, Mr Vusi Phalane |
| Professional Fees | 3 | 31 May 2018 27 September 2018 15 November 2018 | 4 | Ms H Grimsehl du Toit, Dr Yashaan Luckan resigned August 2018, Mr Sammy Peerutin, Mr Denzell Fortuin |
| Stakeholder Relations | 4 | 14 June 2018 18 October 2018 11 December 2018 15 March 2019 | 4 | Mr R Rutgers resigned August 2018, Ms G Bolton (absent with leave of absence granted), Ms O van der Haar resigned 30 May 2018, Mr Krish Ranchod, Ms Kay-Lee Cupido, Geshim Frands, Mrs Letsabisa Shongwe née Lerdtoli |
| Continuing Professional Development (CPD) | 4 | 14 June 2018 20 October 2018 29 November 2018 22 February 2019 | 4 | Mr Rowen Rutgers resigned August 2018, Mr Pietman Laegan, Mr Eugene Barnard, Mr Phlasande Jobe |

Risk Management

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

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

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

Internal Control

SACAP's Registrar oversees the regulator's various internal departments to ensure that SACAP fulfils its statutory mandates and monitors them daily. The internal Risk Register was developed in consultation with the Internal Audit service provider to ensure that risk is controlled.

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

- Management of Human Capital – follow-up review;
- Legal and Compliance review;
- Professional Statutory Services;
- External Audit Findings – follow-up review;
- Revenue Management;
- SCM, Procurement and Asset Management;
- Financial Controls;
- IT General Controls – follow-up review (Performance Information);
- Governance and Compliance – follow-up review Reports on all audits performed by the Internal Auditors; and
- Auditor reports are submitted to the Audit and Risk Committee (where the Internal Auditors are also invited to present the report).

Legal, Compliance and Complaints

Investigation of complaints

The Architectural Professions Act of 2000 enjoins SACAP to take any steps it considers necessary for the protection of the public in their dealings with Registered Persons. This is aimed at strengthening the maintenance of the integrity and the enhancement of the status of the architectural profession.

To that end, complaints of improper conduct against Registered Persons are lodged by any aggrieved member of the public in an affidavit form, under oath or affirmation or if the Council has reasonable grounds to suspect that a Registered Person has committed an act which may render him or her guilty of improper conduct. The Investigating Committee ("InvCom") is mandated to investigate all complaints of improper conduct and to obtain evidence to determine whether or not, in its opinion, a Registered Person may be charged with improper conduct for contravention of the Code of Professional Conduct and, if so, whether it seeks to lay a charge (or charges) of improper conduct against the Registered Person.

Furthermore, the InvCom undertakes measures to determine trends in relation to contraventions of the Code of Professional Conduct in the architectural profession, and initiates preventative steps against acts of improper conduct. To this end, SACAP continuously provides workshops on Rules of Professional Conduct to Registered Persons.

The investigation of complaints of improper conduct and subsequent actions against Registered Persons found guilty of improper conduct are intended to protect the public and safeguard the reputation or image of the Architectural Profession and maintain professional standards.

The Council received eight (8) appeals against the decision of the Disciplinary Tribunals. The appeals were completed within a reasonable time.

2018/2019 Statistics

| NUMBER OF COMPLAINTS | 2018/2019 |
|--|-----------|
| Complaints received | 122 |
| Complaints investigated by InvCom | 158 |
| Disciplinary hearings concluded | 57 |
| Pleas of Guilt secured | 68 |
| Cases opened with the SAPS against persons who are not registered | 43 |
| Persons who practice architecture during the period in which registration is cancelled | 21 |
| Complaints currently under investigation | 16 |
| Appeals received in the reporting period | 8 |

Complaints Received per Category of Registration in 2018/2019

| PROFESSIONAL CATEGORY OF REGISTRATION | NUMBER OF COMPLAINTS |
|---|----------------------|
| Professional Architect | 16 |
| Candidate Architect | 0 |
| Professional Senior Architectural Technologist | 20 |
| Candidate Senior Architectural Technologist | 1 |
| Professional Architectural Technologist | 13 |
| Candidate Architectural Technologist | 3 |
| Professional Architectural Draughtsperson | 33 |
| Candidate Architectural Draughtsperson | 13 |
| Complaints against persons who are not registered | 24 |
| Total | 122 |

Amendment of the Code of Professional Conduct

The Code of Professional Conduct for Registered Persons, Board Notice 154 of 2009 is currently under review. The Council undertook extensive consultation with Registered Persons, Voluntary Associations and the Council for the Built Environment on this matter. The revised Board Notice will be gazetted as soon as the Council has reviewed all submissions from all our stakeholders.

Engagement with Local Municipalities

SACAP has been inundated with complaints from a number of Registered Persons that there are persons who are fraudulently using their registration numbers to submit plans at local municipalities for approval. In addition, we have received myriad of complaints from the public against persons who pass themselves as Registered Persons when they are not registered with SACAP. Furthermore, various local municipalities have complained that Registered Persons do not adhere to appropriate professional, ethical, norms and standards when preparing building plan applications. Local municipalities also raised concerns with the quality or standard of building plan applications submitted.

As a result of the above concerns, SACAP undertook an extensive stakeholder engagement with local authorities. Following extensive engagements, local municipalities have agreed, in principle, to work with SACAP to ensure that only persons who are registered submit building plan applications for approval.

Fraud and Corruption

A Fraud Prevention Policy was developed during the period under review. Although the policy has not been approved yet, management is responsible for the detection and prevention of fraud and corruption. The Internal Risk Register monitors the possibilities of unpredictable risks of fraud and corruption.

Fraud awareness is promoted throughout SACAP. Specific mechanisms for staff to confidentially report suspicions of fraud and corruption have been put in place. In future, SACAP intends to have its own whistle-blowing hotline. The fourth Term Council and management encouraged all their stakeholders to report any perceived threat of fraud and corruption through the Legal and Compliance Unit.

Minimising Conflict of Interest

The Procurement Policy is strictly adhered to when goods and services are procured for SACAP. Under normal circumstances, a requisition is raised; accompanied by three quotations. The delegated person approves the requisition. Upon receipt of the requisition, the order is raised with the relevant identified and selected supplier. Upon delivery of the goods and services, an invoice is signed off by the requester of goods and services. Thereafter, the invoice is payable by the Finance Unit.

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

Code of Conduct

The Council developed a Code of Conduct to provide a framework to regulate the behaviour of members of Council and other persons appointed to serve on SACAP committees. By accepting appointment as a SACAP Councillor or Committee member, a person will automatically be required to abide by this Code and SACAP's policies. The Council and Committee members sign a copy of the Code in confirmation of their undertaking that they are bound by the Code. Below are the core expectations from Council and Committee members:

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

Health Safety and Environmental Issues

Internal: SACAP Staff

SACAP is an employer that considers its employees to be its most valuable assets. SACAP undertakes to safeguard its employees through providing and maintaining a working environment that is safe and without risk to the employees' health.

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

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

To this end, in the reporting period:

- An Emergency Evacuation Plan was compiled and circulated to all staff members;
- Two Health and Safety Representatives were appointed; and
- When Council and committee meetings commence, members are taken through the evacuation procedure by the relevant Committee Coordinator

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

- No reported cases of accidents or incidents, and
- No reported cases of adverse health in accidents or incidents.

Social Responsibility

Outside the scope of SACAP responsibility to fulfil the mandates of the Act and realising the fourth Term Council's strategic objectives, the SACAP's leadership is also committed to using its resources to benefit and uplift communities in need of assistance.

Cell C's Take a Girl Child to Work Day

As part of its efforts to transform the sector to be more representative of South African society and be inclusive of women and youth, from historically-disadvantaged communities, SACAP participated in Cell C's Take a Girl Child to Work Day. This is both a national and annual corporate social investment movement in its 17th year.

There are almost 650 companies participating, including government entities. All organisations involved arrange for female learners (school pupils), usually from disadvantaged backgrounds, to spend the day at their place of work. Last year the event took place on 24 May 2018. SACAP arranged for four Grade 11 and 12 young women from Kwabhekilanga Secondary School in Alexandra to visit joint venture, Ngonyama Okupanum G.M. Architecture Practice, to receive mentorship from Ms Nonhlanhla Ncongwane, a Professional Senior Architectural Technologist.

The learners were selected because of their aptitude in Maths and Science and their interest in the architectural profession. The architectural practice collaborated with SACAP in the Corporate Social Investment (CSI) initiative and offered the young learners the opportunity to job-shadow the different scopes of the Architectural Profession such as Professional Architectural Draughtspersons, Professional Architectural Technologists, Professional Senior Technologists and Professional Architects.



Mandela Day

In celebration of the centenary year of the global icon, Nelson Rolihlahla Mandela, whose selfless contribution to the improvement of the lives of others is commemorated around the world on 18 July – his birthday – SACAP, in partnership with the Nelson Mandela Foundation (NMF), participated in the Mandela Day 67 Minute Campaign by assisting with the construction of RDP houses for the underprivileged community of Lawley, which is situated close to Orange Farm, south of Johannesburg. The community from Lawley were very excited and one of the community members indicated that he has been living in the shack for almost ten (10) years' and was 'very grateful that finally he will have his own house'.



SACAP's Education Fund

SACAP has been distributing a total amount of R440 000 to the ALSs through the Education Fund annually. These are the Universities and Universities of Technology that are validated by SACAP to offer architectural programmes. The ALSs distribute these funds to the Students with the aim of advancing transformation. Henceforth, at the end of the fourth Term Council, the Education Committee felt the responsibility to restructure this process and a Bursary Committee was established to focus on the best way for SACAP to distribute bursaries to students.

Audit and Risk Committee Responsibility

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

The Audit and Risk Committee is pleased to present our report for the Financial Year ended 31 March 2019.

Audit and Risk Committee attendance 2018/2019

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

| Name | Internal or external | Date appointed | Date resigned/end of term | Number of meetings attended |
|--------------------------|-------------------------------|----------------|---------------------------|-----------------------------|
| Mr Paul Serote | Independent Member (External) | June 2014 | April 2019 | 5 |
| Mr Charles Motau | Independent Member (External) | September 2014 | April 2019 | 5 |
| Adiv Fay Mukoddam | Independent Member (External) | September 2014 | April 2019 | 1 |
| Krish Ranchod | Internal | October 2017 | April 2019 | 5 |
| Koena Maryathela | Internal | March 2018 | April 2019 | 2 |
| Rowan Rutters | Internal | October 2017 | August 2018 | 1 |
| Mr Luluno Motsherane | Internal | May 2019 | | |
| Mr Rowan Graham Nicholls | Internal | May 2019 | | |
| Mr Tshepo Poho | Independent Member | May 2019 | | |
| Ms Noowaka Oliphant | Independent Member | May 2019 | | |
| Ms Zeldia Tshabalala | Independent Member | August 2019 | | |

The Effectiveness of Internal Controls

The system of controls is designed to provide assurance that assets are safeguarded, laws are complied with, information is reliable and liabilities are efficiently managed.

In line with the King IV Report on Corporate Governance requirements, Internal Audit provides the Audit and Risk Committee and management with the assurance that the internal controls are appropriate and effective.

This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

The Audit and Risk Committee has worked with management to ensure continuity.

The escalation to and intervention of the Council assisted in minimising the impact of the issues raised on the organisation.

During the prior year, the organisation was the subject of reports of alleged maladministration against the leadership of the organisation.

The Audit and Risk Committee had advised that these matters be investigated and that the organisation ensure that any areas of concern identified are dealt with and the internal control environment be strengthened.

The investigation pertaining to the matters raised had not been finalised at the time of this report, and therefore, the ARC has not had an opportunity to engage on any issues requiring attention.

Internal Audit

The Audit and Risk Committee is responsible for ensuring that SACAP's outsourced Internal Audit function is independent and has the necessary resources, standing and authority within the organisation to enable it to discharge its duties.

Furthermore, the committee oversees co-operation between the internal and external auditors, and serves as a link between the Council and these functions.

The outsourced Internal Audit function reports to the Audit and Risk Committee functionally and to the Registrar administratively.

During the period under review, the Audit and Risk Committee approved the three-year rolling plan, and annual audit plan to enable the Internal Audit to perform its function, and thus provide assurance to the Committee and the organisation as a whole on the internal control environment.

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

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

- Legal and compliance;
- Professional Statutory Services;
- Human Capital Management;
- Follow up on External Audit Findings;
- Governance and Compliance – Follow up Review: Registration and Professional Development (Including Revenue Management);
- Performance Information (Performance against Objectives);
- Revenue Management;
- Follow up on Financial Controls;
- Follow up on Information Technology – IT General Application Controls; and
- Supply Chain Management, Procurement and Fixed Asset Management.

Evaluation of Annual Financial Statements

The Audit and Risk Committee has:

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

Auditor's Report

The Committee has met with the auditors on various occasions.

The Audit Committee was satisfied that the external auditor was independent of the organisation.

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

The Committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the 2019 Financial Year.

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

Appreciation

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



Ms Nocwaka Oliphant
Chairperson of the Audit Committee SACAP



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**HUMAN RESOURCES
MANAGEMENT**

Introduction

HR Priorities under Review

Given the realities of today's tight labour market, the focus on developing and retaining top talent is critical. To improve employee performance, managers need to foster meaningful connections among employees, teams and the organisation to develop an employee's specific capabilities.

Traditional succession planning assesses current roles and gaps in talent supply. By switching to demand-driven planning, HR can assess talent needs that will enable the organisation to achieve strategic goals, not just fill potential future vacancies in current roles. Managers must commit to constant employee coaching and development to a successful succession planning implementation.

Workforce Planning Framework and Key Strategies

The goal of workforce planning is to have a workforce with the right size, shape, cost, and agility. SACAP's work force planning is in line with the organisation's strategy which is an excellent guideline in planning our workforce. Our current workforce influences the future of SACAP. Bi-annual performance reviews assist SACAP to constantly assess the quality of its workforce which lays the grounds for effective talent management.

Employee Performance Management Framework

SACAP recognises that effective performance management is critical to the success of a well-run organisation. Performance management involves the SACAP understanding and acting on performance issues at each level of the organisation, from individuals, teams, services through to the organisation itself. Performance management is about managing people and the way people within SACAP work together.

Employee Wellness Programmes

Employee wellness programs have become a staple at SACAP as a way to attract top talent, keep them happy and productive, and decrease employee turnover. The key to having a successful wellness program at work is encouraging overall wellbeing while still keeping it fun. SACAP employees joined the MTN Walk the Talk in 2018/2019 as a team. This increased the staff morale and more employees are eager to participate in such events in the future.

Policy Development

Building an effective human resource department has to do with building a culture where employees are valued and treated fairly. To do that, it's important for organisations to take policy development seriously as these promote consistency and help create a more positive company culture. HR policies are necessary because they set in place different rules and standards by which SACAP can work more smoothly. SACAP embarked on a new process when developing policies that affect the life cycle of an employee by having workshops on policies before they are being approved.

Highlight Achievement

4th Term Council members raised a concern about the A4C allegation regarding Salaries and Honorarium. This led to a resolution that a salary benchmarking be conducted to address the allegations and also ensure that employees are fairly remunerated based skills and technicalities of the job.

Employee benefits were also revisited by HR in 2018/2019. The provident fund insurer was then changed based on the better benefits that were offered by Sanlam which were more beneficial to employees than the previous insurer.

Future HR Plans and Goals

HR is planning on getting employees ready to execute on SACAP business strategy and goals. It will help prepare SACAP current staff and anticipate the talent that will be needed to acquire in the future. The current employees needs to be coached and developed to perform at the outmost in their positions. Training budget will allocated in a way that will ensure that the development of employees is the centre of SACAP.

Human Resource Oversight Statistics

Personnel Cost by programme/ activity/ objective

| Programme/ activity/objective | Total Expenditure for the entity (R'000) | Personnel Expenditure (R'000) | Personnel exp. as a % of total exp. (R'000) | No. of employees | Average personnel cost per employee (R'000) |
|-------------------------------|--|-------------------------------|---|------------------|---|
| Support Services | 7 079 912.32 | 342 626.19 | 38.26% | 19 | 372 626.19 |
| Operational Services | 11 422 601.04 | 393 927.62 | 61.73% | 29 | 393 927.62 |

Personnel cost by salary band

| Level | Personnel Expenditure (R'000) | % of personnel exp. To total personnel cost (R'000) | No. of employees | Average personnel cost per employee (R'000) |
|------------------------|-------------------------------|---|------------------|---|
| Top Management | 2 988 076 | 16.15% | 1 | 2 988 076 |
| Senior Management | 2 776 438 | 15% | 3 | 925 479.50 |
| Professional qualified | 8 006 455.67 | 43.28% | 18 | 444 913.65 |
| Skilled | 4 512 066.99 | 24.36% | 24 | 188 002.79 |
| Semi-skilled | 218 786.20 | 1.18% | 2 | 109 393.10 |
| Unskilled | 0 | 0 | 0 | 0 |
| TOTAL | 18 503 813.36 | 100% | 48 | 5 140 147.54 |

Performance Rewards

| Programme/activity/objective | Performance rewards | Personnel Expenditure (R'000) | % of performance rewards to total personnel cost (R'000) |
|------------------------------|---------------------|-------------------------------|--|
| Top Management | 0.00 | 0.00 | 0 |
| Senior Management | 80 000 | 80 000 | 10.75% |
| Professional qualified | 447 827.58 | 447 827.58 | 60.16% |
| Skilled | 205 101.92 | 205 101.92 | 27.55% |
| Semi-skilled | 11 486.28 | 11 486.28 | 1.54% |
| Unskilled | 0 | 0 | 0 |
| TOTAL | 744 404.78 | 744 415.78 | 100% |

Training Costs

| Programme/ activity/objective | Personnel Expenditure (R'000) | Training Expenditure (R'000) | Training Expenditure as a % of Personnel Cost | No. of employees trained | Avg training cost per employee |
|-------------------------------|-------------------------------|------------------------------|---|--------------------------|--------------------------------|
| SLA Training | 1 368 224.67 | 20 767.60 | 1.51% | 3 | 6 922.50 |
| POPI Training | 0 | 0 | 0 | 0 | 0 |

Employment and vacancies

| Programme/ activity/objective | 2017/2018 No. of Employees | 2018/2019 Approved Posts | 2018/2019 No. of Employees | 2018/2019 Vacancies | % of vacancies |
|-------------------------------|----------------------------|--------------------------|----------------------------|---------------------|----------------|
| Top Management | 1 | 1 | 1 | 0 | 0 |
| Senior Management | 3 | 4 | 3 | 1 | 2.13% |
| Professional qualified | 16 | 15 | 15 | 5 | 10.64% |
| Skilled | 24 | 25 | 27 | 2 | 4.26% |
| Semi-skilled | 2 | 2 | 2 | 0 | 0 |
| Unskilled | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 46 | 47 | 43 | 8 | 17.03 |

There are currently eight positions that needs to be filled within SACAP as per the approved organogram. Due to budget constraints in the 2018/2019, the eight positions could not be filled but a lot of strategic planning has been put in place to have all positons filled in the 2019/2020 financial year. SACAP has embarked on improving their talent acquisition which will ensure that highly skilled incumbents will be acquired to meet SCAP's requirements and mandate.

Employment changes

| Salary Band | Employment at beginning of period | Appointments | Terminations | Employment at end of the period |
|------------------------|-----------------------------------|--------------|--------------|---------------------------------|
| Top Management | 1 | 0 | 1 | 0 |
| Senior Management | 3 | 0 | 2 | 1 |
| Professional qualified | 13 | 8 | 2 | 17 |
| Skilled | 17 | 7 | 2 | 22 |
| Semi-skilled | 2 | 1 | 1 | 2 |
| Unskilled | 0 | 0 | 0 | 0 |
| Total | 36 | 14 | 8 | 42 |

The following appointments were made in the Financial Year:

- Joey Modiselle – Debtors Administrator
- Alpha Nkosi – Committee Coordinator
- Muzi Muhlari – IT Technician
- Shepherd Gobah – Registrations Administrator
- Mmatema Mogodi – CPD Administrator
- Kimberley Rowan – Education & Accreditation Manager
- Ntombi Ngcobo – General Office Assistant
- Elelwani Ndou – Temp: Creditors Administrator
- Sindiswa Jojo – Temp: Finance Officer
- Venetia Sanders – Temp: Administrative Assistant
- Lethabo Thubakgale – Legal Intern
- Adivhaho Madou – Legal Intern
- Brenda Phake-Assistance: Stakeholder Relations

Reasons for staff leaving

| Reason | Number | % of total no. of staff leaving |
|----------------------|-----------|---------------------------------|
| Death | 0 | 0 |
| Resignation | 5 | 10.42% |
| Dismissal | 4 | 8.33% |
| Retirement | 1 | 2.08% |
| Ill health | 0 | 0 |
| Expiry of contract | 2 | 4.17% |
| Other (Rebrenchment) | 0 | 0 |
| Total | 12 | 25% |

The following employees were terminated during the financial year:

1. Marella O'Reilly – Registrar
2. Barbara van Stade – Chief Operations Officer
3. Tshepo Tefo – Senior Finance Manager
4. Olga Samoedien – Registrations Administrator
5. Shepherd Gobah – Registrations Administrator
6. Alpha Nkosi – Committee Coordinator
7. Ashanti Nkayi – Debtors Administrator
8. Lethabo Thubakgale – Legal Intern
9. Genevieve Abdul-Rahim – Stakeholder Relations Administrator
10. Venetia Sanders – Temp: Administrative Assistant
11. Jacquie Cullis – Stakeholder Relations Manager
12. Ishmael Baloyi – IT Technician

Labour Relations: Misconduct and disciplinary action

| Nature of disciplinary Action | Number |
|-------------------------------|--------|
| Verbal Warning | 3 |
| Written Warning | 5 |
| Final Written warning | 4 |
| Dismissal | 4 |

Equity Target and Employment Equity Status

| Levels | MALE | | | | | | | |
|------------------------|-----------|----------|----------|----------|----------|----------|----------|----------|
| | African | | Coloured | | Indian | | White | |
| | Current | Target | Current | Target | Current | Target | Current | Target |
| Top Management | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professional qualified | 2 | 0 | 1 | 1 | 0 | 1 | 0 | 0 |
| Skilled | 9 | 2 | 1 | 2 | 0 | 0 | 0 | 1 |
| Semi-skilled | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unskilled | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 13 | 5 | 2 | 3 | 0 | 1 | 0 | 1 |

| Levels | FEMALE | | | | | | | |
|------------------------|-----------|----------|----------|----------|----------|----------|----------|----------|
| | African | | Coloured | | Indian | | White | |
| | Current | Target | Current | Target | Current | Target | Current | Target |
| Top Management | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Senior Management | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |
| Professional qualified | 11 | 2 | 0 | 1 | 1 | 0 | 3 | 1 |
| Skilled | 10 | 0 | 4 | 2 | 0 | 1 | 0 | 0 |
| Semi-skilled | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unskilled | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 23 | 3 | 5 | 3 | 1 | 1 | 4 | 1 |

| Levels | Disabled Staff | | | |
|------------------------|----------------|--------|---------|--------|
| | Male | | Female | |
| | Current | Target | Current | Target |
| Top Management | 0 | 0 | 0 | 0 |
| Senior Management | 0 | 0 | 0 | 0 |
| Professional qualified | 0 | 1 | 1 | 0 |
| Skilled | 0 | 0 | 0 | 1 |
| Semi-skilled | 0 | 0 | 0 | 0 |
| Unskilled | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 1 | 1 | 1 |

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**FINANCIAL
INFORMATION**



Annual Financial Statements of South African Council for the Architectural Profession

South African Council for the Architectural Profession

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

Consolidated Annual Financial Statements for the year ended 31 March 2019

The reports and statements set out below comprise the consolidated annual financial statements presented to the Council

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General Information

| | |
|---|---|
| Country of Incorporation and Domicile | South Africa |
| Nature of Business and Principal Activities | Statutory body that regulates the registration of Architectural Profession in South Africa |
| Registered Office | 51 Wessel Road Right Wing Rivonia 2128 |
| Business Address | 51 Wessel Road Right Wing Rivonia 2128 |
| Council | During the year end up to the date of this report the Council was constituted as follows: Dr Yashaen Luckan (President) (Appointed 15 April 2014 and resigned 21 August 2018) Mr. Philasande Jolobe (Vice-president) (Appointed 05 December 2017 until 31 March 2019) Ms. Gillan Bolton (Appointed 15 April 2014 until 31 March 2019) Mr. Rowen Ruiters (Appointed 15 April 2014 until and resigned 28 August 2019) Mr. Rakau Lekota (Appointed 15 April 2014 until 31 March 2019) Mr. Krish Ranchod (Appointed 08 September 2014 until 31 March 2019) Mr. K Manyathela (Appointed 01 December 2017 until 31 March 2019) Mr. V Phailane (Appointed 01 December 2017 until 31 March 2019) Ms. Letsabisa Shongwe (Appointed 05 Dec 2017 and reappointed as Vice-President on 17 April 2019) Mr. Ntsindiso Charles Nduku (Appointed 05 December 2017 and reappointed as President on 17 April 2019) Ms. Karuni Naidoo (Appointed 17 April 2019) Ms. Lwazikazi Ngodwane (Appointed 17 April 2019) Dr. Sitsabo Dlamini (Appointed 17 April 2019) Mr. Vusi Phailane (Appointed 17 April 2019) Mr. Kevin Bingham (Appointed 17 April 2019) Mr. Mohammed Allie Mohidien (Appointed 17 April 2019) Mr. Rowan Graham Nicholls (Appointed 17 April 2019) Mr. Lufuno Motsherane (Appointed 17 April 2019) |
| Bankers | First National Bank Nedbank Investec Bank |
| Auditors | PricewaterhouseCoopers Inc Registered Auditors |
| Level of Assurance | These Annual Financial Statements have been audited in compliance with the applicable requirements of Architectural Profession Act No 44 of 2000 |
| Preparer | The annual financial statements were independently compiled by: Maphuti Mothapo CA(SA) Financial Manager |
| Published | 10 September 2019 |

Independent Auditor's Report

To the Council Members of the South African Council for the Architectural Profession

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of South African Council for the Architectural Profession (the Council) and its subsidiaries (together the Group) as at 31 March 2019, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

South African Council for the Architectural Profession's consolidated and separate financial statements set out on pages 75 to 97 comprise:

- the statement of financial position as at 31 March 2019;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

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

Independence

We are independent of the Group 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Registrar's Report". The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, 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 directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, and for such internal control as the council members determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council members.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Council to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.

PricewaterhouseCoopers Inc.



Director: Raj Dhanlal
Registered Auditor
Waterfall City, Johannesburg
19 September 2019

Council Members Responsibilities and Approval

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

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

The Council members acknowledge that they are ultimately responsible for the system of internal financial control established by the Council and place considerable importance on maintaining a strong control environment. To enable the Council members to meet these responsibilities, the Council sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Council and all employees are required to maintain the highest ethical standards in ensuring the Council's business is conducted in a manner that in all reasonable circumstances is above reproach.

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

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

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

The financial statements have been audited by the independent audit firm, PriceWaterhouseCoopers, who have been given unrestricted access to all financial records and related data, including minutes to all meetings of the Council. The Council members believe that all representations made to the independent auditors during the audit were valid and appropriate. The external auditors' unqualified audit report is presented on page 70-71

The consolidated and separate annual financial statements as set out on pages 75 to 97 were approved by the Council on 10 September 2019 and were signed on their behalf by:



Mr Ntsindiso Charles Nduku
President



Ms Letsabisa Shongwe née Lerotholi
Vice President

Registrar's Report

The Registrar presents his report for the year ended 31 March 2019.

1. Review of activities

Main business and operations

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

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

Mission

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

Vision

People-centred architecture for South Africa.

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

2. Going concern

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

3. Events after reporting date

All events subsequent to the date of the consolidated annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed. Subsequent to the reporting period the Council made a decision to grant members an amnesty. These events did not result in adjustments to the financial statements that have material impact.

4. Council Members

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

Dr Yashaen Luckan (President) (Appointed 15 April 2014 and resigned 21 August 2018)
Mr. Philasande Jolobe (Vice-president) (Appointed 05 December 2017 until 31 March 2019)
Ms. Gillan Bolton (Appointed 15 April 2014 until 31 March 2019)
Mr. Rowen Ruiters (Appointed 15 April 2014 until and resigned 28 August 2019)
Mr. Rakau Lekota (Appointed 15 April 2014 until 31 March 2019)
Mr. Krish Ranchod (Appointed 08 September 2014 until 31 March 2019)
Mr. K Manyathela (Appointed 01 December 2017 until 31 March 2019)
Mr. V Phailane (Appointed 01 December 2017 until 31 March 2019)
Ms. Letsabisa Shongwe (Appointed 05 Dec 2017 and reappointed as Vice-President on 17 April 2019)
Mr. Ntsindiso Charles Nduku (Appointed 05 December 2017 and reappointed as President on 17 April 2019)
Ms. Karuni Naidoo (Appointed 17 April 2019)
Ms. Lwazikazi Ngodwane (Appointed 17 April 2019)
Dr. Sitsabo Dlamini (Appointed 17 April 2019)
Mr. Vusi Phailane (Appointed 17 April 2019)
Mr. Kevin Bingham (Appointed 17 April 2019)
Mr. Mohammed Allie Mohidien (Appointed 17 April 2019)
Mr. Rowan Graham Nicholls (Appointed 17 April 2019)
Mr. Lufuno Motsherane (Appointed 17 April 2019)

5. Operating Results

The operating results and consolidated Statement of Financial Position of the Council are fully set out in the attached annual financial statements.

The net deficit of R4,655,605 (2018: net surplus R564,559) was achieved in the period ended 31 March 2019. The higher net deficit in comparison to the previous financial year was mainly as a result of the following:

- R1.2 million increase in litigation expenses due to higher litigation cases in the current financial year compared to previous year;
- R1.5 million increase in tribunal expenses due to backlog of tribunal cases from previous financial year which took place in the current financial year;
- R0.7 million increase in honorarium expenses due to more council and committee meetings held in the current financial year; and
- R1.2 million increase in internal audit fees due to previous years' fees not accrued for.

6. Auditors

PricewaterhouseCoopers were the auditors during the year under review and will be recommended for reappointment in the 2020 financial year.

7. Annual Financial Statements

The Annual Financial Statements are classified as follows:

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

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



Advocate Toto Fiduli
Registrar
10 September 2019

Statement of Financial Position

as at 31 March 2019

| | | Consolidated | | Council | |
|---|---------|-------------------|-------------------|-------------------|-------------------|
| Figures in Rand | Note(s) | 2019 | 2018 | 2019 | 2018 |
| Assets | | | | | |
| Non-Current Assets | | | | | |
| Property, plant and equipment | 6 | 16,046,844 | 16,691,816 | 16,046,844 | 16,691,816 |
| Intangible assets | 7 | 64,989 | 123,200 | 64,989 | 123,200 |
| | | 16,111,833 | 16,815,016 | 16,111,833 | 16,815,016 |
| Current Assets | | | | | |
| Other financial assets | 8 | 14,467,295 | 13,556,484 | 11,914,292 | 11,160,819 |
| Trade and other receivables | 9 | 2,358,047 | 4,079,086 | 2,358,047 | 4,079,086 |
| Cash and cash equivalents | 10 | 549,532 | 3,761,573 | 504,993 | 3,278,319 |
| | | 17,374,874 | 21,397,143 | 14,777,332 | 18,518,224 |
| Total Assets | | 33,486,707 | 38,212,159 | 30,889,165 | 35,333,240 |
| Equity and Liabilities | | | | | |
| Equity | | | | | |
| Retained earnings | | 21,301,146 | 25,956,381 | 19,143,804 | 23,517,463 |
| | | 21,301,146 | 25,956,381 | 19,143,804 | 23,517,463 |
| Non-Current Liabilities | | | | | |
| Finance lease obligation | 11 | 77,417 | 161,782 | 77,417 | 161,782 |
| Current Liabilities | | | | | |
| Trade and other payables | 12 | 12,023,779 | 12,018,006 | 11,583,779 | 11,578,005 |
| Current portion of finance lease obligation | 11 | 84,365 | 75,990 | 84,365 | 75,990 |
| | | 12,108,144 | 12,093,996 | 11,668,144 | 11,653,995 |
| Total Equity and Liabilities | | 33,486,707 | 38,212,159 | 30,889,165 | 35,333,240 |

Statement of Comprehensive Income

for the year ended 31 March 2019

| Figures in Pounds | Note(s) | Consolidated | | Council | |
|---------------------------------------|---------|--------------------|------------------|--------------------|------------------|
| | | 2019 | 2018 | 2019 | 2018 |
| Revenue | 13 | 31,502,175 | 30,839,650 | 31,502,175 | 30,839,650 |
| Other income | 14 | 2,123,105 | 948,124 | 2,123,105 | 948,124 |
| Operating costs | | (39,750,030) | (32,722,929) | (39,308,699) | (32,281,741) |
| Operating deficit | | (6,124,750) | (935,155) | (5,683,419) | (493,967) |
| Finance income | 16 | 1,480,674 | 1,528,864 | 1,330,719 | 1,345,491 |
| Finance costs | 17 | (21,529) | (25,150) | (21,529) | (29,150) |
| (Deficit)/surplus for the year | | (4,655,605) | 564,559 | (4,374,229) | 822,374 |

Statement of Changes In Equity

as at 31 March 2019

| Figures in Rand | Consolidate | |
|---|--------------------|--------------------|
| | Retained earnings | Total |
| Balance at 1 April 2017 | 25,391,822 | 25,391,822 |
| Total comprehensive income for the year | | |
| Surplus for the year | 564,559 | 564,559 |
| Total comprehensive income for the year | 564,559 | 564,559 |
| Balance at 31 March 2018 | 25,956,381 | 25,956,381 |
| Balance at 1 April 2018 as previously reported | 25,956,381 | 25,956,381 |
| Adjustment due to error in prior year | 370 | 370 |
| Balance at 1 April 2018 as adjusted | 25,956,751 | 25,956,751 |
| Total comprehensive income for the year | | |
| Deficit for the year | (4,655,605) | (4,655,605) |
| Total comprehensive income for the year | (4,655,605) | (4,655,605) |
| Balance at 31 March 2019 | 21,301,146 | 21,301,146 |

| Figures in Rand | Council | |
|---|--------------------|--------------------|
| | Retained earnings | Total |
| Balance at 1 April 2017 | 22,695,089 | 22,695,089 |
| Total comprehensive income for the year | | |
| Surplus for the year | 822,374 | 822,374 |
| Total comprehensive income for the year | 822,374 | 822,374 |
| Balance at 31 March 2018 | 23,517,463 | 23,517,463 |
| Balance at 1 April 2018 as previously reported | 23,517,463 | 23,517,463 |
| Adjustment due to error in prior year | 370 | 370 |
| Balance at 1 April 2018 as adjusted | 23,517,833 | 23,517,833 |
| Total comprehensive income for the year | | |
| Deficit for the year | (4,374,229) | (4,374,229) |
| Total comprehensive income for the year | (4,374,229) | (4,374,229) |
| Balance at 31 March 2019 | 19,143,604 | 19,143,604 |

Statement of Cash Flow

for the year ended 31 March 2019

| Figures in Rand | Note(s) | Consolidated | | Council | |
|---|---------|--------------------|--------------------|--------------------|--------------------|
| | | 2019 | 2018 | 2019 | 2018 |
| Cash flows from operating activities | | | | | |
| (Deficit)/surplus for the year | | (4,855,805) | 564,558 | (4,374,329) | 822,374 |
| Adjustments for: | | | | | |
| Finance costs | 17 | 21,529 | 29,150 | 21,529 | 29,150 |
| Amortisation of intangible assets | | 81,421 | 85,958 | 81,421 | 85,958 |
| Depreciation of property, plant and equipments | | 841,973 | 909,530 | 841,973 | 909,530 |
| Finance income | 18 | (1,490,674) | (1,528,864) | (1,330,719) | (1,345,491) |
| Loss on disposal of property, plant and equipments | | 290 | | 290 | |
| Adjustment due to error in previous year | | 370 | | 370 | |
| Operating cash flow before working capital changes | | (5,200,696) | 60,333 | (4,759,365) | 501,521 |
| Working capital changes | | | | | |
| Decrease in trade and other receivables | | 1,721,039 | 1,933,154 | 1,721,039 | 1,933,154 |
| Increase in trade and other payables | | 5,775 | 1,810,356 | 5,776 | 1,170,356 |
| Cash generated by operating activities | 18 | (3,473,882) | 3,603,843 | (3,032,550) | 3,605,031 |
| Finance income | | 1,490,674 | 1,528,864 | 1,330,719 | 1,345,491 |
| Finance costs | | (21,529) | (29,150) | (21,529) | (29,150) |
| Net cash flow from operating activities | | (2,004,737) | 5,103,557 | (1,723,360) | 4,921,372 |
| Cash flow (used in)/from investing activities | | | | | |
| Property, plant and equipment acquired | 6 | (197,293) | (61,911) | (197,293) | (61,911) |
| Intangible assets acquired | 7 | (23,210) | | (23,210) | |
| Proceeds on disposals of property, plant and equipment | | | 760 | | 760 |
| Increase in financial asset | | (910,811) | (3,285,013) | (753,473) | (3,544,918) |
| Net cash flows (used in)/from investing activities | | (1,131,314) | (3,346,164) | (973,976) | (3,606,067) |
| Cash flows used in financing activities | | | | | |
| Finance lease payment | | (75,990) | (68,447) | (75,990) | (68,447) |
| Net cash flows used in financing activities | | (75,990) | (68,447) | (75,990) | (68,447) |
| Net (decrease) / increase in cash and cash equivalents | | (3,212,041) | 1,688,946 | (2,773,326) | 1,246,858 |
| Cash and cash equivalents at beginning of the year | | 3,761,573 | 2,072,627 | 3,278,319 | 2,031,461 |
| Cash and cash equivalents at end of the year | 10 | 549,532 | 3,761,573 | 504,993 | 3,278,319 |

Accounting Policies

1. General information

The consolidated and separate annual financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (IFRS) and the Architectural Profession Act, 2000 (Act no 44 of 2000).

2. Basis of preparation

The consolidated and separate annual financial statements of the Council have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) applicable to entities reporting under IFRS.

The consolidated and separate annual financial statements have been prepared under the historical cost convention.

The financial statements are presented in South African Rand, which is the entity's functional currency.

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

3. Summary of significant accounting policies

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

New Standards and Interpretations

Standards and interpretations effective and adopted in the current year

At the date of authorisation of these financial statements for the year ended 31 March 2019, the following IFRSs were adopted:

| IFRS/IFRIC | Title and details | Effective | Expected Impact |
|--------------------------------|---|--|--------------------|
| IFRS 10 | Consolidated financial statements | Effective date postponed (initially 1 January 2016) | No material impact |
| IFRS 9 - Financial instruments | Financial Instruments - A final version of IFRS 9 which replaces IAS 39 | Annual periods commencing on or after 1 January 2018 | No material impact |
| IFRS 16 | Leases | Annual periods commencing on or after 1 January 2019 | No material impact |
| Amendments to IFRS 15 | Clarifications to IFRS 15 Revenue from Contracts from Customers | Annual periods commencing on or after 1 January 2018 | No material impact |

Standards and interpretations not yet effective.

The Council has not applied the following new, revised or amended pronouncements that have been issued by the IASB as they are unlikely to have material impact in the current accounting period (the list does not include information about new requirements that affect interim financial reporting or first-time adopters of IFRS since they are not relevant to the Council). The Council anticipates that the new standards, amendments and interpretations will be adopted in the Council's consolidated financial statements when they become effective. The Council has assessed, where practicable, the potential impact of all these new standards, amendments and interpretations that will be effective in future periods.

| IFRS/IFRIC | Title and details | Effective | Expected Impact |
|----------------------|---|--|------------------------------------|
| Amendments to IFRS 1 | First-time Adoption of International Financial Reporting Standards; Annual Improvements to IFRS 2014-2016 cycle | Annual periods commencing on or after 1 January 2018 | Unlikely to have a material impact |

All applicable standards will be complied with in the financial statements for the period ending 31 March 2019. Compliance with these amendments, revisions and improvements require additional disclosure compared to that required in terms of existing IFRS.

Management performed an assessment of the impact of all applicable standards that will apply for the period ending 31 March 2019.

3.1 Property, Plant and Equipment

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other income' in the statement of comprehensive income. The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

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

The major categories of property, plant and equipment have the following estimated used full life:

| | |
|------------------------|----------|
| Building | 50 years |
| Motor vehicles | 5 years |
| Office equipment | 5 years |
| Computer equipment | 3 years |
| Furniture and fittings | 10 years |

3.2 Intangibles

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

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

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

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

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

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

Intangible assets have the following estimated used full life:

| | |
|-----------|---------|
| Softwares | 3 years |
|-----------|---------|

3.2.1 Amortisation

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

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

3.3 Financial assets

3.3.1 Loans and receivables

Council applied the principles of IFRS 9. In terms of IFRS 9 the classification and measurement requirements are driven by cash flow characteristics and the group business model. Financial instruments are classified into one of three classes: amortised cost, fair value through profit or loss, and fair value through other comprehensive income. The standard also incorporates a forward looking 'expected loss' impairment model. The standard contains requirements in the following areas:

(i) Classification and measurement

Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments.

(ii) Impairment of financial assets

IFRS 9 requires an expected credit loss model to be used in impairing financial assets. This model requires the Council to account for expected credit losses and changes thereto at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit loss event to have occurred before impairments are recognised.

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

(iii) Derecognition

The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

The Council has applied IFRS 9 principles in the current financial year. All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

There however is no significant difference between the application of IAS 39 and IFRS 9 to the financial instruments identified in the 2019 financial year for classification and measurement. Although the impact of impairment is immaterial, the expected credit loss simplified approach to trade receivables was applied. Trade receivables are mostly current and the impact of that default would be immaterial.

3.3.2 Accounts receivables

Accounts receivables are carried as financial assets at amortised cost. A credit loss account is used to recognise impairments on accounts receivables. For accounts receivables and contract assets, a simplified approach is applied in calculating expected credit losses. Instead of tracking changes in credit risk, a loss allowance is recognised based on lifetime expected credit losses at each reporting date, except for the following receivables:

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

At each reporting date, the Council assesses whether there is any objective evidence that a receivable or Council of receivables is impaired. IFRS 9 requires an expected credit loss model to be used in impairing financial assets. This model requires the Council to account for expected credit losses and changes thereto at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit loss event to have occurred before impairments are recognised.

3.3.3 Cash and cash equivalents

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

For the purpose of statement of cash flows, bank overdrafts do not form an integral part of the Council's cash management as a result they are not included as a component of cash and cash equivalents.

3.4 Financial liabilities

3.4.1 Accounts payables

Accounts payables are obligations to pay for goods and services that have been acquired in the ordinary course of business. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

3.4.2 Borrowings

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

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

3.4.3 Lease liabilities

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration. At inception of a contract, it is assessed to determine whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the terms and conditions of a contract have changed, it is reassessed to once again determine if the contract is still or now contains a lease. The lease term of a lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised.

At inception, a right-of-use asset and a lease liability is recognised. Right-of-use of assets are included in the statement of financial performance within a classification relevant to the underlying asset, and not as a separate line item. Right-of-use assets are initially measured at cost, comprising the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date, less any lease incentives received;
- Any initial direct costs incurred; and
- An estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The obligation for those costs are incurred either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Subsequently, right-of-use of assets are measured using the cost model.

The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date. Lease payments are discounted using the relevant Council's incremental borrowing rate.

Subsequently, the lease liability is measured by:

- Increasing the carrying amount to reflect interest on the lease liability;
- Reducing the carrying amount to reflect the lease payments made; and
- Remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments.

3.5 Post-employment benefits and short-term employee benefits

Post-employment benefit plans

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

Short-term employee benefits

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

3.6 Interest-bearing borrowings

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

3.7 Revenue Recognition

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

Annual and Administration Fees

Revenue from subscriptions, members' entrance fees and professional development is recognised when services are rendered.

Exam Fee

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

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

Registration and Re-registrations

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

Renewals

Revenue is recognised when renewals takes effect

3.8 Finance income

Interest income is recognised using the effective interest method.

3.9 Other income

Other income comprises includes mainly professional misconduct fines and recoveries.

4. Critical accounting judgements and key sources of estimation uncertainty

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

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

4.1 Useful lives of property, plant and equipment

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

5 Consolidation

The Education Fund is established in accordance with section 15 (5) of the Architectural Profession Act of 2000 and is administered by the Council. All financial results are consolidated with similar items on a line-by-line basis.

Notes to the Consolidated Annual Financial Statements

6. Property, plant and equipment

Consolidated

| Figures in Rand | 2019 | | | 2018 | | |
|--|-------------------|--------------------------|---------------------|-------------------|--------------------------|---------------------|
| | Cost | Accumulated depreciation | 2019 Carrying value | Cost | Accumulated depreciation | 2018 Carrying value |
| <i>Owned assets</i> | | | | | | |
| Buildings | 15,982,309 | (796,396) | 15,185,913 | 15,911,880 | (477,386) | 15,434,524 |
| Motor vehicles | 537,005 | (438,554) | 98,451 | 537,005 | (331,152) | 205,853 |
| Furniture and fittings | 1,069,308 | (628,134) | 441,174 | 996,920 | (539,798) | 457,122 |
| Office equipments | 191,497 | (128,876) | 62,621 | 181,904 | (104,216) | 77,688 |
| IT equipments | 1,188,295 | (1,064,465) | 123,830 | 1,145,154 | (838,876) | 306,278 |
| | 18,968,414 | (3,056,425) | 15,911,989 | 16,772,863 | (2,291,398) | 16,481,465 |
| <i>Capitalised leased assets</i> | | | | | | |
| Lease assets | 377,483 | (242,628) | 134,855 | 377,482,91 | (167,132) | 210,351 |
| Total property, plant and equipment | 19,345,897 | (3,299,053) | 16,046,844 | 19,150,345 | (2,458,530) | 16,691,816 |

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

2019 Reconciliation

| Figures in Rand | Carrying value at beginning of year | Additions | Depreciation on disposal | Disposals | Depreciation | 2019 Carrying value at end of year |
|--|-------------------------------------|----------------|--------------------------|----------------|------------------|------------------------------------|
| <i>Owned assets</i> | | | | | | |
| Land and buildings | 15,434,524 | 70,429 | | | (319,040) | 15,185,913 |
| Motor vehicles | 205,853 | | | | (107,402) | 98,451 |
| Furniture and fittings | 457,122 | 72,388 | | | (88,336) | 441,174 |
| Office equipments | 77,688 | 11,335 | 1,450 | (1,742) | (26,110) | 62,621 |
| IT equipments | 306,278 | 43,141 | | | (225,589) | 123,830 |
| | 16,481,465 | 197,293 | 1,450 | (1,742) | (766,477) | 15,911,989 |
| <i>Capitalised leased assets</i> | | | | | | |
| IT Equipment (Cannon printers) | 210,351 | | | | (75,496) | 134,855 |
| Total property, plant and equipment | 16,691,816 | 197,293 | 1,450 | (1,742) | (841,973) | 16,046,844 |

Notes to the Consolidated Annual Financial Statements

2018 Reconciliation

Figures in Rand

| | Carrying value at beginning of year | Additions | Depreciation on disposal | Disposals | Depreciation | 2018 Carrying value at end of year |
|--|-------------------------------------|---------------|--------------------------|--------------|------------------|------------------------------------|
| <i>Owned assets</i> | | | | | | |
| Land and buildings | 15,752,761 | | | | (318,237) | 15,434,524 |
| Motor vehicles | 313,264 | | | | (107,401) | 205,863 |
| Furniture and fittings | 513,070 | 41,970 | | (760) | (97,158) | 457,122 |
| Office equipments | 390,778 | 7,689 | | | (110,428) | 288,039 |
| IT equipments | 284,464 | 12,252 | | | (200,809) | 95,927 |
| | 17,254,347 | 61,911 | | (760) | (834,033) | 16,481,465 |
| <i>Capitalised leased assets</i> | | | | | | |
| IT Equipment (Cannon printers) | 285,848 | | | | (75,497) | 210,351 |
| Total property, plant and equipment | 17,540,195 | 61,911 | | (760) | (909,530) | 16,691,816 |

Council

| Figures in Rand | 2019 | | | 2018 | | |
|--|-------------------|--------------------------|---------------------|-------------------|--------------------------|---------------------|
| | Cost | Accumulated depreciation | 2019 Carrying value | Cost | Accumulated depreciation | 2018 Carrying value |
| <i>Owned assets</i> | | | | | | |
| Buildings | 15,982,309 | (796,396) | 15,185,913 | 15,911,880 | (477,356) | 15,434,524 |
| Motor vehicles | 537,005 | (438,554) | 98,451 | 537,005 | (331,152) | 205,853 |
| Furniture and fittings | 1,069,306 | (628,134) | 441,174 | 996,920 | (539,798) | 457,122 |
| Office equipments | 191,497 | (128,676) | 62,821 | 181,904 | (104,216) | 77,688 |
| IT equipments | 1,188,295 | (1,064,465) | 123,830 | 1,145,154 | (838,876) | 306,278 |
| | 18,968,414 | (3,056,425) | 15,911,989 | 18,772,863 | (2,291,398) | 16,481,465 |
| <i>Capitalised leased assets</i> | | | | | | |
| Lease assets | 377,483 | (242,628) | 134,855 | 377,482,91 | (167,132) | 210,351 |
| Total property, plant and equipment | 19,345,897 | (3,299,053) | 16,046,844 | 19,150,345 | (2,458,530) | 16,691,816 |

Notes to the Consolidated Annual Financial Statements

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

2019 Reconciliation

Figures in Rand

| | Carrying value at beginning of year | Additions | Depreciation on disposal | Disposals | Depreciation | 2019 Carrying value at end of year |
|------------------------|-------------------------------------|----------------|--------------------------|----------------|------------------|------------------------------------|
| <i>Owned assets</i> | | | | | | |
| Land and buildings | 15,434,524 | 70,429 | | | (319,040) | 15,185,913 |
| Motor vehicles | 205,853 | | | | (107,402) | 98,451 |
| Furniture and fittings | 457,122 | 72,388 | | | (85,335) | 441,174 |
| Office equipments | 77,688 | 11,335 | 1,450 | (1,742) | (25,110) | 62,621 |
| IT equipments | 306,278 | 43,141 | | | (225,589) | 123,830 |
| | 16,481,465 | 197,293 | 1,450 | (1,742) | (766,477) | 15,911,969 |

| | | | | | | |
|--|-------------------|----------------|--------------|----------------|------------------|-------------------|
| <i>Capitalised leased assets</i> | | | | | | |
| IT Equipment (Cannon printers) | 210,351 | | | | (75,496) | 134,855 |
| Total property, plant and equipment | 16,691,816 | 197,293 | 1,450 | (1,742) | (841,973) | 16,046,844 |

2018 Reconciliation

Figures in Rand

| | Carrying value at beginning of year | Additions | Depreciation on disposal | Disposals | Depreciation | 2018 Carrying value at end of year |
|------------------------|-------------------------------------|---------------|--------------------------|--------------|------------------|------------------------------------|
| <i>Owned assets</i> | | | | | | |
| Land and buildings | 15,752,761 | | | | (318,237) | 15,434,524 |
| Motor vehicles | 313,254 | | | | (107,401) | 205,853 |
| Furniture and fittings | 513,070 | 41,970 | | (760) | (97,156) | 457,122 |
| Office equipments | 360,778 | 7,889 | | | (110,428) | 288,039 |
| IT equipments | 284,484 | 12,252 | | | (200,809) | 95,927 |
| | 17,254,347 | 61,911 | | (760) | (834,033) | 16,481,465 |

| | | | | | | |
|--|-------------------|---------------|--|--------------|------------------|-------------------|
| <i>Capitalised leased assets</i> | | | | | | |
| IT Equipment (Cannon printers) | 285,848 | | | | (75,497) | 210,351 |
| Total property, plant and equipment | 17,540,195 | 61,911 | | (760) | (909,530) | 16,691,816 |

Notes to the Consolidated Annual Financial Statements

7. Intangible assets

Consolidated

| Figures in Rand | 2019 | | | 2018 | | |
|------------------------------|---------|--------------------------|---------------------|---------|--------------------------|---------------------|
| | Cost | Accumulated Amortisation | 2019 Carrying value | Cost | Accumulated Depreciation | 2018 Carrying value |
| Intangible Assets (software) | 691,390 | (626,401) | 64,989 | 668,181 | (544,981) | 123,200 |

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

2019 Reconciliation

| Figures in Rand | | | | | | |
|------------------------------|-------------------------------------|-----------|-------------|-----------|--------------|---------------------|
| | Carrying value at beginning of year | Additions | Revaluation | Disposals | Amortisation | 2019 Carrying value |
| Intangible assets | | | | | | |
| Intangible Assets (software) | 123,200 | 23,210 | - | - | (81,421) | 64,989 |

2018 Reconciliation

| Figures in Rand | | | | | | |
|------------------------------|-------------------------------------|-----------|-------------|-----------|--------------|---------------------|
| | Carrying value at beginning of year | Additions | Revaluation | Disposals | Amortisation | 2018 Carrying value |
| Intangible assets | | | | | | |
| Intangible Assets (software) | 209,157 | - | - | - | (85,957) | 123,200 |

Council

| Figures in Rand | 2019 | | | 2018 | | |
|------------------------------|---------|--------------------------|---------------------|---------|--------------------------|---------------------|
| | Cost | Accumulated Amortisation | 2019 Carrying value | Cost | Accumulated Depreciation | 2018 Carrying value |
| Intangible Assets (software) | 691,390 | (626,401) | 64,989 | 668,181 | (544,981) | 123,200 |

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

2019 Reconciliation

| Figures in Rand | | | | | | |
|------------------------------|-------------------------------------|-----------|-------------|-----------|--------------|---------------------|
| | Carrying value at beginning of year | Additions | Revaluation | Disposals | Amortisation | 2019 Carrying value |
| Intangible assets | | | | | | |
| Intangible Assets (software) | 123,200 | 23,210 | - | - | (81,421) | 64,989 |

2018 Reconciliation

| Figures in Rand | | | | | | |
|------------------------------|-------------------------------------|-----------|-------------|-----------|--------------|---------------------|
| | Carrying value at beginning of year | Additions | Revaluation | Disposals | Amortisation | 2018 Carrying value |
| Intangible assets | | | | | | |
| Intangible Assets (software) | 209,157 | - | - | - | (85,957) | 123,200 |

Notes to the Consolidated Annual Financial Statements

8. Other financial assets

| Figures in Rand | Consolidated | | Council | |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 |
| First National Bank | 4,129,750 | 3,855,992 | 4,129,750 | 3,855,992 |
| Investec | 4,771,206 | 4,438,258 | 4,463,057 | 4,152,861 |
| Nedbank | 5,566,249 | 5,262,234 | 3,321,485 | 3,151,966 |
| Total other financial assets | 14,467,295 | 13,556,484 | 11,914,292 | 11,160,819 |

9. Trade and other receivables

| Figures in Rand | Consolidated | | Council | |
|-----------------------------|------------------|------------------|------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Net trade receivable | 3,287,968 | 6,067,266 | 3,287,968 | 6,067,266 |
| Trade receivable | 8,419,280 | 11,983,049 | 8,419,280 | 11,983,049 |
| Allowance for credit losses | (5,131,312) | (5,915,783) | (5,131,312) | (5,915,783) |
| Value Added Tax | 1,104,263 | 47,694 | 1,104,263 | 47,694 |
| Staff advances | 10,024 | 3,563 | 10,024 | 3,563 |
| Unallocated receipts | (2,044,208) | (2,039,437) | (2,044,208) | (2,039,437) |
| | 2,358,047 | 4,079,086 | 2,358,047 | 4,079,086 |

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

The credit quality of trade receivables that are neither past due nor impaired were assessed by reference to historical payments trends, therefore a credit rating of 'high' has been ascribed to accounts receivables from registered persons. The carrying amount of accounts receivables from registered persons approximates its fair value.

| Credit rating of trade receivables | | Consolidated | | Council | |
|------------------------------------|--------|------------------|-------------------|------------------|-------------------|
| Figures in Rand | | 2019 | 2018 | 2019 | 2018 |
| | Rating | | | | |
| Current | High | 639,969 | 126,027 | 639,969 | 126,027 |
| 31-60 days | Medium | 494,198 | 328,653 | 494,198 | 328,653 |
| Over 60 days | Low | 7,285,113 | 11,528,323 | 7,285,113 | 11,528,323 |
| Total | | 8,419,280 | 11,983,002 | 8,419,280 | 11,983,003 |

The entity recognised an allowance for credit losses of R5,131,312 (2018: R5,915,783) against trade receivables.

| Figures in Rand | Consolidated | | Council | |
|--|------------------|------------------|------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Allowance account for credit losses: | | | | |
| Balance as at 1 April 2018 | 5,288,352 | 6,414,344 | 5,288,352 | 6,414,344 |
| Impairment loss accounted for during the year- debtors | (157,040) | (1,283,631) | (157,040) | (1,283,631) |
| Impairment loss made during the year-Vat portion | | 157,639 | | 157,639 |
| Balance as at 31 March 2019 | 5,131,312 | 5,288,352 | 5,131,312 | 5,288,352 |

Notes to the Consolidated Annual Financial Statements

10. Cash and cash equivalents

| Consolidated | Consolidated | | Council | |
|-----------------|--------------|-----------|---------|-----------|
| | 2019 | 2018 | 2019 | 2018 |
| Figures in Rand | | | | |
| FNB | 548,532 | 3,761,573 | 504,993 | 3,278,319 |
| | 548,532 | 3,761,573 | 504,993 | 3,278,319 |

11. Finance lease obligation

SACAP entered into an agreement with Canon Business Center for two copiers (Canon 5051i). The rental agreement for a period of 60 months beginning on 01 February 2016 and the total monthly instalments, payable in advance, are R 8,113.58 with a 0% escalation per annum.

| Consolidated | Consolidated | | Council | |
|--|----------------|----------------|----------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| Figures in Rand | | | | |
| Future minimum lease payments fall due as follows | | | | |
| - no later than one year | 101,135 | 97,363 | 101,135 | 97,363 |
| - later than one year but no later than five years | 77,417 | 161,729 | 77,417 | 161,729 |
| Future finance costs | (16,770) | (21,320) | (16,770) | (21,320) |
| Lease liability | 161,782 | 237,772 | 161,782 | 237,772 |
| Analysed as follows: | | | | |
| Current portion | 84,365 | 75,990 | 84,365 | 75,990 |
| Long term portion | 77,417 | 161,782 | 77,417 | 161,782 |
| | 161,782 | 237,772 | 161,782 | 237,772 |

The lease liability is secured over certain items of property, plant and equipment disclosed in (Note 6).

12. Trade and other payables

| Consolidated | Consolidated | | Council | |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Figures in Rand | | | | |
| Trade payables | 1,792,620 | 677,417 | 1,792,620 | 677,417 |
| Accruals | 955,525 | 2,577,451 | 515,525 | 2,137,451 |
| Cash received in advance | 8,168,107 | 8,168,107 | 8,168,107 | 8,168,104 |
| Other - salary deferrals | 67,583 | 109,697 | 67,583 | 109,697 |
| Accrual for leave pay | 744,416 | 466,596 | 744,416 | 466,596 |
| Provision for performance bonus | 292,258 | | 292,258 | |
| | 12,020,518 | 11,999,268 | 11,580,518 | 11,559,265 |
| Credit Card | 3,262 | 18,738 | 3,262 | 18,740 |
| | 12,023,779 | 12,018,006 | 11,583,779 | 11,578,005 |

There was a reclassification of credit card to current liabilities that was included in bank balance. The reclassification will not have any material impact on amounts reported in 2019 understated financial year 2019 R3 262 (2018 R18 740).

Notes to the Consolidated Annual Financial Statements

13. Revenue

An analysis of revenue is as follows:

| Figures in Rand | Consolidated | | Council | |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Annual Fees | 26,532,428 | 24,850,537 | 26,532,428 | 24,850,537 |
| Administration Fees | 829,753 | 786,749 | 829,753 | 786,749 |
| Registration and Re-registrations | 2,462,340 | 3,503,715 | 2,462,340 | 3,503,715 |
| Renewals | 637,718 | 648,515 | 637,718 | 648,515 |
| Exam Fees | 1,039,936 | 1,050,134 | 1,039,936 | 1,050,134 |
| | 31,502,175 | 30,839,650 | 31,502,175 | 30,839,650 |

Registration is cancelled when the Registered Professionals do not pay their fees within 60 days. The fees are then recognised in the year in which they are received.

14. Other Income

| Figures in Rand | Consolidated | | Council | |
|-------------------------------|------------------|----------------|------------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| Sundry Income | 6,765 | 1,500 | 6,765 | 1,500 |
| Other Income (Recoveries) | 472,340 | 650,196 | 472,340 | 650,196 |
| Professional Misconduct Fines | 1,644,000 | 296,428 | 1,644,000 | 296,428 |
| Other income | 2,123,105 | 948,124 | 2,123,105 | 948,124 |

15. Operating deficit

Operating deficit is arrived at after taking into account the following:

| Figures in Rand | Consolidated | | Council | |
|---|--------------|-----------|-------------|-----------|
| | 2019 | 2018 | 2019 | 2018 |
| Income | | | | |
| Loss on disposal of property, plant and equipment | (290) | | (290) | |
| Depreciation and Amortisation | | | | |
| Land and building | (319,040) | (318,237) | (319,040) | (318,237) |
| Motor vehicle | (107,401) | (107,401) | (107,401) | (107,401) |
| Furniture and fittings | (88,336) | (97,158) | (88,336) | (97,158) |
| Office equipment | (26,112) | (110,428) | (26,112) | (110,428) |
| IT Equipment | (225,589) | (200,809) | (225,589) | (200,809) |
| Capitalised lease asset | (75,497) | (75,497) | (75,497) | (75,497) |
| Amortisation - Intangible assets | (81,421) | (85,957) | (81,421) | (85,957) |
| Audit fees | | | | |
| - External | (323,157) | (199,167) | (323,157) | (199,167) |
| - Internal | (1,189,010) | | (1,189,010) | |
| Operating lease charges | | | | |
| Premises | | (292,475) | | (292,475) |

Notes to the Consolidated Annual Financial Statements

16. Finance income

| Figures in Rand | Consolidated | | Council | |
|-----------------|--------------|-----------|-----------|-----------|
| | 2019 | 2018 | 2019 | 2018 |
| Interest income | 1,490,674 | 1,528,864 | 1,330,719 | 1,345,491 |

17. Finance costs

| Figures in Rand | Consolidated | | Council | |
|-------------------|--------------|--------|---------|--------|
| | 2019 | 2018 | 2019 | 2018 |
| Interest expenses | 21,529 | 29,150 | 21,529 | 29,150 |

18. Cash generated by operating activities

| Figures in Rand | Consolidated | | Council | |
|--|--------------|-------------|-------------|-------------|
| | 2019 | 2018 | 2019 | 2018 |
| Deficit/surplus for the year | (4,655,605) | 564,559 | (4,374,229) | 822,374 |
| Adjustments for: | | | | |
| Finance costs | 21,529 | 29,150 | 21,529 | 29,150 |
| Depreciation and amortisation of assets | 923,394 | 995,488 | 923,394 | 995,488 |
| Investment income | (1,490,674) | (1,528,864) | (1,330,719) | (1,345,491) |
| Profit/loss on disposal of property, plant and equipment | 290 | | 290 | |
| Adjustment due to error in prior year profit | 370 | | 370 | |
| Operating cash flow before working capital change | (5,200,696) | 60,333 | (4,759,365) | 501,521 |
| Working capital changes | | | | |
| Decrease/(increase) in trade and other receivables | 1,721,039 | 1,933,154 | 1,721,039 | 1,933,154 |
| Increase/(decrease) in trade and other payables | 5,775 | 1,610,356 | 5,775 | 1,170,356 |
| Cash generated by/(utilised in) operating activities | (3,473,882) | 3,603,843 | (3,032,550) | 3,605,031 |

19. Taxation

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

20. Related party transactions

Relationship

| | |
|------------------------------|--|
| Members of key management | Marella O'Reilly - Registrar |
| | Barbara Van Stade (COO) |
| | Tshepo Tefo (Senior Manager - Finance) |
| Executive authority | Department of Public Works |
| Governing body | Refer to the Registrar's report for the Council member names |
| Relationship governed by law | Council for the Building Environment |

Notes to the Consolidated Annual Financial Statements

Related party balances

| Figures in Rand | Consolidated | | Council | |
|---|----------------|----------------|----------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| Related party transactions included in operation expenses | | | | |
| Council for the Building Environment - levies | 406,455 | 400,627 | 406,455 | 400,627 |

| Key Management | | | | |
|-------------------|------------------------|--------------|------------------|------------------|
| Figures in Rand | Relationship | Transactions | 2019 | 2018 |
| | | | | |
| Marella O'Reilly | Registrar-Suspended | Salary | 2,988,076 | 2,646,335 |
| | | Bonus | | 395,950 |
| | | Travel | 110,000 | 120,000 |
| | | | 3,098,076 | 3,165,303 |
| Barbara Van Stade | CDO | Salary | 290,570 | 1,541,349 |
| | | Bonus | 18,000 | 231,202 |
| | | Travel | | 108,000 |
| | | | 308,570 | 1,880,551 |
| Tshepo Tifo | Senior Manager Finance | Salary | 1,655,406 | 1,378,558 |
| | | Bonus | | 206,788 |
| | | Travel | 240,000 | 120,000 |
| | | | 1,895,406 | 1,705,346 |
| Toto Fiduli | Acting Registrar | Salary | 1,295,396 | |
| | | Bonus | 80,000 | |
| | | Travel | | |
| | | | 1,365,396 | - |

Notes to the Consolidated Annual Financial Statements

Non-Executive Council Members

| Figures in Rand | 2019 | | | 2018 | | |
|--|----------------|----------|----------------|----------------|----------|----------------|
| | Honorarium | Travel | Total | Honorarium | Travel | Total |
| Y Luckan, President - (Resigned 21 Aug 2018) | | | | 321,382 | | 321,382 |
| R Ruder - (Resigned 28 August 2018) | 34,572 | | 34,572 | 58,440 | | 58,440 |
| R Lekota | 89,763 | | 89,763 | 46,445 | | 46,445 |
| K Rancod | 93,693 | | 93,693 | 40,910 | | 40,910 |
| K Manyathela | 50,724 | | 50,724 | 5,844 | | 5,844 |
| P Jolobe | 84,918 | | 84,918 | 5,844 | | 5,844 |
| N Nduku | 46,697 | | 46,697 | 5,844 | | 5,844 |
| V Phalane | 138,974 | | 138,974 | 5,844 | | 5,844 |
| L Shongwe | 298,203 | | 298,203 | 3,896 | | 3,896 |
| | 837,544 | - | 837,544 | 494,449 | - | 494,449 |

Non-Executive – Audit and Risk member

| Figures in Rand | 2019 | | | 2018 | | |
|-----------------|----------------|----------|----------------|---------------|----------|---------------|
| | Honorarium | Travel | Total | Honorarium | Travel | Total |
| P Seroto | 41,365 | | 41,365 | 34,470 | | 34,470 |
| Ms G Bolton | 33,092 | | 33,092 | | | |
| Adv F Mukaddam | 41,365 | | 41,365 | 19,480 | | 19,480 |
| Mr C Motau | 41,365 | | 41,365 | 19,480 | | 19,480 |
| Mr K Manyathela | 41,365 | | 41,365 | | | |
| Mr R Ruitani | 41,365 | | 41,365 | | | |
| Mr K Rancod | 41,365 | | 41,365 | | | |
| | 281,282 | - | 281,282 | 73,430 | - | 73,430 |

Council members that are architectural

| Figures in Rand | Names | Category | 2019 | 2018 |
|-----------------|--------------------------|----------|---------------|---------------|
| | | | Fees | Fees |
| | VJ Phalane | Pr Arch | 2,994 | 2,825 |
| | R Ruter | PAT | 2,994 | 2,825 |
| | KS Manyathela | Pr Arch | 2,994 | 2,825 |
| | R Lekota | Pr Arch | 2,994 | 2,825 |
| | LR Shongwe née Lerotholi | Pr Arch | 2,994 | 2,825 |
| | P Jolobe | Pr Arch | 2,994 | 2,825 |
| | N Nduku | Pr Arch | 2,994 | 2,825 |
| | Y Luckan | Pr Arch | 2,994 | 2,825 |
| | | | 23,952 | 22,600 |

Notes to the Consolidated Annual Financial Statements

22. Financial instruments

Financial assets by category

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

| Consolidated | | |
|--|-----------------------|------------|
| Figures in Rand | | |
| 31 March 2019 | Loans and receivables | Total |
| Investments | 14,467,295 | 14,467,295 |
| Trade and other receivables (refer note 9) | 2,358,047 | 2,358,047 |
| Cash and cash equivalents (refer note 10) | 540,532 | 540,532 |
| 31 March 2018 | Loans and receivables | Total |
| Investments | 13,556,484 | 13,556,484 |
| Trade and other receivables (refer note 9) | 4,079,086 | 4,079,086 |
| Cash and cash equivalents (refer note 10) | 3,761,573 | 3,761,573 |

| Council | | |
|--|-----------------------|------------|
| Figures in Rand | | |
| 31 March 2019 | Loans and receivables | Total |
| Other financial assets | 11,914,292 | 11,914,292 |
| Trade and other receivables (refer note 9) | 2,358,047 | 2,358,047 |
| Cash and cash equivalents (refer note 10) | 504,993 | 504,993 |
| 31 March 2018 | Loans and receivables | Total |
| Other financial assets | 11,160,819 | 11,160,819 |
| Trade and other receivables (refer note 9) | 4,079,086 | 4,079,086 |
| Cash and cash equivalents (refer note 10) | 3,278,319 | 3,278,319 |

Financial liabilities by category Consolidated

The Group has classified its financial liabilities in the following categories

| Consolidated | | |
|--------------------------|---|-----------|
| Figures in Rand | | |
| 31 March 2019 | Financial liabilities amortised cost | Total |
| Finance lease obligation | 161,782 | 161,782 |
| Trade and other payables | 2,748,154 | 2,748,154 |
| 31 March 2018 | Financial liabilities amortised cost | Total |
| Finance lease obligation | 237,772 | 237,772 |
| Trade and other payables | 3,254,868 | 3,254,868 |

Notes to the Consolidated Annual Financial Statements

| Council | | |
|--------------------------|---------------------------------------|-----------|
| Figures in Rand | | |
| 31 March 2019 | Finance liabilities at amortised cost | Total |
| Trade and other payables | 2,308,154 | 2,308,154 |
| Finance lease obligation | 161,782 | 161,782 |
| 31 March 2018 | Finance liabilities at amortised cost | Total |
| Trade and other payables | 2,814,868 | 2,814,868 |
| Finance lease obligation | 237,772 | 237,772 |

Credit risk

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

Receivables comprise of fees owed by registered persons in terms of the Architectural Profession Act, No. 44 of 2000. Receivables comprises of a wide spread registered person's base. Receivables are monitored for impairment on an ongoing basis. Non-payment by registered persons results in de-registration, in which event of outstanding fees are provided for as credit losses.

| Figures in Rand | Consolidated | | Council | |
|-----------------------------|--------------|------------|------------|------------|
| | 2019 | 2018 | 2019 | 2018 |
| Other financial assets | 14,467,295 | 13,556,464 | 11,914,292 | 11,160,819 |
| Trade and other receivables | 1,253,784 | 4,031,392 | 1,253,784 | 4,031,392 |
| Deposits with banks | 549,532 | 3,761,573 | 504,993 | 3,278,319 |

Liquidity risk

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

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

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

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

| Consolidated | | | | |
|--------------------------|-----------------------|---------|--------------|-----------|
| Figures in Rand | Between 1 and 5 years | | | |
| | Less than 1 year | years | Over 5 years | Total |
| 31 March 2019 | | | | |
| Trade and other payables | 2,748,154 | | | 2,748,154 |
| Finance lease obligation | 84,365 | 77,417 | | 161,782 |
| 31 March 2018 | | | | |
| Trade and other payables | 3,254,868 | | | 3,254,868 |
| Finance lease obligation | 75,990 | 161,782 | | 237,772 |

Notes to the Consolidated Annual Financial Statements

| Council | | | | |
|--------------------------|-----------------------|---------|--------------|-----------|
| Figures in Rand | Between 1 and 5 years | | | Total |
| | Less than 1 year | years | Over 5 years | |
| 31 March 2019 | | | | |
| Trade and other payables | 2,308,154 | | | 2,308,154 |
| Finance lease obligation | 84,365 | 77,417 | | 161,782 |
| 31 March 2018 | | | | |
| Trade and other payables | 2,814,868 | | | 2,814,868 |
| Finance lease obligation | 75,900 | 161,782 | | 237,772 |

Interest rate risk

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

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

In order to manage the cash flow interest rate risk, the Group will repay the corresponding borrowings when it has surplus funds.

Capital Risk Management

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

The capital structure of the Council consists of cash and cash equivalents disclosed in the note 10 and accumulated funds as disclosed in the statement of financial position.

Financial Risk Management

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

Detailed Income Statements

| Figures in Rand | Consolidated | | Council | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Gross Revenue | | | | |
| Annual Fees | 26,532,428 | 24,850,537 | 26,532,428 | 24,850,537 |
| Administration Fees | 829,753 | 786,749 | 829,753 | 786,749 |
| Exam Fees | 1,039,936 | 1,050,134 | 1,039,936 | 1,050,134 |
| Registration and re-registration Fees | 2,462,340 | 3,503,715 | 2,462,340 | 3,503,715 |
| Renewals | 637,718 | 648,515 | 637,718 | 648,515 |
| | 31,502,175 | 30,839,650 | 31,502,175 | 30,839,650 |
| Other Income | | | | |
| Investment income | 1,490,674 | 1,528,864 | 1,330,719 | 1,345,491 |
| Other Income | 2,123,105 | 948,124 | 2,123,105 | 948,124 |
| | 3,613,779 | 2,476,988 | 3,453,824 | 2,293,615 |
| | 35,115,954 | 33,316,638 | 34,955,999 | 33,133,265 |

| Detailed Income Statements | Consolidated | | Council | |
|-------------------------------------|--------------------|-------------------|--------------------|-------------------|
| Figures in Rand | 2018 | 2018 | 2019 | 2018 |
| Expenditure | | | | |
| Advertising | 195,856 | 533,505 | 195,856 | 533,505 |
| Amortisation - Intangible assets | 81,421 | | 81,421 | |
| Annual Report | 201,679 | 185,371 | 201,679 | 185,371 |
| Auditors Remuneration | 323,157 | 199,167 | 323,157 | 199,167 |
| Bad debts | 3,788,147 | 2,056,900 | 3,788,147 | 2,056,900 |
| Bank charges | 99,784 | 91,002 | 99,453 | 89,814 |
| Body Corporate Rates | 805,995 | 732,422 | 805,995 | 732,422 |
| CBE Levies | 406,455 | 400,827 | 406,455 | 400,827 |
| Computer expenses | 236,631 | 206,621 | 236,631 | 206,621 |
| Consulting fees | 1,010,010 | 520,790 | 1,010,010 | 520,790 |
| Corporate Identity | 532,017 | 422,052 | 532,017 | 422,052 |
| Database & Document Management | 47,913 | 46,364 | 47,913 | 46,364 |
| Depreciation - Tangible assets | 841,973 | 995,488 | 841,973 | 995,488 |
| Electricity and water | 307,437 | 237,072 | 307,437 | 237,072 |
| Employee benefits | 3,000,782 | 2,430,187 | 3,000,782 | 2,430,187 |
| Entertainment | 82,401 | 26,659 | 82,401 | 26,659 |
| Finance costs | 21,529 | 29,150 | 21,529 | 29,150 |
| Fines and penalties | 380,411 | | 380,411 | |
| General expenses | 38,558 | 219,173 | 38,557 | 219,173 |
| Grants | 440,000 | 440,000 | | |
| Honorarium | 1,719,686 | 976,362 | 1,719,686 | 976,362 |
| Insurance | 137,576 | 129,360 | 137,576 | 129,360 |
| Internal Audit Fees | 1,189,010 | | 1,189,010 | |
| Lease rental on operating lease | 334,438 | 292,475 | 334,438 | 292,475 |
| Legal Fees | 2,624,470 | 1,380,769 | 2,624,470 | 1,380,769 |
| Loss on sale of fixed assets | 290 | | 290 | |
| Motor vehicle expense | 29,463 | 21,048 | 29,463 | 21,048 |
| Outreach , Roadshow & Exhibitions | 206,415 | 371,857 | 206,415 | 371,857 |
| Postage | 126,060 | 42,942 | 126,060 | 42,942 |
| Printing and stationery | 169,380 | 135,679 | 169,380 | 135,679 |
| Recruitment | 17,040 | 193,226 | 17,040 | 193,226 |
| Repairs and maintenance | 9,465 | 25,204 | 9,465 | 25,204 |
| Salaries | 16,012,307 | 16,702,860 | 16,012,307 | 16,702,860 |
| Subscriptions | 38,727 | 48,758 | 38,727 | 48,758 |
| Telephone and fax | 340,716 | 472,141 | 340,716 | 472,141 |
| Training | 8,850 | 54,795 | 8,850 | 54,795 |
| Travel - local | 1,617,197 | 1,152,874 | 1,617,197 | 1,152,874 |
| Travel - overseas | 101,895 | 178,497 | 101,895 | 178,497 |
| Tribunals | 1,898,794 | 443,671 | 1,898,794 | 443,671 |
| Validation CAA reps | 101,867 | 21,529 | 101,867 | 21,529 |
| Website maintenance | 245,757 | 335,482 | 245,757 | 335,482 |
| | 39,771,559 | 32,752,079 | 39,330,228 | 32,310,891 |
| Deficit/surplus for the year | (4,655,605) | 564,559 | (4,374,229) | 822,374 |

Annual Financial Statements for SACAP Educational Fund

(Established under the Architectural Profession Act No 44 of 2000)
Annual Financial statements for the year ended 31 March 2019

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

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General Information

| | |
|---|---|
| Country of Incorporation and Domicile | South Africa |
| Nature of Business and Principal Activities | An educational fund for the purpose of education, training , and continuing education and training of registered persons and students in the architectural profession as contemplated by section 15(5) of the Architectural Profession Act of 2000. |
| Registered Office | 51 Wessel Road Right Wing Rivonia 2128 |
| Business Address | 51 Wessel Road Right Wing Rivonia 2128 |
| Council | During the year end up to the date of this report the Council was constituted as follows: Dr Yashaen Luckan (President) (Appointed 15 April 2014 and resigned 21 August 2018) Mr. Philasande Jolobe (Vice-president) (Appointed 05 December 2017 until 31 March 2019) Ms. Gillan Bolton (Appointed 15 April 2014 until 31 March 2019) Mr. Rowen Ruiters (Appointed 15 April 2014 until and resigned 28 August 2019) Mr. Rakau Lekota (Appointed 15 April 2014 until 31 March 2019) Mr. Krish Ranchod (Appointed 08 September 2014 until 31 March 2019) Mr. K Manyathela (Appointed 01 December 2017 until 31 March 2019) Mr. V Phailane (Appointed 01 December 2017 until 31 March 2019) Ms. Letsabisa Shongwe (Appointed 05 Dec 2017 and reappointed as Vice-President on 17 April 2019) Mr. Ntsindiso Charles Nduku (Appointed 05 December 2017 and reappointed as President on 17 April 2019) Ms. Karuni Naidoo (Appointed 17 April 2019) Ms. Lwazikazi Ngodwane (Appointed 17 April 2019) Dr. Sitsabo Dlamini (Appointed 17 April 2019) Mr. Vusi Phailane (Appointed 17 April 2019) Mr. Kevin Bingham (Appointed 17 April 2019) Mr. Mohammed Allie Mohidien (Appointed 17 April 2019) Mr. Rowan Graham Nicholls (Appointed 17 April 2019) Mr. Lufuno Motsherane (Appointed 17 April 2019) |
| Bankers | First National Bank Nedbank Investec Bank |
| Auditors | PricewaterhouseCoopers Inc Registered Auditors |
| Level of Assurance | These Annual Financial Statements have been audited in compliance with the applicable requirements of Architectural Profession Act No 44 of 2000 |
| Preparer | The annual financial statement were independently compiled by: Maphuti Mothapo CA(SA) Financial Manager |
| Published | 10 September 2019 |

Independent Auditor's Report

To the Council Members of the **Education Fund of South African Council for the Architectural Profession**

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Education Fund of South African Council for the Architectural Profession (the Council) as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited?

South's financial statements set out on pages 107 to 115 comprise:

- the statement of financial position as at 31 March 2019;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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

Independence

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.

Other information

The Council members are responsible for the other information. 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 identified above 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 council members for the financial statements

The council members are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the council members 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 council members are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the council members either intend to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

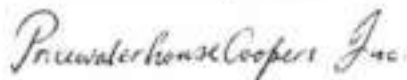
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council members.
- Conclude on the appropriateness of the council members' 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 Council'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 Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the council 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.

PricewaterhouseCoopers Inc.



Director: Raj Dhanlal
Registered Auditor
Waterfall, Johannesburg
19 September 2019

Council Members Responsibilities and Approval

The Council members are required by the Architectural Profession Act, no 44 of 2000 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements satisfy the financial reporting standards as to form and content and present fairly the consolidated and separate statement of financial position, results of operations and business of the Council, and explain the transactions and financial position of the business of the Council at the end of the financial year. The consolidated annual financial statements are based upon appropriate accounting policies consistently applied throughout the Council and supported by reasonable and prudent judgements and estimates.

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

The Council members acknowledge that they are ultimately responsible for the system of internal financial control established by the Council and place considerable importance on maintaining a strong control environment. To enable the Council members to meet these responsibilities, the Council sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Council and all employees are required to maintain the highest ethical standards in ensuring the Council's business is conducted in a manner that in all reasonable circumstances is above reproach.

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

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

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

The financial statements have been audited by the independent audit firm, PriceWaterhouseCoopers, who have been given unrestricted access to all financial records and related data, including minutes to all meetings of the Council. The Council members believe that all representations made to the independent auditors during the audit were valid and appropriate. The external auditors' unqualified audit report is presented on page 102 to 103.

The consolidated and separate annual financial statements as set out on page 104 to 105 were approved by the Council on 10 September 2019 and were signed on their behalf by:



Mr Ntsindiso Charles Nduku
President



Ms Letsabisa Shongwe nee Lerotholi
Vice President

Registrar 'S Report

The Registrar presents his report for the year ended 31 March 2019.

1. Review of activities

Main business and operations

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

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

Mission

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

Vision

People-centred architecture for South Africa.

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

2. Going concern

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

3. Events after reporting date

All events subsequent to the date of the consolidated annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed. Subsequent to the reporting period the council made a decision to grant members an amnesty. These events did not result in adjustments to the financial statements that have material impact.

4. Council Members

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

Dr Yashaen Luckan (President) (Appointed 15 April 2014 and resigned 21 August 2018)
Mr. Philasande Jolobe (Vice-president) (Appointed 05 December 2017 until 31 March 2019)
Ms. Gillan Bolton (Appointed 15 April 2014 until 31 March 2019)
Mr. Rowen Ruiters (Appointed 15 April 2014 until and resigned 28 August 2019)
Mr. Rakau Lekota (Appointed 15 April 2014 until 31 March 2019)
Mr. Krish Ranchod (Appointed 08 September 2014 until 31 March 2019)
Mr. K Manyathela (Appointed 01 December 2017 until 31 March 2019)
Mr. V Phailane (Appointed 01 December 2017 until 31 March 2019)
Ms. Letsabisa Shongwe (Appointed 05 Dec 2017 and reappointed as Vice-President on 17 April 2019)
Mr. Ntsindiso Charles Nduku (Appointed 05 December 2017 and reappointed as President on 17 April 2019)
Ms. Karuni Naidoo (Appointed 17 April 2019)
Ms. Lwazikazi Ngodwane (Appointed 17 April 2019)
Dr. Sitsabo Dlamini (Appointed 17 April 2019)
Mr. Vusi Phailane (Appointed 17 April 2019)
Mr. Kevin Bingham (Appointed 17 April 2019)
Mr. Mohammed Allie Mohidien (Appointed 17 April 2019)
Mr. Rowan Graham Nicholls (Appointed 17 April 2019)
Mr. Lufuno Motsherane (Appointed 17 April 2019)

5. Operating Results

The operating results and Statement of Financial Position of the Fund is fully set out in the attached annual financial statements.

Net deficit was R281 376 (2017: R257 815)

6. Auditors

PricewaterhouseCoopers were the auditors during the year under review and will be recommended for reappointment in the 2020 financial year.



Advocate Toto Fidull
Registrar
10 September 2019

Statement of Financial Position

as at 31 March 2019

| Figures in Rand | Notes | 2019 | 2018 |
|-------------------------------------|-------|------------------|------------------|
| Assets | | | |
| Current Assets | | | |
| Other financial assets | 3 | 2,553,003 | 2,395,665 |
| Cash and cash equivalents | 4 | 44,539 | 483,253 |
| | | 2,597,542 | 2,878,918 |
| Total Assets | | 2,597,542 | 2,878,918 |
| Equity and Liabilities | | | |
| Equity | | | |
| Retained earnings | | 2,157,542 | 2,438,918 |
| | | 2,157,542 | 2,438,918 |
| Current Liabilities | | | |
| Trade and other payables | 5 | 440,000 | 440,000 |
| | | 440,000 | 440,000 |
| Total Equity and Liabilities | | 2,597,542 | 2,878,918 |

Statement of Comprehensive Income

for the year ended 31 March 2019

| Figures in Rand | Notes | 2019 | 2018 |
|--------------------------------|-------|-----------|-----------|
| Operating costs | | (441,331) | (441,188) |
| Operating deficit | | (441,331) | (441,188) |
| Finance income | 6 | 159,955 | 183,373 |
| (Deficit)/surplus for the year | | (281,376) | (257,815) |

Statement of Changes in Equity

for the year ended 31 March 2019

| Figures in Rand | Retained Earnings | Total |
|--|-------------------|------------------|
| Balance at 1 April 2017 | 2,696,733 | 2,696,733 |
| Total comprehensive income for the year | | |
| Deficit for the year | (257,815) | (257,815) |
| Total comprehensive income for the year | (257,815) | (257,815) |
| | | |
| Balance at 31 March 2018 | 2,438,918 | 2,438,918 |
| | | |
| Balance at 1 April 2018 | 2,438,918 | 2,438,918 |
| Total comprehensive income for the year | | |
| Deficit for the year | (281,376) | (281,376) |
| Total comprehensive income for the year | (281,376) | (281,376) |
| | | |
| Balance at 31 March 2019 | 2,157,542 | 2,157,542 |

Statement of Cash Flows

for the year ended 31 March 2019

| Figures in Rand | 2019 | 2018 |
|---|------------------|------------------|
| Cash flows (used in) / from operating activities | | |
| Deficit for the year | (281,376) | (257,815) |
| Adjustments for: | | |
| Investment income | (159,955) | (183,373) |
| Operating cash flow before working capital changes | (441,331) | (441,188) |
| Working capital changes | | |
| Increase in trade and other payables | | 440,000 |
| Net cash flows used in operating | (441,331) | (1,188) |
| Investment income | 159,955 | 183,373 |
| Net cash flows (used in)/from operating activities | (281,376) | 182,185 |
| Cash flows (used in) / from investing activities | | |
| Decrease / increase in other receivables | (157,338) | 259,902 |
| Net Cash flows (used in) / from investing activities | (157,337) | 259,902 |
| Net (decrease) / increase in cash and cash equivalents | (438,713) | 442,087 |
| Cash and cash equivalents at beginning of the year | 483,253 | 41,166 |
| Cash and cash equivalents at end of the year | 4 | 483,253 |

Accounting Policies

1. General information

The consolidated and separate annual financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (IFRS) and the Architectural Profession Act, 2000 (Act no 44 of 2000).

2. Basis of preparation

The consolidated and separate annual financial statements of the Council have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) applicable to entities reporting under IFRS.

The consolidated and separate annual financial statements have been prepared under the historical cost convention.

The financial statements are presented in South African Rand, which is the entity's functional currency.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

3. Summary of significant accounting policies

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

New Standards and Interpretations

Standards and interpretations effective and adopted in the current year

At the date of authorisation of these financial statements for the year ended 31 March 2019, the following IFRSs were adopted:

| IFRS/IFRIC | Title and details | Effective | Expected impact |
|--------------------------------|---|--|--------------------|
| IFRS 10 | Consolidated financial statements | Effective date postponed (initially 1 January 2016) | No material impact |
| IFRS 9 - Financial instruments | Financial Instruments - A final version of IFRS 9 which replaces IAS 39 | Annual periods commencing on or after 1 January 2018 | No material impact |
| IFRS 16 | Leases | Annual periods commencing on or after 1 January 2019 | No material impact |
| Amendments to IFRS 15 | Clarifications to IFRS 15 Revenue from Contracts from Customers | Annual periods commencing on or after 1 January 2018 | No material impact |

Standards and interpretations not yet effective.

The Council has not applied the following new, revised or amended pronouncements that have been issued by the IASB as they are unlikely to have material impact in the current accounting period (the list does not include information about new requirements that affect interim financial reporting or first-time adopters of IFRS since they are not relevant to the Council). The Council anticipates that the new standards, amendments and interpretations will be adopted in the Council's consolidated financial statements when they become effective. The Council has assessed, where practicable, the potential impact of all these new standards, amendments and interpretations that will be effective in future periods.

| IFRS/IFRIC | Title and details | Effective | Expected impact |
|----------------------|---|--|------------------------------------|
| Amendments to IFRS 1 | First-time Adoption of International Financial Reporting Standards; Annual Improvements to IFRS 2014-2016 cycle | Annual periods commencing on or after 1 January 2018 | Unlikely to have a material impact |

All applicable standards will be complied with in the financial statements for the period ending 31 March 2019. Compliance with these amendments, revisions and improvements require additional disclosure compared to that required in terms of existing IFRS.

Management performed an assessment of the impact of all applicable standards that will apply for the period ending 31 March 2019.

3.1 Financial assets and Liabilities

Financial assets

3.1.1 Loans and receivables

Council applied the principles of IFRS 9. In terms of IFRS 9 the classification and measurement requirements are driven by cash flow characteristics and the group business model. Financial instruments are classified into one of three classes: amortised cost, fair value through profit or loss, and fair value through other comprehensive income. The standard also incorporates a forward looking 'expected loss' impairment model. The standard contains requirements in the following areas:

(i) *Classification and measurement*

Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments.

(ii) *Impairment of financial assets*

IFRS 9 requires an expected credit loss model to be used in impairing financial assets. This model requires the Council to account for expected credit losses and changes thereto at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit loss event to have occurred before impairments are recognised.

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

(iii) *Derecognition*

The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

The Council has applied IFRS 9 principles in the current financial year. All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

There however is no significant difference between the application of IAS 39 and IFRS 9 to the financial instruments identified in the 2019 financial year for classification and measurement. Although the impact of impairment is immaterial, the expected credit loss simplified approach to trade receivables was applied. Trade receivables are mostly current and the impact of that default would be immaterial.

3.1.2 Accounts receivables

Accounts receivables are carried as financial assets at amortised cost. A credit loss account is used to recognise impairments on accounts receivables. For accounts receivables and contract assets, a simplified approach is applied in calculating expected credit losses. Instead of tracking changes in credit risk, a loss allowance is recognised based on lifetime expected credit losses at each reporting date, except for the following receivables:

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

At each reporting date, the Council assesses whether there is any objective evidence that a receivable or Council of receivables is impaired. IFRS 9 requires an expected credit loss model to be used in impairing financial assets. This model requires the Council to account for expected credit losses and changes thereto at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit loss event to have occurred before impairments are recognised.

3.1.3 Cash and cash equivalents

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

For the purpose of statement of cash flows, bank overdrafts do not form an integral part of the Council's cash management as a result they are not included as a component of cash and cash equivalents.

Financial liabilities

3.1.4 Accounts payables

Accounts payables are obligations to pay for goods and services that have been acquired in the ordinary course of business. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

3.1.5 Borrowings

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

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

3.2 Revenue recognition

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

3.2.1 Education grants and donations

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

Notes to the Consolidated Annual Financial Statements

4. Other financial assets

| Figures in Rand | 2019 | 2018 |
|-----------------|------------------|------------------|
| Nedbank | 2,244,764 | 2,110,268 |
| Investec | 308,239 | 285,397 |
| | 2,553,003 | 2,395,665 |

5. Cash and cash equivalents

| Figures in Rand | 2019 | 2018 |
|-----------------|---------------|----------------|
| FNB | 44,539 | 483,254 |
| | 44,539 | 483,254 |

6. Trade and other payables

| Figures in Rand | 2019 | 2018 |
|---------------------|----------------|----------------|
| Accrued liabilities | 440,000 | 440,000 |
| | 440,000 | 440,000 |

7. Finance income

| Figures in Rand | 2019 | 2018 |
|-------------------|----------------|----------------|
| Interest received | 189,955 | 183,373 |
| | 189,955 | 183,373 |

8. Related party transactions

Relationship

| | |
|------------------------------|--|
| Members of key management | Marela O'Reilly - Registrar |
| | Barbara Van Stade (COO) |
| | Tsepo Tefo (Senior Manager - Finance) |
| Executive authority | Department of Public Works |
| Governing body | Refer to the Registrar's report for the Council member names |
| Relationship governed by law | Council for the Building Environment |

9. Taxation

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

Notes to the Consolidated Annual Financial Statements

10. Financial instruments

Financial assets by category

| Figures in Rand | Loan and receivables | Total |
|--|----------------------|-----------|
| 31 March 2019 | | |
| Current financial assets | | |
| Investments | 2,553,003 | 2,553,003 |
| Cash and cash equivalents (refer note 5) | 44,539 | 44,539 |
| 31 March 2018 | | |
| Current financial assets | | |
| Investments | 2,395,665 | 2,395,665 |
| Cash and cash equivalents (refer note 5) | 483,254 | 483,254 |

10.1 Liquidity risk

The company is exposed to liquidity risk on financial liabilities. It manages its funds conservatively by maintaining a comfortable level of cash and cash equivalents in order to meet continuous operational need. Various banking facilities and credit lines have also been arranged with different banks in order to fund any emergency liquidity requirements.

10.2 Interest rate risk

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

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

In order to manage the cash flow interest rate risk, the Group will repay the corresponding borrowings when it has surplus funds.

10.3 Capital Risk Management

The objective of the Council when managing capital is to safeguard its ability to continue as a going concern. The capital structure of the Council consists of cash and cash equivalents disclosed in the note 10 and accumulated funds as disclosed in the statement of financial position.

10.4 Financial Risk Management

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

Detailed Income Statement

| Figures in Rand | 2019 | 2018 |
|-----------------------------|------------------|------------------|
| Other income | 160,955 | 183,373 |
| Finance income | 160,955 | 183,373 |
| | 160,955 | 183,373 |
| Expenditure | | |
| Bank charges | 1,331 | 1,188 |
| Grants | 440,000 | 440,000 |
| | | |
| Deficit for the year | (281,376) | (257,815) |





South African Council
for the Architectural Profession

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