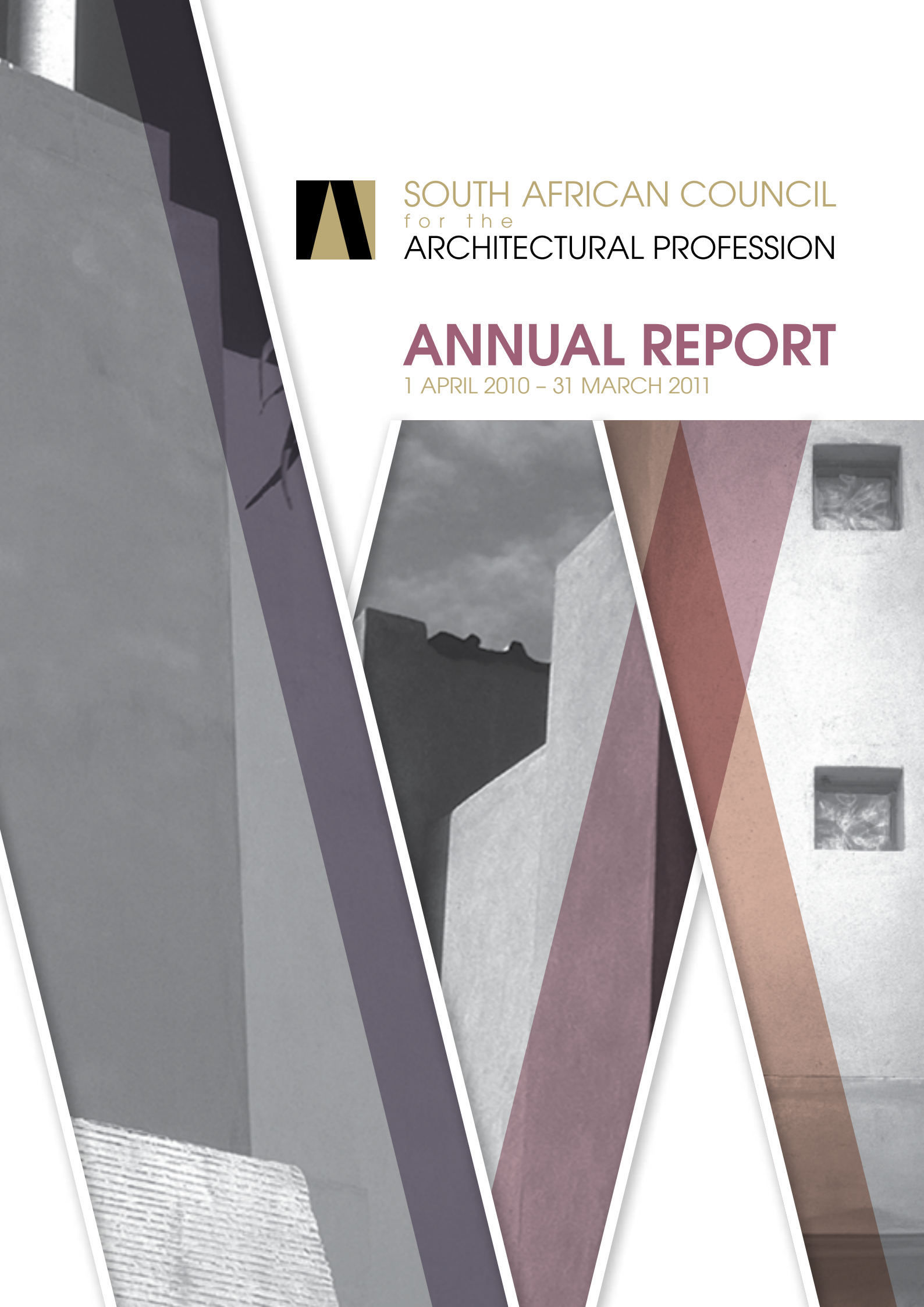




SOUTH AFRICAN COUNCIL  
for the  
ARCHITECTURAL PROFESSION

# ANNUAL REPORT

1 APRIL 2010 – 31 MARCH 2011







**SOUTH AFRICAN COUNCIL**  
for the  
**ARCHITECTURAL PROFESSION**

Postal: PO Box 408, Bruma, 2026  
Physical: 1<sup>st</sup> Floor, Lakeside Place, Cnr Ernest Oppenheimer  
and Queen Street, Bruma, Johannesburg  
Tel: +27 11 479 5000 | Fax: +27 11 479 5100

09 December 2011

Dear Stakeholder

**SACAP: Annual Report 1 April 2010 – 31 March 2012**

The South African Council for the Architectural Profession (SACAP) would like to advise all Stakeholders that the reporting for the above mentioned period has been drafted in terms of SACAP's Strategic Priorities and mandates which are aligned with the Architectural Profession Act, Act No. 44 of 2000.

The Parliamentary Portfolio Committee for Public Works has requested that the SACAP Annual reporting format should be aligned with the South African Government's National Treasury requirements in terms of the Public Finance Management Act (PFMA), Act No. 1 of 1999.

The Council will endeavour to align the reporting and accounting function requirements for all future reports with the PFMA within the 3<sup>rd</sup> Council's term of office, ending 30 September 2013.

Yours faithfully

Mr Phill Mashabane  
President: SACAP



# INTRODUCTION

The South African Council for the Architectural Profession (SACAP) is the regulatory authority for the Architectural Profession, established as a juristic person under the Architectural Profession Act, No. 44 of 2000 (the Act).

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

Furthermore, these regulations reinforce the development and sustainability of the architectural profession as a whole, and enhance the integrity and status of SACAP-registered persons and professionals.

SACAP is one of six professional councils governed under the Council for the Built Environment (CBE).

The CBE acts as the conduit between government and the built environment professions and reports to the Minister of Public Works.

## Vision

Regulating the architectural profession in the spirit of “batho pele”, meaning “people first”.

## Mission

Make a positive impact on the built environment by ensuring excellence in performance and service delivery by fostering collaborative relationships with role players in order to:

- Effectively regulate the architectural profession
- Ensure pro-active public protection
- Develop a quality, sustainable and professional skills base
- Ensure good governance within SACAP
- Promote the role of the architectural profession in transformation
- Create a legacy of humane and sustainable architecture

## Values

**Accountability:** accepting responsibility for actions and decisions

**Cohesiveness:** shared, coherent values and aspirations

**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

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SECTION 1

# GOVERNANCE

# REPORT OF THE PRESIDENT



“ A milestone ‘pull strategy’ was implemented through road shows, to highlight the impact of legislation on local authority plan approval processes. ”

It is my pleasure to report on the Council's achievements during its first full term in office.

Council has broadly set its strategic objectives in line with the mandates of the Act, which tasks the Council, among other matters, with:

- Determining the requirements for registration as a registered person or professional;
- Determining the relevant registration and other fee structure;
- Administering a code of conduct for registered persons;
- Ensuring the relevance and appropriateness of architectural education and training;
- Encouraging and undertaking research into the architectural profession;
- Ensuring the protection of the public in their dealings with registered persons;
- Improving the standards of services rendered by registered persons;
- Taking any steps it deems necessary where, as a result of architectural undertakings, public health and safety is prejudiced; and
- Creating awareness among its registered body of the importance of protecting the environment against unsound architectural practices.

These objectives guide Council in performing its duties and are operationalised by the staff members of SACAP.





## Strategic Objectives

### Ensuring Compliance by Registered Persons

During the review period, Council successfully improved awareness of the necessity for compliance with the Act through the implementation of targeted campaigns amongst its stakeholders.

In this regard, a milestone 'pull strategy' was implemented through road shows conducted with local authorities. This proved an effective method to highlight the fact that architectural practitioners are required, through the Act, to register, abide by the code of professional conduct and meet the professional requirements of SACAP. As such, this legislation impacts on local authority plan approval processes and requires that local authorities ensure that architectural submissions are supported with valid SACAP registration documentation.

The road show campaign will be ongoing and monitored by Operations.

### Growing and Developing the Architectural Profession

SACAP has, over the years, offered Education Fund grants to architectural students studying at SACAP recognised Architectural Learning Sites (ALS). We acknowledge that the funds available are not sufficiently adequate to make a substantive difference in growing the quantum of the profession from grass roots up. As Council, we engaged in discussions as to who should receive funding and the type of funding that should be offered, whether in the form of a scholarship, bursary or grant, in order to make the greatest difference with limited resources.

During the review period, the focus of grant allocation was on previously disadvantaged individuals. Page 58 of this report carries details of the recipients. It is essential that levels of accountability be associated with these grants to ensure that they are gainfully

utilised to the benefit of the architectural sector as a whole.

Through SACAP's Education Unit we engaged with Heads of Schools regarding the review of their admission processes and the promotion and development of the architectural sector as a whole. Similar engagements were undertaken with ALS to promote and institutionalise a culture of integrity into the architectural profession.

### Developing SACAP as a Centre for Excellence

There are serious expectations from members of the public as well as SACAP registered persons in terms of how the organisation should function to fulfil its role. Council has broadly agreed to a turnaround strategy to set the organisation on a growth path that will make it a true centre for excellence.

Strong focus has been directed during the period at reviewing the information, structures, procedures and policies that govern the operations of SACAP. Already Council has approved and endorsed several policies that will be operationalised in the period ahead, after which they will filter through to the larger active register of SACAP and to all persons who practice architecture.

These policies and procedures have materialised after considerable deliberation and are informed by the very Act under which SACAP was constituted. Staff will need to be assisted to adhere to the procedures endorsed by Council, and both SACAP officials and staff will be held accountable for delivery of the required outcomes.

Committees were set up to assist Council in identifying further policy requirements and to ease the current burden on operations. Much work remains to be done in this regard, however Council is committed to ensuring continued progress.

### SACAP Mandates

#### Registration of Professionals

Through SACAP's collaboration with local authorities, a large number of professionals have already been persuaded to register, since local authorities will not accept and approve plans submitted by unregistered persons, as mentioned previously.

#### Identification of Work

The Identification of Work (IDoW) document, presided over by the previous Council, was re-examined by Council and underwent further refinements. The document has taken many years to prepare, but it is critical that it accurately identifies the type of work that may be performed by persons registered in a particular category so as to protect the public and at the same time not be prejudicial to practitioners in the architectural sector. The document is currently with the CBE and the Competition Commission and SACAP awaits their comment on the content.

#### Continuous Professional Development

Continuous Professional Development (CPD) is required by the majority of professional organisations to ensure that professionals remain at the cutting edge of their professions. SACAP is no exception and is vigorously pursuing the fulfilment of CPD requirements by its professionals.

Since SACAP has the legal standing to suspend those who have not complied, Council is extremely cognisant of its responsibility to ensure that the CPD programmes presented by service providers and stakeholders are relevant and beneficial. SACAP will therefore endeavour to assess CPD programmes or engage with service providers before the programmes are offered in the future.

In addition, Council is considering programmes that are offered by international bodies. This could result in registered persons engaging in 'electronic' CPD

attendance. This will assist architectural professionals working in distant areas and will reduce the costs associated with attending courses.

#### Code of Conduct

The Code of Conduct is the responsibility of every registered person. SACAP cannot 'police' the conduct of its active register or prevent misconduct by registered persons.

Most of the breaches of conduct arise due to lack of knowledge. Learning institutions offering architectural qualifications are requested to ensure that graduates and diplomates are exposed to, and fully understand, the code. That knowledge is further assessed when the incumbent applies for professional registration, at which time they are required to sit the Professional Practice Examinations.

Architectural professionals are advised to ensure that they have in place the guidelines of process anticipated; interpretation of the scope of works; and the type of agreement to be entered into in delivering the project, when they consult with clients. This will alleviate those areas of misinterpretation that give rise to deemed breaches of conduct since the Client/Architect agreement as set out by the South African Institute of Architects (SAIA) for example, sets out clear expectations from both parties.

Since SACAP is expected to exercise discipline over the observance of professional conduct by its registered persons, it is critical that the public is made aware of the registration system and how to ensure that the professional they select is in fact competent to do the work they require.

#### Recognition of Prior Learning

The role of Council in the Recognition of Prior Learning (RPL) has been misinterpreted in the past. RPL is the work of accredited institutions which can evaluate, grade and advise on the previous knowledge acquired by an applicant and offer a qualification or status of knowledge.

The RPL process is currently under review.

### Voluntary Associations

Recognised Voluntary Associations (VAs) is one of SACAP's largest stakeholder groups and most of the Committees of Council include the participation of members of VAs. We are aware that they perform their functions, as designated by SACAP, in addition to their own VA programmes and aspirations and as such it is vital that we work together as a family.

### Concluding Remarks

SACAP is a regulatory body tasked with regulating the profession. From the perspective of its active register, however, it should be seen as an information body - there to enable members of the profession to regulate their own conduct within the framework of the profession. SACAP is available to be consulted and to advise.

The same applies to members of the public, who are welcome to contact SACAP if they wish to engage the services of an architectural professional, and need to find out in which category the architectural professional is registered. They can seek advice as to whether such a category is competent to carry out the work and we will gladly assist with any other queries they may have.

It is this shift in mindset that will set the organisation on a new self-propelled trajectory.



**Mr Phill Mashabane**  
SACAP President



# REPORT OF THE ACTING REGISTRAR



The year under review has been an eventful and challenging one. This was the first full year of the third Council, which was appointed in the middle of the previous financial year. Having completed the Council induction process, the Council began its work in earnest. Shortly thereafter, the former Registrar exited SACAP and I was assigned to hold the reigns until Council is in a position to recruit a new Registrar. My appointment as Acting Registrar commenced on 13 September 2010. This transitional period has been very demanding but also very fulfilling for me personally, as I have come to grips with the full extent and complexity of SACAP's mandate and its impact on our stakeholders.

The biggest challenge has involved keeping a balance between operational matters and strategic matters to ensure minimal disruption to SACAP's operations. This has required apportionment of a delicate balance between sensitivity and objectivity by senior management.

## Challenges

The following are the main challenges that SACAP faced in the period under review:

### Policy Development and Review

The following policies had been identified for review:

- The Education Fund Policy
- The Recognition of Prior Learning (RPL) Policy
- The Continuing Professional Development (CPD) Policy
- The Recognition of Voluntary Associations (VA) Policy
- The Registration of Persons with Foreign Qualifications
- The Policy on the Constitution of SACAP Committees

“ The newly unveiled SACAP mission, vision and values lay a solid foundation from which to propel SACAP to the next level. ”



Although some ground work was done, these reviews had not been concluded by year end.

New policies that are in the process of being developed are the following:

- The Standard Generating Policy
- The Identification of Work (IDoW) Policy

The former was carried forward from the last reporting period and had still not been finalised at year end. The latter, which has still not been promulgated, poses an ongoing problem since SACAP is compelled to use the outdated Reservation of Work Policy.

Council placed moratoriums on both the RPL process and the Education Fund Grants. These moratoriums posed an immense challenge to the office, with a flood of queries and negative feedback from stakeholders regarding the policies under review.

We are hopeful that significant progress will be made towards finalising the majority of these policies within the 2011/12 financial year.

### Human Resources

Human capital is the greatest asset of any organisation and it is crucial that this fact is not only acknowledged but fully understood. While technology can go some way to ensuring the sharing of enterprise-wide intellectual capital and facilitating some degree of continuity, it is no replacement for experienced and skilled staff. In order to progress, an organisation must ensure that conditions are such that staff remain with the organisation for as long as they are productive and relevant to its goals. Staff turnover in the period under review had a negative impact on service delivery at SACAP. The period saw the exit of:

- The Registrar;
- The Legal and Compliance Officer;
- The Communication and Stakeholder Relations (CSR) Officer;
- The CPD Officer; and
- Two Registration Administrators.

The CSR position is the only one that was filled by the end of the period. Although the Legal and Compliance position was filled with a temporary appointment, this temporary officer also exited at the end of the period. The vacant positions placed additional pressure on available staff who must be commended for their willingness to give more than expected. It is my hope that this situation will be normalised soon, so that SACAP will be in a position to accomplish its strategic goals.

Other critical vacancies are:

- Ombudsperson – this position has remained vacant since the previous reporting period;
- IT Manager – a newly identified need; and
- Education Officer – a newly identified need.

### Information Communication Technology Systems

SACAP's ICT systems continued to pose a challenge to the organisation. A critical analysis of the problem is being undertaken under the stewardship of the Chief Operations Officer (COO). Various models and systems are being investigated in order to ensure that the most appropriate system is finally procured.

Power outages in the area compounded the problem as all SACAP's systems are totally dependent on electricity. Power outages, averaging 16 hours per month, had an immensely negative impact on productivity.

The functionality of the CPD online tool, launched in the previous financial year, proved to be inadequate. Although it served to enable registered professionals to log their activities, it proved cumbersome for both the CPD administrators and the professionals. A more user-friendly and integrated system needs to be sought.

### Strategy

The period saw Council unveiling a new vision, mission and values, together with three strategic priorities; however the unpacking of the strategic priorities was not concluded by end of the period.



## Successes

Despite the challenges described above, SACAP recorded a number of important successes which are summarised as follows:

### Unqualified Audit

SACAP achieved its second unqualified audit in succession, supported by a management letter from the auditors confirming that the financial management of the organisation over the period was sound. In addition, SACAP was deemed a 'going concern'.

### Reduced Deficit

The year ended with a reduced deficit despite sizable unbudgeted expenses incurred due to a staff exit package and a forensic audit, called for by Council. The budget deficit was reduced from R2.6 million in the previous financial year to R1.4 million in 2010/11 and it is our intention to completely eliminate deficit in the 2011/12 financial year.

### Registration Processes

In response to findings of inconsistencies by the internal auditors in the previous reporting period, the registration process underwent major improvement. Among other refinements, a checklist was developed to ensure consistency in the preliminary screening, evaluation and finalisation of applications.

The process surrounding applications for renewal of registration also underwent successful revision. As a result, the backlog in the processing of registration renewals was drastically reduced. It is hoped that this backlog will be completely cleared by the end of August 2011.

Another aspect which is worthy of mention in terms of the Register is the database clean-up. This involved, among others, a quest to eliminate the category 'other' in the gender and race statistics. The importance of this effort cannot be overemphasised as it will facilitate refined and accurate statistical formulations in the future.

## New SACAP Mission, Vision and Values

The newly unveiled SACAP mission, vision and values express the new thinking adopted by SACAP. These lay a solid foundation from which to propel SACAP to the next level in the implementation of its mandate.

### Risk Register

A risk assessment workshop, attended by staff and Council, culminated in the establishment of a SACAP Risk Register. A risk management plan was established and monthly reporting protocols were put in place.

### Effective Education Campaigns and Stakeholder Engagement

The period saw increased communication and interaction with primary stakeholders. The greatest success was achieved in terms of municipalities, with the meetings conducted with five municipalities yielding positive results.

### Professional Practice Examination

During the reporting period, SACAP re-examined the Professional Practice Examination process and reviewed the curriculum. A workshop for examiners and markers was held on 2 March 2011, resulting in a marked improvement in the pass rate in the March 2011 examination in comparison with the September 2010 and previous years' results.

Examination date	Pass Rate %	Average Mark %
September 2009	52	59
March 2010	43	58
September 2010	28	49
March 2011	81	69

### Certificates

The move to in-house printing of certificates during the period proved highly successful, resulting in a significant reduction in the turnaround time between



upgrade to the professional category and the posting of certificates. The latter part of the period saw the frequency of printing certificates increase from a quarterly basis to fortnightly.

### Conclusion

Despite daunting challenges, SACAP concluded the reporting period with some measurable achievements that provide firm ground for progress in the year ahead.

I would like to thank the Council for the confidence they have shown in giving me the responsibility of heading up SACAP during this transitional period. I sincerely appreciate the support and assistance I have received from members of Council and the President in particular.

My thanks go also to members of the recognised VAs, architectural professionals and volunteers that have dedicated their time and energy in assisting the SACAP's committees.

A special word of appreciation is extended to the 'team' at SACAP for their support and dedication that has contributed to the successes reported in this publication.

I pay tribute to the role that the CBE and the Registrars of the other Built Environment Professional Councils have played in providing valuable counsel.



**Cecilia E Chinga**  
Acting Registrar

# SACAP COUNCIL

The third SACAP Council was appointed by the Minister of Public Works, Mr Geoff Doidge, on 1 October 2009, following the prescribed nomination procedure as stipulated in the Architectural Profession Act, No. 44 of 2000 (the Act).

Council members serve a four-year term which will culminate on 30 September 2013.

The Council conducts its business according to the prescripts of the Act, which also forms the basis for institutional arrangements, authority, policies, financial management and leadership processes. The Council is assisted in its duties by formally appointed committees and, where appropriate, task teams that are constituted to facilitate the achievement of specific short-term Council objectives. At no time does Council abdicate its responsibilities to these committees or task teams.

## Council Composition and Meeting Attendance

The Council is made up of eleven (11) members, all of whom are independent non-executive members.

### COUNCIL MEMBERS

Name	Race	Gender
Mr P Mashabane (President)	Black	Male
Ms L Scott (Vice-President)	White	Female
Ms A Houston (Treasurer)	Coloured	Female
Prof. G Steyn	White	Male
Mr P Crafford	White	Male
Mr F Motsepe	Black	Male
Ms H Nienaber	White	Female
Ms M Gerrans	White	Female
Mr D Basdew	Indian	Male
Mr V Mthimunye	Black	Male
Mr R Ruiters	Coloured	Male

### COUNCIL MEETING ATTENDANCE

Name	4-5 Jun 2010	2-3 Jul 2010	23-24 Jul 2010	20-21 Aug 2010	1-2 Oct 2010	29-30 Oct 2010	10-11 Dec 2010	18-19 Feb 2011
Mr P Mashabane (President)	✓	✓	✓	✓	✓	✓	✓	✓
Ms L Scott (Vice-President)	✓	✓	✓	✓	✗	✓	✓	✓
Ms A Houston (Treasurer)	✓	✓ 2 Jul ✗ 3 Jul	✓	✓	✓	✓	✓	✓
Prof. G Steyn	✓	✓	✓	✓	✓	✗	✓	✓
Mr P Crafford	✓	✓	✓	✗	✓	✗ 29 Oct ✓ 30 Oct	✓	✓
Mr F Motsepe	✓	✓	✓	✓	✓	✓	✗	✓
Ms H Nienaber	✓	✓	✓	✓	✗	✓	✓	✓
Ms M Gerrans	✓	✓	✓	✓	✓	✓	✓	✓
Mr D Basdew	✓	✓	✓	✓	✓	✓	✓	✓
Mr V Mthimunye	✓	✓	✓	✓	✓	✓	✓	✓
Mr R Ruiters	✓	✓	✓	✓	✓	✓	✓	✓

Key: ✓ in attendance ✗ not in attendance

## Members of Council



### Phill Mashabane

President and non-executive member

#### SACAP Council Representation:

Professional nominated member

#### SACAP Registration Category:

Professional Architect (Pr Arch)

#### Current Position:

Principal Member: Mashabane Rose and Associates

#### Qualifications:

*B Arch (Nationalé Ecolé de Bauxarts, Paris)*

*LLB (Institute of Law, Paris)*

#### Other Professional Affiliations:

- Member of the South African Institute of Architects (SAIA)
- Council member of the Council for Built Environment (CBE)
- Member of the Association of Arbitrators
- Member of the South African Institute of Architects
- Member of the Gauteng Institute for Architecture
- Member of the Cape Institute for Architecture
- Board member of the Apartheid Museum
- Board member of the National Heritage Trust
- Chairperson of the Gold of Africa Museum



### Paraskevyl (Lula) Scott

Vice-President and non-executive member

#### SACAP Council Representation:

Professional nominated member

#### SACAP Registration Category:

Professional Senior Architectural Technologist (PSAT)

#### Current Position:

Principal Member: Plan Ahead Concepts

#### Qualifications:

*NHD Arch (Technikon of the Witwatersrand)*

#### Other Professional Affiliations:

- Council member of the Council for the Built Environment
- Immediate Past President of the SAIAT
- Honorary member of the South African Institute of Architectural Technologists (SAIAT)
- Member of the Green Building Council of South Africa (GBCSA)

## SACAP COUNCIL (CONTINUED)



**Anthea Houston**

Treasurer and non-executive member

**SACAP Council Representation:**

Public nominated member

**SACAP Registration Category:**

(Not applicable)

**Current Position:**

Independent Consultant

**Qualifications:**

*Postgraduate Diploma in Management: Organisation and Management (University of Cape Town)*

*Project Management Diploma (University of Cape Town)*

*Banking Licentiate Diploma (Institute of Bankers of South Africa)*

**Other Professional Affiliations:**

- National Housing Finance Corporation (NHFC)
- Fellow of the African Leadership Initiative
- Member of the Aspen Global Leadership Network



**Fanuel Motsepe**

Non-executive member

**SACAP Council Representation:**

Professional nominated member

**SACAP Registration Category:**

Professional Architect (Pr Arch)

**Current Position:**

Director: Motsepe Architects (Pty) Ltd

**Qualifications:**

*BAS (University of the Witwatersrand)*

*B Arch (University of Cape Town)*

*Masters Human Settlements (Katholieke Universiteit Leuven, Belgium)*

**Other Professional Affiliations:**

- Vice-President of the South African Institute of Architects (SAIA)
- ExCo Member of the Black Business Council for the Built Environment (BBCBE)
- Member of the Confederation of Black Business Organisations (CBBO)





**Gerald Steyn**

Non-executive member

**SACAP Council Representation:**

Public nominated member

**SACAP Registration Category:**

Professional Architect (Pr Arch)

**Current Position:**

Research Professor: Tshwane University of Technology

**Qualifications:**

*B Arch and M Arch (University of the Free State)*

*PhD (University of Pretoria)*

**Other Professional Affiliations:**

- Corporate Member of the South African Institute of Architects (SAIA)
- Member of the Pretoria Institute for Architecture (PIA)



**Heléne Nienaber**

Non-executive member

**SACAP Council Representation:**

State nominated member (DPW)

**SACAP Registration Category:**

Professional Architect (Pr Arch)

**Current Position:**

Chief Architect, Department of Public Works

**Qualifications:**

*B Building and B Arch (University of Port Elizabeth)*

*National Teachers Diploma (Technikon SA)*

**Other Professional Affiliations:**

None

## SACAP COUNCIL (CONTINUED)



**Phillip Crafford**

Non-executive member

**SACAP Council Representation:**

State nominated member (DPW)

**SACAP Registration Category:**

Professional Architect (Pr Arch)

**Current Position:**

Director of Architectural Services, National Department of Public Works

**Qualifications:**

*B Arch (Pretoria)*

**Other Professional Affiliations:**

- Member of the Pretoria Institute for Architecture (PIA)
- Member of the South African Institute of Architects (SAIA)



**Dhanashwar Basdew**

Non-executive member

**SACAP Council Representation:**

Professional nominated member

**SACAP Registration Category:**

Professional Senior Architectural Technologist (PSAT)

**Current Position:**

Principle member - Dhanashwar Basdew Associates cc

**Other Professional Affiliations:**

National Executive President South African Institute of Building Design (SAIBD)



**Rowen Ruiters**

Non-executive member

**SACAP Council Representation:**

Professional nominated member

**SACAP Registration Category:**

Professional Architectural Technologist (PAT)

**Current Position:**

Principle member: Vernon Mathews Architects and Associates cc

**Qualifications:**

*National Diploma (NDip) Architectural Technology (Peninsula Technikon)*  
*Bachelor Project Management (Cape Peninsula University of Technology)*

**Other Professional Affiliations:**

None





**Maureen Gerrans**

Non-executive member

**SACAP Council Representation:**

Professional nominated member

**SACAP Registration Category:**

Professional Senior Architectural Technologist (PSAT)

**Current Position:**

Member of Design Workroom Group

Executive Officer of SA Institute of Draughting (SAID)

**Other Professional Affiliations:**

- Engineering Council of South Africa – Reg Eng Tech (8540243)
- Member of the Chamber of Engineering Technology
- Life member of the South African Institute of Draughting (SAID)
- Member of the South African Institute of Building Design (SAIBD)
- Member of the South African Institute of Architectural Technologist (SAIAT)



**Vusi Mthimunye**

Non-executive member

**SACAP Council Representation:**

Professional nominated member

**SACAP Registration Category:**

Professional Architectural Draughtsperson (PAD)

**Current Position:**

Chief Building Technologist Emalahleni Local Council

**Qualifications:**

*NTC 3, Public Management*

*NQF 5, Quantity Surveying 2*

*Project Management*

**Other Professional Affiliations:**

Chairperson Mpumalanga Chapter of SAIBD

# STRATEGIC PRIORITIES

## Strategic Priority 1:

### Ensure Compliance by Registered Persons

**Objective 1:** To develop the necessary internal capacity and resources for effective education and enforcement

**Objective 2:** To implement an effective education campaign

- a) Targeting registered persons on SACAP's mandate and registered persons' obligations
- b) Targeting the public on SACAP's mandate and registered persons' obligations
- c) Targeting local authorities on enforcement of SACAP's mandate

**Objective 3:** To partner with law enforcement agencies

## Strategic Priority 2:

### Grow and Develop the Profession to Achieve Sustainability and Improved Service Delivery

**Objective 1:** To improve the quality and relevance of the curriculum of Accredited Learning Sites (ALS)

**Objective 2:** To implement medium and long-term strategies which ensure that the demographic profile of the architectural profession is increasingly reflective of the demographics of the country

**Objective 3:** To improve the relevance and quality of the ongoing professional development of registered persons

**Objective 4:** To implement an appropriate Identification of Work (IDoW) framework

## Strategic Priority 3:

### Develop SACAP as a Centre for Excellence

**Objective 1:** To implement a Turnaround Strategy for SACAP to improve the institution's delivery to all its stakeholders

**Objective 2:** To develop and implement strategies for engagement of all key stakeholders – registered persons, Voluntary Associations (VAs), public, local authorities, accredited learning sites, CBE/DPW

**Objective 3:** To ensure that sufficient financial resources are in place to sustain SACAP

SACAP Management has developed a plan in line with these Strategic Priorities, established in 2010. The SACAP Council has yet to adopt the plan.

# COMMITTEES OF COUNCIL

## Background

In accordance with Section 17(1) (a) of the Act, the Council may establish any committee to assist it in the performance of its functions and may appoint any person as a member of that committee. The SACAP Council has established the following committees which assist in the discharge of its duties and responsibilities:

- Executive Committee (EXCO) chaired by the President of the Council
- Audit & Risk Committee chaired by an independent external person
- Procurement Committee
- Code of Conduct Committee
- Communication and Stakeholder Relations (CSR) Committee
- Continued Professional Development (CPD) Committee
- Education Fund Committee
- Heads of Schools Committee
- Identification of Work (IDoW) Committee
- Investigating Committee
- Professional Fees Committee
- Registrations Committee
- Research Committee
- Validation Committee

These committees act within formalised terms of reference with the full understanding that they serve to inform Council and that Council is ultimately responsible for the decisions guiding SACAP.

## Executive Committee (EXCO)

EXCO meetings focus on reviewing and directing the implementation of SACAP's business and strategic plans throughout the year.

### EXCO MEETING ATTENDANCE

Name	13 Apr 2010	19 Aug 2010	15 Sep 2010	10 Mar 2011
Mr P Mashabane	✓	✓	✓	✓
Ms A Houston	Not yet a member	✓	✓	✓
Mr F Motsepe	✓	✓	✓	✗
Ms L Scott	✓	✓	✓	✓

Key: ✓ in attendance ✗ not in attendance

## Audit and Risk Committee

This committee assists Council in fulfilling its oversight responsibilities for:

- The integrity of the organisation's financial statements; and
- The organisation's compliance with legal and regulatory requirements.

The report of the Audit and Risk Committee Chairperson is presented in Section 4 of this publication.

### AUDIT AND RISK COMMITTEE MEETING ATTENDANCE

Name	4 Feb 2010	16 Feb 2010	13 Apr 2010	18 May 2010	13 Jul 2010	19 Aug 2010	30 Sep 2010
Mr C Senoamadi	✓	✓	✓	✓	✓	✓	✓
Ms A Houston	Not yet a member		✗	✓	✓	✓	✓
Ms L Scott	✓	✓	✓	✓	✓	✓	✓
Ms RA Kenosi	✓	✓	✓	✗	✓	✓	✗
Mr V Mabuli	✓	✓	✓	✓	✗	✗	✓

Key: ✓ in attendance ✗ not in attendance

## COMMITTEES OF COUNCIL (CONTINUED)

### Code of Conduct Committee

#### Terms of Reference

To review the code of improper conduct if necessary consequent upon:

- The outcome of disciplinary hearings
- Compliance of a nature not covered by rules

#### ATTENDANCE OF CODE OF CONDUCT COMMITTEE

Name	
Ms P Emmett	No meetings were held in 2010 as the Code of Professional Conduct, as currently relevant, was completed in November 2009.
Ms L Scott	
Mr G Bothma	
Ms S Linning	
Mr M Hajee	
Ms M Gerrans	
Mr D Basdew	
Mr E Barnard	

### Communication and Stakeholder Relations Committee

The Communication and Stakeholder Relations (CSR) Committee is responsible for:

- Providing strategic direction and input to the CSR unit at SACAP;
- Overseeing the drafting of Memoranda of Understanding (MoUs) relevant to the CSR unit, including service providers, Voluntary Associations (VAs) and other third parties;
- Overseeing effective communication of information;
- Overseeing the development, implementation and continuous assessment of the SACAP CSR Policy
- Profiling and creating awareness of the profession;
- Identifying and driving communication and stakeholder relations opportunities via the unit;
- Reporting to Council on the CSR Committee's activities, including budget for the unit, policy and long-term strategy;
- Driving specific communication and stakeholder relations initiatives, as identified by Council, its committees and operational units; and
- Recommending and advising Council on resourcing requirements.

### COMMUNICATION COMMITTEE MEETING ATTENDANCE

Name	21 Jan 2010	2 Sep 2010
Ms L Scott (Chairperson)	✓	✓
Mr M Heunis	✗	✗
Mr G Letlole	✗	✗
Ms N King	✗	✗
Ms D Brislin (Registrar)	✓	✓
Ms D le Roux (COO)		✓

Key: ✓ in attendance ✗ not in attendance

The above committee was dissolved by a Council resolution at its meeting of 1 October 2010 and a new committee was constituted. The new committee is known as the '*Communication and Stakeholder Relations Committee*'. The following table reflects meeting attendance of this committee:

### COMMUNICATION AND STAKEHOLDER RELATIONS COMMITTEE MEETING ATTENDANCE

Name	10 Nov 2010
Mr D Basdew (Chairperson)	✓
Ms L Scott	✓
Ms M Gerrans	✓
Mr V Mthimunye	✗
Mr R Ruiters	✗

Key: ✓ in attendance ✗ not in attendance

### Continued Professional Development

The terms of reference of the Continued Professional Development (CPD) Committee are as follows:

- To determine and advise the Council on the minimum CPD requirements for re-registration;
- To prepare a list of activities which would qualify for CPD points;
- To determine the basis on which CPD points are awarded;
- To examine CPD systems already in operation with a view to identifying possible problems;
- To examine the legal aspects of introducing CPD, in relation to the re-registration of Professionals;
- To consider possible service providers for accreditation; and

- To review the system introduced from time to time with a view to making improvements.

#### CONTINUED PROFESSIONAL DEVELOPMENT COMMITTEE ATTENDANCE

Name	25 Jun 2010	23 Nov 2010	29 Mar 2011
Mr S Njobe	✓	✗	Not a member
Ms N Nienaber	Not yet a member		✓
Mr N Adler	✓	✓	✗
Mr B Wallis	✓	✗	✓
Ms P Emmett	✗	✗	✓
Mr F Dekker	✓	✓	✓
Ms M Gerrans	✓	✓	✓
Mr D Basdew	✓	✗	✓

Key: ✓ in attendance ✗ not in attendance

#### Education Fund Committee

The Education Fund Committee was responsible for recommendations regarding:

- Management of the Education Fund;
- Subsidising mid-career courses;
- Receiving and deciding upon applications; and
- Funding the cost of visiting boards.

#### EDUCATION FUND COMMITTEE ATTENDANCE

Name	20 Apr 2010	19 May 2010
Mr T Mthethwa	✓	✓
Mr K Moleko	✓	✗
Mr M Syce	✓	✓

Key: ✓ in attendance ✗ not in attendance

The above committee was dissolved by a Council resolution in its meeting of 1 October 2010.

#### Heads of Schools Committee

This Committee is mandated by Council to:

- Take any steps it may consider necessary for the enhancement of professional qualifications;
- Enquire into and advise upon or make recommendations in regard to any matter which the Council in the performance of its functions

in terms of the Act may refer to the committee, either specifically or generally, prior to finalisation by the Council;

- Initiate any enquiry into or advise the Council upon any matter of an educational nature;
- Debate and initiate co-operation between institutions, exchange ideas and information and give support to programmes initiated for the benefit of all;
- In conjunction with the Registrar, oversee the implementation and continuous monitoring and evaluation of Council resolutions pertaining to education and training; and
- Debate those issues with impact on the education and training environment in general and advise Council on any of these issues which may have to be referred to the CBE, CIDB, CHE, SAQA or the relevant Minister.

#### HEADS OF SCHOOLS COMMITTEE ATTENDANCE

Name	25 Feb 2010	5 Aug 2010	30 Mar 2011
Prof. G Steyn	✓	✓	✓
Prof. K Bakker	✓	✗	✗
Prof. L Poulsen	✓	✓	✓
Prof. P Kotze	Not a member	✓	✓
Prof. A Steenkamp	✓	✓	✓
Prof. A Adebayo	✓	✓	No longer a Head of School
Dr R Awuorh-Hayanga	Not a member	✓	✓
Prof. C Vosloo	✓	✓	No longer a Head of School
Prof. G McLachlan	✓	✓	✓
Mr Y Luckan	✓	✓	✓
Prof. Smit	✓	No longer a Head of School	
Ms M Bitzer	✓	✓	✓
Mr E Pieters	✓	✓	✓
Ms N Darke	✓	✓	✓
Mr J de Villiers	✗	No longer a Head of School	✗

Key: ✓ in attendance ✗ not in attendance

## COMMITTEES OF COUNCIL (CONTINUED)

### Identification of Work Committee

#### IDENTIFICATION OF WORK COMMITTEE ATTENDANCE

Name	17 Mar 2011
Mr F Motsepe	✓
Mr P Bakker	✗
Ms P Emmett	✓
Ms L Scott	✓
Mr L du Toit	✓
Ms M Gerrans	✓
Mr D Basdew	✗
Ms G Adendorff	✗

Key: ✓ in attendance ✗ not in attendance

### Investigating Committee

The terms of reference of this Committee are as follows:

- To investigate any complaint of improper conduct against a registered person;
- To obtain evidence to determine whether or not, in its opinion, there is substance in the complaint;
- To recommend to the Council whether or not further action should be taken; and
- If the decision is to charge a registered person, to recommend to the Council the charges to be proffered.

### INVESTIGATING COMMITTEE ATTENDANCE

Name	17 Oct 2010	9 Mar 2011
Ms P Emmett	✓	✓
Mr P Mashabane	✗	✗
Mr P Brown	✓	▪
Mr A Louw	✓	✓
Mr D Joubert	✗	✓
Ms M Gerrans	✓	✓
Mr D Basdew	✓	✓
Mr S Segal (Resigned)	▪	▪

Key: ✓ in attendance ✗ not in attendance  
▪ retired/resigned

### Procurement Committee

After tabling the Audited Financial Statements for the period ended March 2010, Council established the Procurement Committee to contribute to safeguarding the financial health of SACAP by overseeing procurement.

The Committee developed new procurement protocols and met frequently throughout the review period to discharge its duties by authorising the procurement of goods and services and ensuring that SACAP achieves value for money when spending. The Committee provided guidance and advice to management on procurement matters including the appointment of independent consultants.

During the period ahead the Committee will lead the development of a new Procurement Policy and looks forward to returning overall responsibility for procurement to management after the new Registrar is appointed.

#### PROCUREMENT COMMITTEE ATTENDANCE

Name	22 July 2010	19 Aug 2010	27 Aug 2010	15 Sep 2010	21 Oct 2010	16 Sep 2010	17 Nov 2010	3 Dec 2010	22 Feb 2011
Ms A Houston (Chairperson)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms L Scott	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms M Gerrans	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr R Ruiters	✓	✗	✗	✓	✗	✓	✓	✓	✓

Key: ✓ in attendance ✗ not in attendance



## Professional Fees Committee

The Professional Fees Committee is responsible for:

- Reviewing the tariff of fees from time to time in response to problems which arise in special applications;
- Discussing problems with the Department of Public Works relating to government projects which may be referred to it by the profession;
- Giving advice to members of the public and the profession in connection with the application of the tariff of fees, when requested; and
- Updating the tariff tables annually as required in terms of Section 34 of the Act.

### PROFESSIONAL FEES COMMITTEE ATTENDANCE

Name	27 May 2010	8 Jun 2010	31 Mar 2011
Mr P Crafford	✓	✓	✓
Mr I Alexander	✓	✓	✗
Mr S Segal	✓	✓	✓
Mr J Barnard	✓	✗	✓
Mr A Louw	✓	✓	✓
Mr M Borgström	✗	✗	✗
Ms M Gerrans	✓	✓	✓
Mr D Basdew	✗	✗	✓

Key: ✓ in attendance ✗ not in attendance

## Registrations Committee

The Registrations Committee is tasked with considering and deciding upon placement within the various categories for applicants whose qualifications and/or experience fall outside the parameters agreed by the Council.

### REGISTRATIONS COMMITTEE ATTENDANCE

Name	6 Oct 2010	11 Nov 2010	2 Mar 2011
Prof. G Steyn	✓	✓	✓
Prof. K Bakker	✓	✗	✓
Mr M van Schoor	✓	✓	✓
Mr G Letlole	✓	No longer a member	
Ms M Gerrans	✓	✓	✗
Mr D Basdew	✗	✓	✓

Key: ✓ in attendance ✗ not in attendance

## Research Committee

The terms of reference of the Research Committee are:

- To carry out such research which may impact on the built environment as directed by the Council;
- To compile a questionnaire to collect practice information; and
- To prepare a questionnaire to update the database of registered persons.

### RESEARCH COMMITTEE ATTENDANCE

Name	15 Apr 2010	16 Sep 2010
Prof. G Steyn	✓	✓
Prof. P Kotze	✓	✓
Ms L Scott	✓	✓
Ms S Linning	✓	✓
Dr A Osman	▪	▪

Key: ✓ in attendance ✗ not in attendance  
▪ retired/resigned

## Validation Committee

The Validation Committee is tasked with:

- Validating and monitoring qualifications in architecture;
- Validate courses where necessary;
- Review and making recommendations on visiting board reports to the Council;
- Considering new course proposals and course changes;
- Overseeing the administration of visiting and selection of visiting boards;
- Keeping procedures under review;
- Preparing a panel of assessors for CHE purposes; and
- Following up visiting board requirements after a visit.

### VALIDATION COMMITTEE ATTENDANCE

Name	8 Jul 2010	16 Mar 2011
Prof. G Steyn	✓	✓
Mr J Crafford	✓	✗
Mr J de Villiers	✓	✓
Mr D Yuill	✗	✓
Mr F Motsepe	✓	✓
Ms M Gerrans	✓	✓

Key: ✓ in attendance ✗ not in attendance

## COMMITTEES OF COUNCIL (CONTINUED)

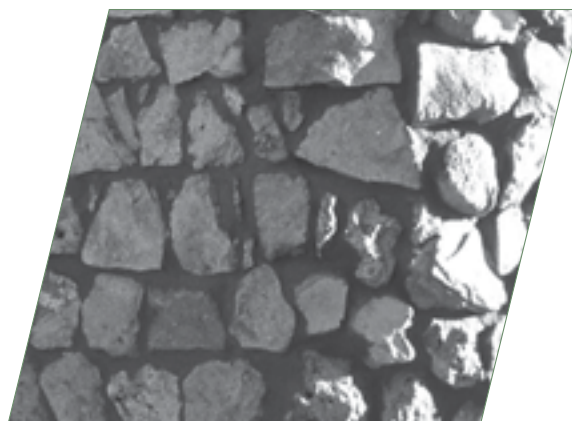
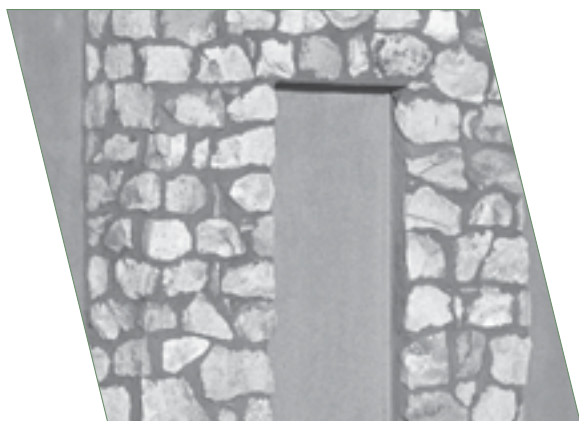
### Remuneration

Council members receive honorarium fees for their attendance of Council and Committee meetings. Travel and associated costs are also paid by the organisation. Third Term Council Members received the following honorarium fees during the review period:

Name of Council Member	Council Meetings	EXCO	Audit & Risk	Communication	Stakeholder Relations	CPD
Mr P Mashabane (President)	R103 680	R22 266	-	-	-	-
Ms L Scott (Vice-President)	R42 728	R10 569	R27 000	R2 939.33	R1 526	-
Ms A Houston (Treasurer)	R42 728	R9 156	R20 000	-	-	-
Prof. G Steyn (Member)	R21 364	-	-	-	-	-
Mr P Crafford (Member)	R10 682	-	-	-	-	-
Mr F Motsepe (Member)	R10 682	R4 465	-	-	-	-
Ms H Nienaber (Member)	R10 682	-	-	-	-	-
Ms M Gerrans (Member)	R24 416	-	-	-	R1 526	R4 578
Mr D Basdew (Member)	R24 416	-	-	-	R3 052	R3 052
Mr V Mthimunye	R24 416	-	-	-	-	-
Mr R Ruiters (Member)	R24 416	-	-	-	-	-

#### Note

Council members who are government representatives in the Council are not paid an honorarium fee if the meeting is during the week.





	Heads of Schools	IDoW	Investigating	Procurement	Professional Fees	Registrations	Research	Validation
	-	-	-	-	-	-	-	-
	-	R1526	-	R13 734	-	-	-	-
	-	-	-	R27 468	-	-	-	-
	R8 930.66	-	-	-	-	R9 156	R3 052	R6 104
	-	-	-	-	-	-	-	-
	-	R3 052	-	-	-	-	-	R3 052
	-	-	-	-	-	-	-	-
	-	R1 526	R3 052	R13 734	R4 578	R3 052	-	R3 052
	-	-	R3 052	-	R1 526	R3 052	-	-
	-	-	-	-	-	-	-	-
	-	-	-	R9 156	-	-	-	-



# STAKEHOLDERS

## Accredited Learning Sites

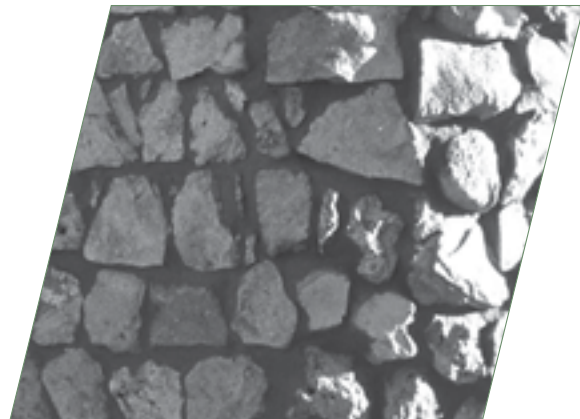
### Stakeholders

SACAP Accredited Learning Sites (ALS) include the following institutions:

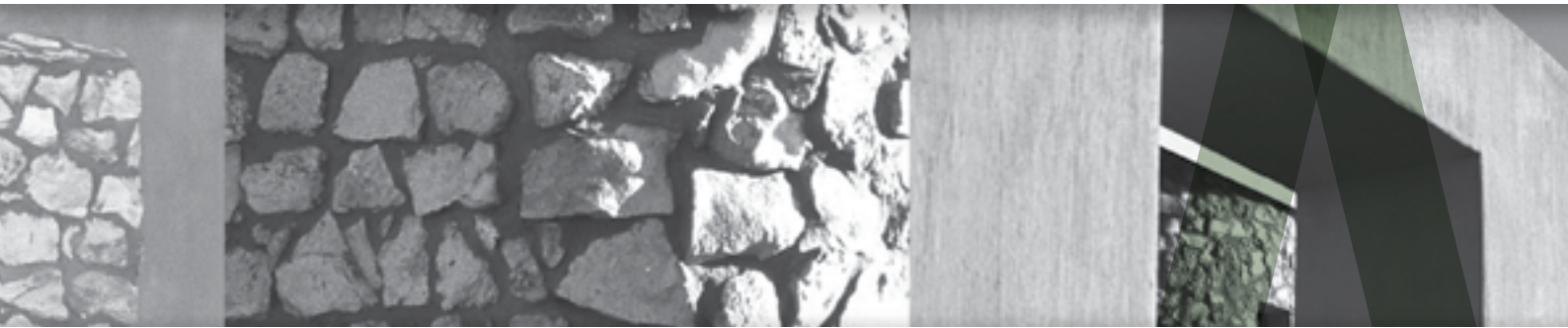
Name	Website
Cape Peninsula University of Technology (CPUT)	<a href="http://www.cput.ac.za">www.cput.ac.za</a>
Durban University of Technology (DUT)	<a href="http://www.dut.ac.za">www.dut.ac.za</a>
Nelson Mandela Metropolitan University (NMMU)	<a href="http://www.nmmu.ac.za">www.nmmu.ac.za</a>
Tshwane University of Technology (TUT)	<a href="http://www.tut.ac.za">www.tut.ac.za</a>
University of Cape Town (UCT)	<a href="http://www.uct.ac.za">www.uct.ac.za</a>
University of the Free State (UFS)	<a href="http://www.uovs.ac.za">www.uovs.ac.za</a>
University of Johannesburg (UJ)	<a href="http://www.uj.ac.za">www.uj.ac.za</a>
University of Pretoria (UP)	<a href="http://www.up.ac.za">www.up.ac.za</a>
University of KwaZulu-Natal (UKZN)	<a href="http://www.ukzn.ac.za">www.ukzn.ac.za</a>
University of Witwatersrand (WITS)	<a href="http://www.wits.ac.za">www.wits.ac.za</a>

### SACAP Private (Colleges)

Inscape Design College	<a href="http://www.inscape.ac.za">www.inscape.ac.za</a>
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### The Following Voluntary Associations are Recognised by SACAP

- South African Institute of Architects (SAIA)  
Website: [www.saia.org.za](http://www.saia.org.za)
- South African Institute of Architectural Technologists (SAIAT)  
Website: [www.saiat.org.za](http://www.saiat.org.za)
- South African Institute of Building Design (SAIBD)  
Website: [www.saibd.co.za](http://www.saibd.co.za)
- South African Institute of Draughting (SAID)  
Website: [www.SAIDraughting.com](http://www.SAIDraughting.com)
- South African Institute of the Interior Design Professions (IID)  
Website: [www.iidprofessions.com](http://www.iidprofessions.com)
- Border Kei Institute of Architects (BKIA)  
E-mail: [bkia@sainet.co.za](mailto:bkia@sainet.co.za)
- Cape Institute for Architecture (CIA)  
Website: [www.cifa.org.za](http://www.cifa.org.za)
- Eastern Cape Institute of Architects (ECIA)  
Website: [www.ecia.co.za](http://www.ecia.co.za)
- Free State Institute of Architects (FSIA)  
Website: [www.fsia.co.za](http://www.fsia.co.za)
- Gauteng Institute for Architecture (GifA)  
Website: [www.gifa.org.za](http://www.gifa.org.za)
- KwaZulu-Natal Institute for Architecture (KZNIA)  
Website: [www.kznia.org.za](http://www.kznia.org.za)
- Pretoria Institute for Architecture (PIA)  
Website: [www.pia.org.za](http://www.pia.org.za)





# SOCIAL RESPONSIBILITY



SACAP's social responsibility programme is designed to invest in and attract talent to the profession, while contributing to the well-being of the profession in general. Broad-based participation in national events resulted in the elevation of SACAP's profile amongst stakeholders. Mindful of these important objectives, SACAP provided sponsorship for the following institutions, events and activities in 2010:

## **The Architect Africa Film Festival (AAFF) including the Tripod Architecture Students Photography Competition and mini festival, 6-23 September 2010**

Durban - 6 September 2010

Cape Town - 9 September 2010

Port Elizabeth - 10 September 2010

Bloemfontein - 17 September 2010

Gauteng - 23 September 2010

### **Overview**

- Aimed at supporting the film festivals' educational initiatives by taking the AAFF to the students;
- Support provided for the infra-structure setup which will ensure ongoing continuity of this important initiative, and enhances SACAP's strategic priority towards raising 'Public Awareness' on architecture and the architectural profession;
- Promotion, branding and marketing of SACAP's involvement in the Tripod Architecture Students Photography Competition exhibition, which forms part of the National Student Congress and the AAFF initiative;
- SACAP representative (President and SACAP Councillors) allocated per region to give five minute opening address about SACAP mandates and involvement in the AAFF; and
- SACAP branding at the events.

## **The Annual National Student Congress (ASC) hosted by the University of Johannesburg (UJ), 22-27 September 2010 which formed part of the AZA 2010**

### **Overview**

SACAP's support and involvement in the ASC initiative assisted in reaching the 'Architectural Student' community by promoting education, and affording students the opportunity to be part of the presentations made by international and local guest speakers. To this end, SACAP introduced the 'Architectural Generation - Path to Professionalism' campaign which targets architectural students studying at SACAP accredited Architectural Learning Sites (ALS).

The Annual Student Congress provides SACAP with a platform to promote and build brand awareness regarding its Candidacy Registration mandate, which seeks to assist students with the requirements for their life cycle in terms of their chosen career path and their SACAP statutory registration requirements as Candidates. It also serves as an opportunity to build relationships with students who will register with SACAP after graduation and become potential stakeholders.

The SACAP information desk was staffed by members of the Registration and Marketing Units, who were available for the duration of the Congress to assist students with any information that they required. In addition, pamphlets and corporate merchandise were distributed to the students with valuable information about the registration processes.

## University of Cape Town – Schools Outreach Programme, June 2010

### Overview

SACAP jointly sponsored the Schools Outreach Workshop with the Cape Institute for Architecture and UCT Faculty of Engineering and the Built Environment. The workshop was hosted by the UCT School of Architecture, Planning and Geomatics over three days.

Involvement was aimed at recruiting high school learners from previously disadvantaged communities, who would otherwise not necessarily have been exposed to the world of Architecture, and the career possibilities. The long term objective of the programme is to set up more formal links within certain schools, so that they may act as 'feeder schools' to the UCT School of Architecture.

The Outreach Workshop itself has two purposes:

- To expose learners to a more informed understanding of the world of Architecture; and
- To give guidance and assistance regarding the portfolio requirements.

Learners were required to write a one-page motivation essay about why they wanted to participate in the workshop and provide an application form and recent mark schedule.





SECTION 2

# OPERATIONS

# CHIEF OPERATIONS OFFICER'S REPORT



**Adv Desiree le Roux**  
Chief Operations Officer

## Strategy and Structure

The SACAP Council determined its strategic priorities for the period 2010 to 2013. These were incorporated into an Operational Plan and cascaded to the business units in the form of Business Unit Plans. Staff Performance Agreements were then updated to align with the requirements of the Business Unit Plans.

An organisational development exercise was completed to determine whether the organisation's structure and human resource complement were sufficient to deal with current and future strategic and operational demands. The Council agreed to the following additions to the structure:

- Executive Assistant to the Council
- Education Officer
- IT Manager
- Researcher

During the review period, the structure was inadequately resourced due to the following vacancies which arose:

- Registrar
- Legal and Compliance Officer
- Communication and Stakeholder Relations (CSR) Officer
- Continuing Professional Development (CPD) Officer
- Registrations Administrators (two)

These are reflected in the organogram on page 36 of this report.

## Systems and Infrastructure

Effective human resource management systems were implemented, although many of these are still being administered manually. The SACAP telephony system was upgraded to accommodate the increase in telephone calls being received. The SACAP website and e-mailers for various CPD events and activities worked well to improve communications between the organisation and registered persons. The lack of a dedicated, qualified, internal IT resource remained a challenge during this period.

## Policies and Programmes

The Human Resources Policy Manual was updated and presented to the Council for approval. The following financial policies and protocols were also reviewed and submitted to the Council for approval:

- Travel and Entertainment Policy
- Procurement Policy
- Provision for Bad Debt Policy
- Procurement protocol
- Petty Cash protocol

Staff members, in collaboration with their supervisors, developed their performance agreements to bring these in line with the Performance Management Policy.



## Human Resources

An acting Registrar and temporary staff members were appointed to address the challenges experienced due to the vacancies in the organisation during the period.

Unit Managers received one-on-one coaching as part of an ongoing intervention to address internal conflict and negative perceptions within the organisation. As a part of this process, a psychotherapist was appointed to undertake staff counselling.

Staff performance appraisals were completed, in line with revised Performance Agreements and the Performance Management Policy.

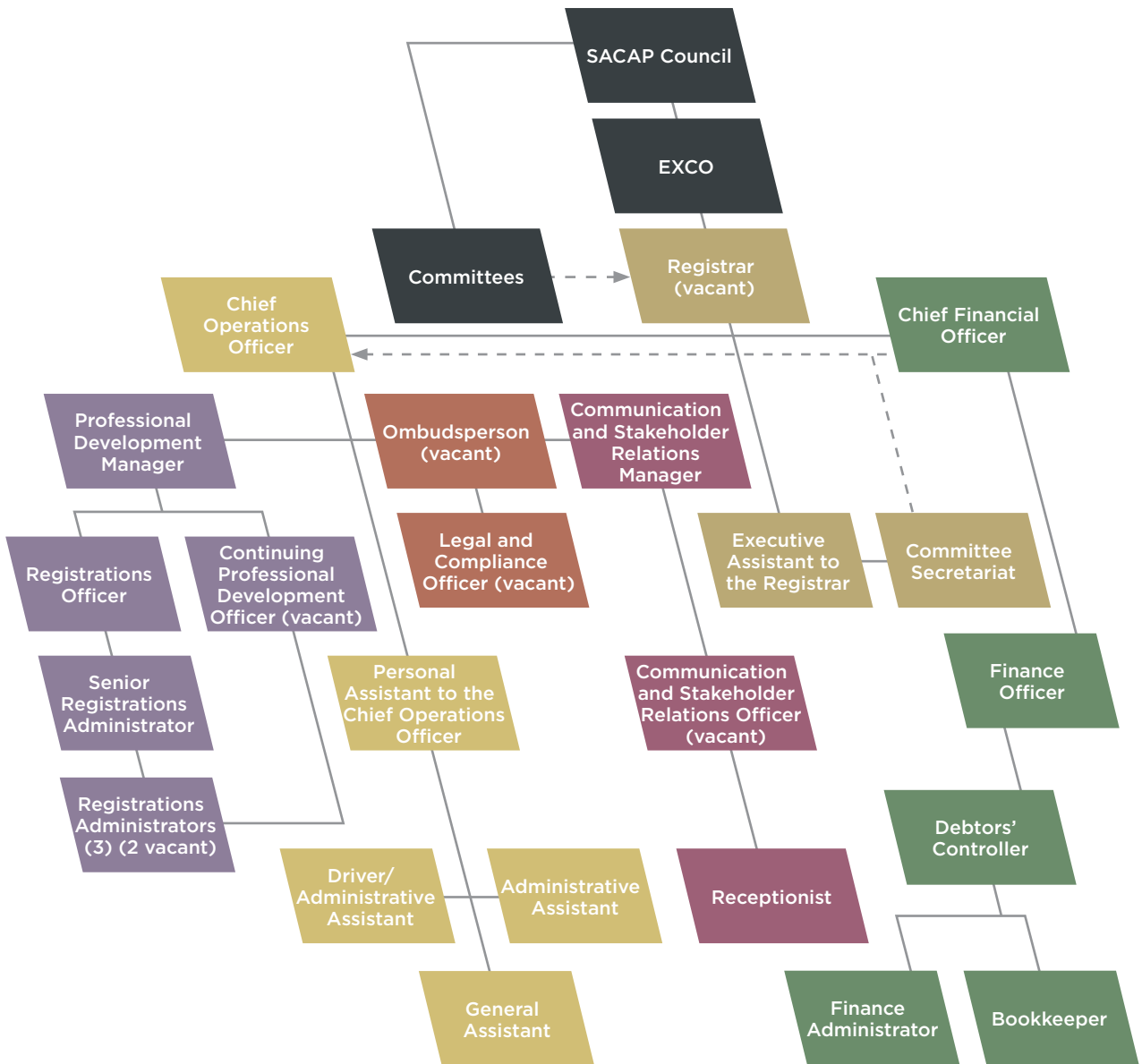
### EMPLOYMENT EQUITY PROFILE 2010/2011

Designation	Race				Gender	
	B	C	I	W	F	M
Acting Registrar	1				1	
Manager	2	1		1	3	1
Officer	2			1	1	2
Administrator	6	1	2		8	1
Receptionist		1			1	
General Worker	1	1			2	
Driver	1					1
<b>Totals</b>	<b>13</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>16</b>	<b>5</b>

## Organisational Culture

Various teambuilding sessions were held during the course of the year to further the development of a culture of deliverables and performance. These were also designed to assist staff to stay focussed on the organisation's goals and to emphasise the importance of working as a team, particularly at times when changes are experienced in the operational environment.

# ORGANISATIONAL STRUCTURE



## Office of the Registrar



**Dorothy Brislin**  
Registrar  
(until 1 September  
2010)



**Cecilia Chinga**  
Professional  
Development Manager  
and Acting Registrar



**Aso Balan**  
Executive Assistant  
to Registrar



**Nontembeko Tutani**  
Committee  
Secretariat Manager

## Office of the COO



**Adv Desiree le Roux**  
Chief Operations  
Officer



**Omeshnee Govender**  
PA to COO



**Mafa Kgoahla**  
Driver/  
Administrative  
Assistant



**Olga Samodien**  
General Assistant



**Sandra Gwebu**  
Administrative  
Assistant

## ORGANISATIONAL STRUCTURE (CONTINUED)

### Finance



**Sam Moyo**  
Chief Financial  
Officer



**Kagiso Noke**  
Finance Officer



**Mosadi Ndwandwe**  
Debtors' Controller



**Sara Magoai**  
Finance  
Administrator



**Lindiwe Mahlangu**  
Bookkeeper

### Communication and Stakeholder Relations



**Jacquie Cullis**  
Communication  
and Stakeholder  
Relations Manager



**Annie Chen**  
Marketing and  
Communications  
Officer



**Eva Kock**  
Receptionist



## Professional Development



**Cecilia Chinga**  
Professional  
Development Manager  
and Acting Registrar



**Nita Schmidlin**  
Registrations  
Officer



**Madivan van der Merwe**  
CPD Officer



**Meshack Moshidi**  
Senior  
Registrations  
Administrator



**Thuli Maphanga**  
Registrations  
Administrator



**Mandisa Mboshana**  
Registrations  
Administrator



**Busisiwe Mdhletse**  
Registrations  
Administrator



**Letonia Demas**  
Registrations  
Administrator



**Gerhard le Grange**  
Registrations  
Administrator



**Zakhele Mncube**  
Registrations  
Administrator

## Legal and Compliance



**Gerard Christmas**  
Legal and  
Compliance Officer



**Fiedel Gopaul**  
Legal Compliance  
Secondment



# COMMUNICATION AND STAKEHOLDER RELATIONS

The Marketing and Communication unit changed its name to the Communication and Stakeholder Relations (CSR) Unit in late 2010 with the emphasis on providing improved communication, both internal and external.

The CSR Unit is responsible for information, education, communication and liaison with stakeholders including public relations in terms of SACAP's Strategic Priorities. The Corporate Communication – Stakeholder liaison function was added to SACAP's Mandate of Protecting the Public in terms of the Architectural Profession Act. Currently, IT and telecommunication infrastructure in relation to management of service providers also form part of the CSR Unit's key performance areas (KPAs) which are as follows:

- **Effective ICT systems – SACAP appointed the following service providers MWEB, Cambriant (Native) and Lancelot to oversee the following:**
  - Web development and hosting
  - E-mail server and hosting
  - IT maintenance
  - Pastel database configuration and maintenance
  - CISCO PABX configuration and maintenance
  - Procurement of hardware and software provision



- **Present a consistent and professional image to the public**

- SACAP brand management – exhibitions, public forums, local authority visits and interaction with SACAP stakeholders
- Campaign development in terms of the SACAP Strategic Priorities
- Corporate Identity manual update and production of various marketing collateral
- Reputation Management – Media monitoring and response
- Communication – advertorial in publications, e-mailers, newsletters, brochures, fact file updates and e-mailing from the database
- Event Management – road shows and local authority visits
- Website – updating information and development

- **Fostering collaborative relationships with role players**

Internal SACAP clients: To provide a communications support service to the various units within SACAP, including:

- Brand and reputation management
- Corporate identity
- Internal communication campaigns, policies and procedures

External Stakeholders: Ensuring the correct brand message and image of SACAP is portrayed via:

- Communication – newsletters; fact files; event management (e.g. road shows); website; advertising; media exposure; promotional campaigns
- Ensure correct procurement procedures
- Media: To build effective relationships with the media, to ensure that a positive image is portrayed and to generate free, positive coverage via media database and media releases/interviews

- **Anticipating and responding to the needs of the public and identifying projects to promote effective information sharing and awareness with the public**
- **Document management**
  - Website queries and statistics
  - News clipping service
  - Newsletters, magazines and journals
  - Create and maintain an up-to-date information hub that is relevant to architectural professional practice and conduct
  - Website (flagship platform for interactive information hub)



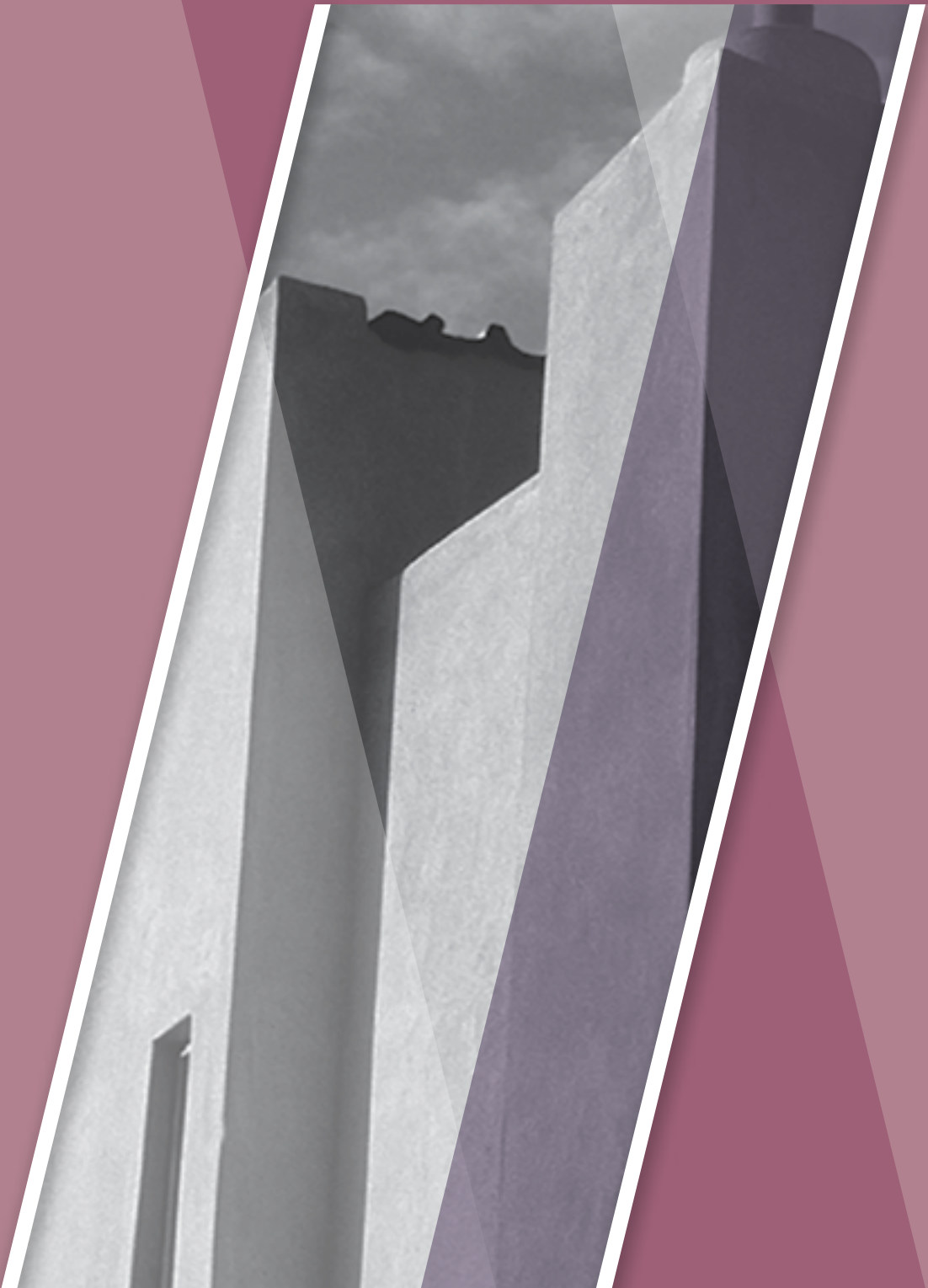
### Challenges

With only one staff member employed in the CSR Unit between 1 April 2010 and 30 March 2011, the work of the unit was adversely impacted. As a result, while progress was made in all the above areas, it was not possible to fully address all the KPIs to the satisfaction of the incumbent.



## SECTION 3

# MANDATES



# REGISTRATIONS



**Prof. Gerald Steyn**  
Registration Committee Chairperson

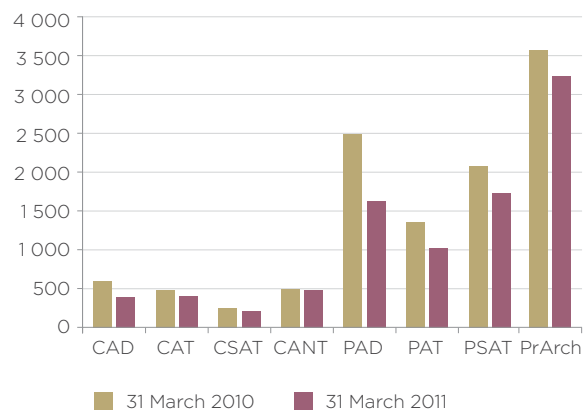
South Africa is a developing country, experiencing both rapid population growth and urbanisation. In countless historical townships, new residential precincts and rural communities there is a pressing need for new amenities – schools, clinics, community centres, municipal offices, public bath houses, pension/grant pay points, markets and minibus taxi ranks. The registration statistics for the review period overall, therefore, were alarming since they indicate that the profession is shrinking, from 9 528 registered professionals in March 2010 to 7 608 in March 2011. The cause is not clear at all; although indications are that the depressed economic cycle and resulting negative mood during the period played a significant role.

## Growth/Decline in Registrations - 31 March 2010 to 31 March 2011

TABLE 1

Candidates		Total as at 31 March 2010	Total as at 31 March 2011	Movement
Candidate Architectural Draughts-person	CAD	597	393	-204
Candidate Architectural Technologist	CAT	487	401	-86
Candidate Senior Architectural Technologist	CSAT	251	209	-42
Candidate Architect	CANT	493	481	-12
<b>Grand total</b>		<b>1 828</b>	<b>1 484</b>	<b>-344</b>
Professionals		Total as at 31 March 2010	Total as at 31 March 2011	Movement
Professional Architectural Draughts-person	PAD	2 481	1 632	-849
Professional Architectural Technologist	PAT	1 350	1 019	-331
Professional Senior Architectural Technologist	PSAT	2 077	1 725	-352
Professional Architect	PrArch	3 620	3 232	-388
<b>Grand total</b>		<b>9 528</b>	<b>7 608</b>	<b>-1 920</b>

FIGURE 1



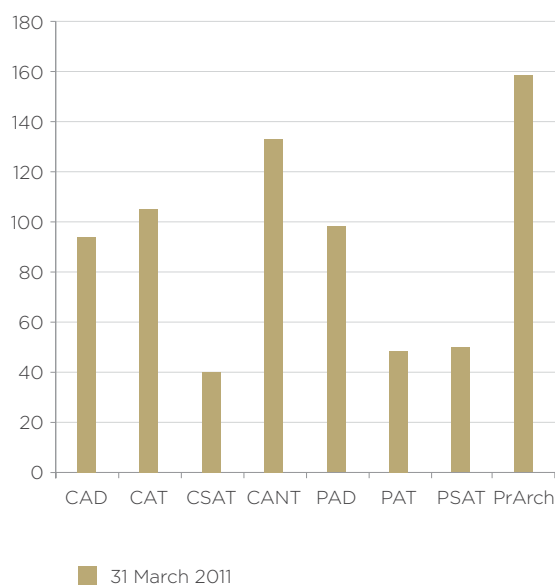


### Total New Registrations - 1 April 2010 to 31 March 2011

TABLE 2

Candidates		Total new registrations
Candidate Architectural Draughtsperson	CAD	94
Candidate Architectural Technologist	CAT	105
Candidate Senior Architectural Technologist	CSAT	40
Candidate Architect	CANT	133
<b>Grand total</b>		<b>372</b>
Professionals		Movement
Professional Architectural Draughtsperson	PAD	98
Professional Architectural Technologist	PAT	48
Professional Senior Architectural Technologist	PSAT	50
Professional Architect	PrArch	158
<b>Grand total</b>		<b>354</b>

FIGURE 2

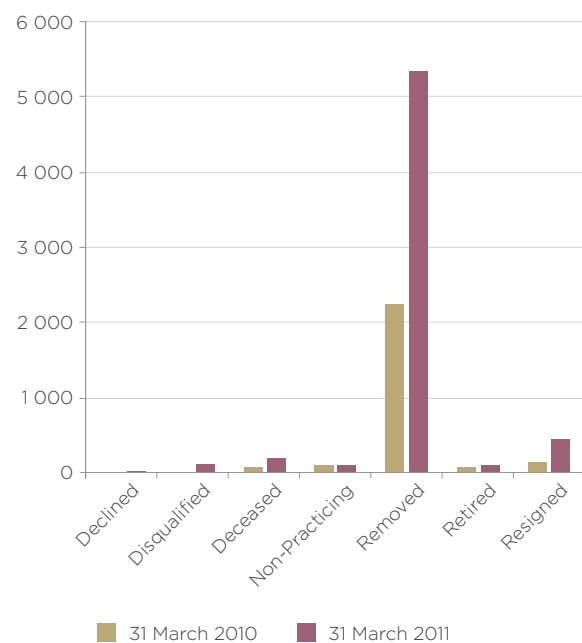


### Growth/Decline in Non-active Persons on Database as at 31 March 2010 and 31 March 2011

TABLE 3

Non-active	Total as at 31 March 2010	Total as at 31 March 2011	Movement
Declined	1	17	16
Disqualified	3	115	112
Deceased	71	185	114
Non-practicing	95	96	1
Removed	2 242	5 328	3 086
Retired	65	90	25
Resigned	138	438	300
<b>Grand total</b>	<b>2 615</b>	<b>6 269</b>	<b>3 654</b>

FIGURE 3



## REGISTRATIONS (CONTINUED)

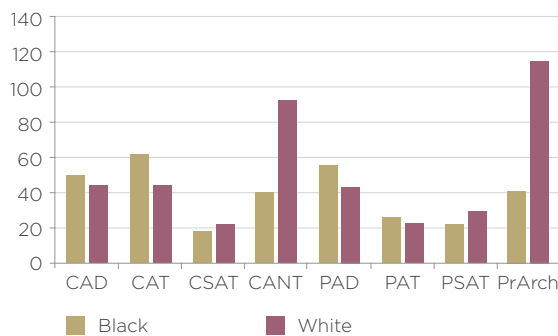
### Registration by Race - 1 April 2010 to 31 March 2011

It is encouraging that increasing numbers of black\* candidates and professionals were registered during the period. In all categories except Candidate Architect and Professional Architect the difference was either very small or black candidates and professionals outnumbered their white counterparts. The reason for the relatively small portion of black Candidate Architects and Professional Architects (31 and 26 per cent respectively) will have to be investigated and addressed as a matter of urgency. SACAP has a responsibility to encourage and facilitate qualification programmes that will make architectural education accessible, attractive and practical to prospective black students in particular.

TABLE 4

Category		Race	Total
Candidate Architectural Draughtsperson	CAD	Black	50
		White	44
Candidate Architectural Technologist	CAT	Black	62
		White	43
Candidate Senior Architectural Technologist	CSAT	Black	19
		White	21
Candidate Architect	CANT	Black	40
		White	93
Professional Architectural Draughtsperson	PAD	Black	56
		White	42
Professional Architectural Technologist	PAT	Black	26
		White	22
Professional Senior Architectural Technologist	PSAT	Black	21
		White	29
Professional Architect	PrArch	Black	41
		White	117

FIGURE 4



#### Note

\* Black is defined as those persons listed on SACAP's database as Asian, Black or Coloured. To this is added 'other', being those persons who omitted to complete this section of the application form.

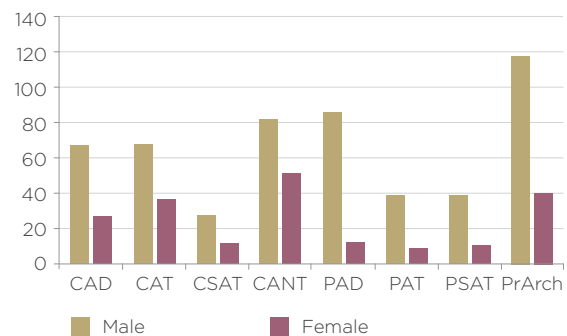
### Registration by Gender - 1 April 2010 to 31 March 2011

Gender distribution improved slightly. In 2010 female candidates and professionals constituted 18 per cent of the total compared to 27 per cent of new registrations in 2011.

TABLE 5

Category		Gender		Total
		Male	Female	
Candidate Architectural Draughtsperson	CAD	67	27	94
Candidate Architectural Technologist	CAT	68	37	105
Candidate Senior Architectural Technologist	CSAT	28	12	40
Candidate Architect	CANT	82	51	133
Professional Architectural Draughtsperson	PAD	86	12	98
Professional Architectural Technologist	PAT	39	9	48
Professional Senior Architectural Technologist	PSAT	39	11	50
Professional Architect	PrArch	118	40	158
<b>Grand total</b>		<b>527</b>	<b>199</b>	<b>726</b>

FIGURE 5

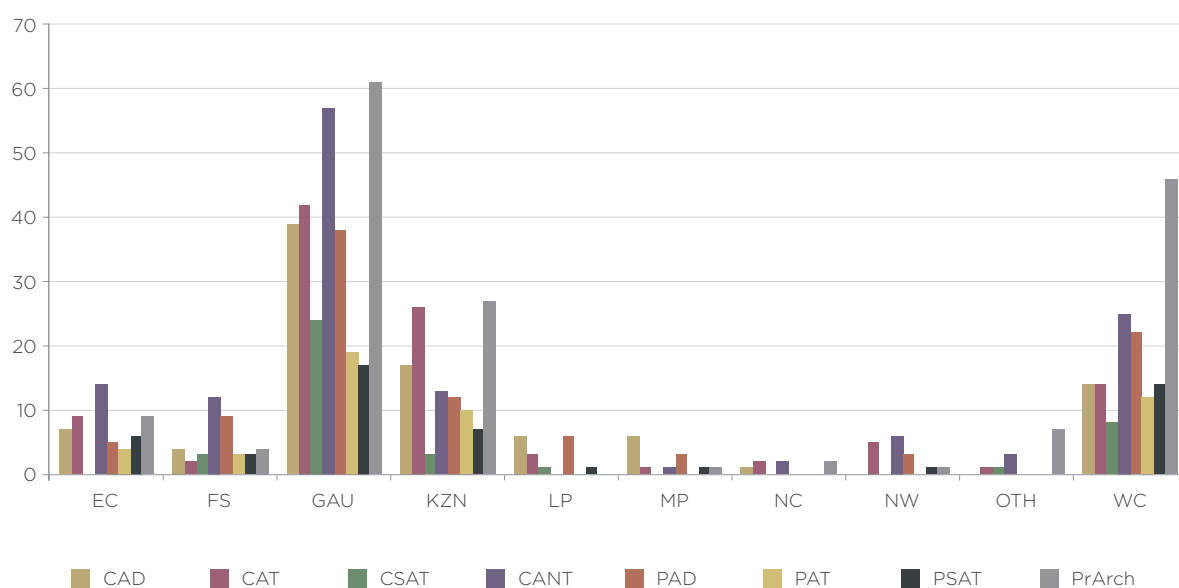


## Registration by Province - 1 April 2010 to 31 March 2011

TABLE 6

Category		Province										Total
		EC	FS	GAU	KZN	LP	MP	NC	NW	OTH	WC	
Candidate Architectural Draughtsperson	CAD	7	4	39	17	6	6	1			14	94
Candidate Architectural Technologist	CAT	9	2	42	26	3	1	2	5	1	14	105
Candidate Senior Architectural Technologist	CSAT		3	24	3	1				1	8	40
Candidate Architect	CANT	14	12	57	13		1	2	6	3	25	133
Professional Architectural Draughtsperson	PAD	5	9	38	12	6	3		3		22	98
Professional Architectural Technologist	PAT	4	3	19	10						12	48
Professional Senior Architectural Technologist	PSAT	6	3	17	7	1	1		1		14	50
Professional Architect	PrArch	9	4	61	27		1	2	1	7	46	158
<b>Grand total</b>		<b>54</b>	<b>40</b>	<b>297</b>	<b>115</b>	<b>17</b>	<b>13</b>	<b>7</b>	<b>16</b>	<b>12</b>	<b>155</b>	<b>726</b>

FIGURE 6



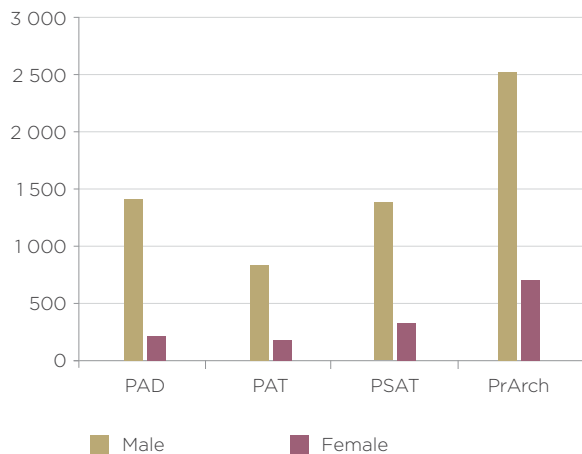
## REGISTRATIONS (CONTINUED)

### Total Professionals Registered with SACAP by Gender as at 31 March 2011

TABLE 7

Category		Gender		Total
		Male	Female	
Professional Architectural Draughtsperson	PAD	1 414	218	1 632
Professional Architectural Technologist	PAT	837	182	1 019
Professional Senior Architectural Technologist	PSAT	1 386	339	1 725
Professional Architect	PrArch	2 523	709	3 232
<b>Grand total</b>		<b>6 160</b>	<b>1 448</b>	<b>7 608</b>

FIGURE 5

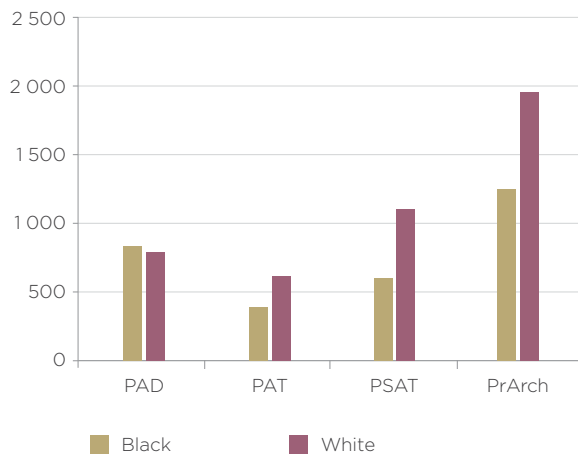


### Total Professionals Registered with SACAP by Race as at 31 March 2011

TABLE 8

Category		Race	Total
Professional Architectural Draughtsperson	PAD	Black	842
		White	790
Professional Architectural Technologist	PAT	Black	397
		White	622
Professional Senior Architectural Technologist	PSAT	Black	608
		White	1 117
Professional Architect	PrArch	Black	1 261
		White	1 971
<b>Grand total</b>			<b>7 608</b>

FIGURE 8

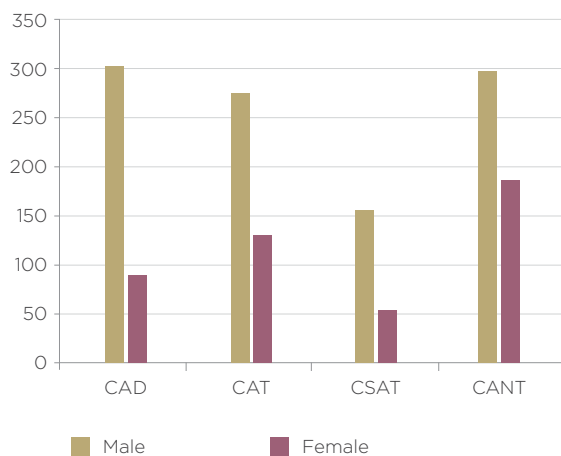


### Total Candidates Registered with SACAP by Gender as at 31 March 2011

TABLE 9

Category		Gender		Total
		Male	Female	
Candidate Architectural Draughtsperson	CAD	304	89	393
Candidate Architectural Technologist	CAT	270	131	401
Candidate Senior Architectural Technologist	CSAT	157	52	209
Candidate Architect	CANT	299	182	481
<b>Grand total</b>		<b>1 030</b>	<b>454</b>	<b>1 484</b>

FIGURE 9

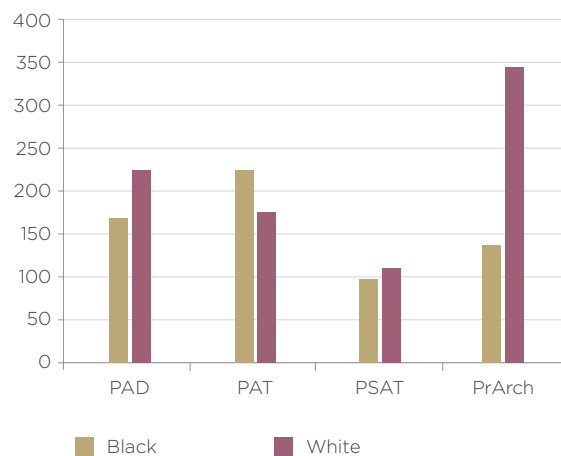


### Total Candidates Registered with SACAP by Race as at 31 March 2011

TABLE 10

Category		Race	Total
Candidate Architectural Draughtsperson	CAD	Black	170
		White	223
Candidate Architectural Technologist	CAT	Black	225
		White	176
Candidate Senior Architectural Technologist	CSAT	Black	97
		White	112
Candidate Architect	CANT	Black	136
		White	345

FIGURE 10





## REGISTRATIONS (CONTINUED)

### Number of Years that Active Candidates have been Registered on the SACAP Database as at 31 March 2011

TABLE 11

Category		1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	More than 6 Years	Total
Candidate Architectural Draughtsperson	CAD	73	121	92	42	56	6	5	395
Candidate Architectural Technologist	CAT	81	99	94	45	64	12	6	401
Candidate Senior Architectural Technologist	CSAT	38	63	54	40	3	9	2	209
Candidate Architect	CANT	129	150	82	27	33	14	44	479
<b>Grand total</b>		<b>321</b>	<b>433</b>	<b>322</b>	<b>154</b>	<b>156</b>	<b>41</b>	<b>57</b>	<b>1 484</b>

### Recognition of Prior Learning

Although SACAP no longer allows upgrading to a higher registration category without the commensurate qualifications, the process of Recognition of Prior Learning (RPL) is retained and is being refined for three specific purposes.

The first is to assess the appropriateness of overseas qualifications. Currently the South African Qualifications Authority (SAQA) issues certificates stating equivalence, but only in terms of years of study and not based on quality or relevance. The basis for evaluating foreign qualifications is the document entitled "Competencies for the architectural profession", developed by the Standards Generating Body (SGB) for Architecture, updated in January 2010.

The second purpose of RPL is – after examining a portfolio and interviewing an applicant – to grant or refuse special consent to a professional to do all the work, or to undertake a project that is allocated in the Identification of Work (IDoW) Matrix to a category higher than he or she is registered in. This is not the preferred route and registered persons are encouraged to register in higher categories by improving qualifications.

The third purpose is to interview and assess applicants applying to have the mandatory period of practical training waived in terms of the Special Dispensation Policy. It must be emphasised that only candidates with considerable experience qualify for this concession, typically persons who were registered as architects in other countries. A non-negotiable condition is nevertheless that all successful applicants must pass the Professional Practice Examination (PPE) before they can be registered as professionals.

# RECOGNITION OF PRIOR LEARNING



**Prof. Gerald Steyn**  
Registration Committee Chairperson

The Recognition of Prior Learning (RPL) process was instituted over a limited period to enable persons registered in terms of the 'deemed to' clause [Clause 42(5) of the Architectural Profession Act No. 44 of 2000] to upgrade to a registration category commensurate with their skills and competencies. Henceforth registration and upgrading will be based exclusively on academic credits and/or qualifications as applied internationally.



The Registration Framework, put in place by SACAP, is aligned with the new Higher Education Qualifications Framework (HEQF) set out by the Council on Higher Education and allows a registered person to progress from Professional Draughtsperson through to Professional Architect, given compliance with educational requirements. The Identification of Work (IDoW) system should therefore not be seen as a limitation, but rather as a motivation for registered persons to develop their careers by acquiring the commensurate qualifications.

Two processes of obtaining qualifications apply:

- Academic qualification from enrolment stage until conclusion/graduation;
- People in practice and/or with incomplete qualifications (those who would have qualified for SACAP's RPL in the past) can make use of the RPL processes employed at every higher education institution in South Africa to have their experience and incomplete qualification assessed and credited with a view to topping up and completing the qualification.

The table below clearly indicates how directly categories of registration are aligned with qualifications. Those listed are from the Higher Education Qualifications Framework (HEQF) that was published in the Government Gazette No. 928 of 5 October 2007. Very few countries make provision for registration as anything but an architect, but it should be noted that the Royal Institute of Irish Architects registers Architectural Technicians, who may write RIAI (ArchTech) after their names. Again "membership" is limited to applicants with an accredited qualification in architectural technology and at least two years of approved post-graduate practical experience.

## RECOGNITION OF PRIOR LEARNING (CONTINUED)

### ALIGNMENT BETWEEN CATEGORY OF REGISTRATION AND QUALIFICATION

Category – Candidate Professional	Degree stream	Diploma stream	Credits (1 credit = 10 hrs)	“Old” NQF Level	“New” NQF Level
Architect	<i>M Arch (Prof.) B Arch (5-yr) M Tech (Prof.)</i>	-	660 cumulative minimum	8	9
Senior Technologist	<i>B Arch (Prof.) BAS Honours B Tech (4-yr)</i>	Postgraduate Diploma	480 cumulative minimum	7	8
Technologist	-	Advanced Dip	360 cumulative minimum	6	7
	<i>BAS B Sc Arch</i>	<i>Higher Dip</i>			
	-	Diploma <i>National Dip</i>			
Draughtsperson	-	Advanced Cert	+ 1 yr WIL 240 cum. min.	5	6
	-	Higher Cert <i>National Cert</i>	120 + 1yr WIL		

#### Notes

- \* Qualification nomenclatures that will become obsolete with the implementation of the new HEQF are presented in italics.
- \* The “old” and “new” HEQF are integrated in the table. The “old” NQF levels remain applicable for the present. The “new” NQF dispensation is included for orientation and familiarisation.

### RPL upgrades

TABLE 15

	1 Apr 2009 – 31 Mar 2010	1 Apr 2010 – 31 Mar 2011
<b>Category to be upgraded to</b>		
Professional Architect	12	6
Professional Senior Architectural Technologist	1	1
Professional Architectural Technologist		
<b>Gender</b>		
Male	10	6
Female	3	1
<b>Race</b>		
Black	3	
White	10	7
<b>Success rate</b>	<b>46%</b>	<b>14%</b>

### % of total registered professionals that underwent RPL upgrades

TABLE 16

	As at 31 Mar 2010	As at 31 Mar 2011
Total Registered Professionals	9 528	9 608
% of Registered Professionals that underwent RPL	0.10%	0.07%
Total assessments done	13	7
Number successful	6	1
Success rate	46%	14%

# EDUCATION FUND



**Nomtembeko Tutani**  
Committee Secretariat Manager

## Education Fund

Section 15 of the Architectural Profession Act, No. 44 of 2000, stipulates that Council may establish and administer an education fund for the purpose of education, training and continuing education and training of registered professionals and persons in the architectural profession. To this end, SACAP administers an Education Fund.

Students find it difficult to obtain study loans or bursaries, since most sources of funding require evidence of performance at a tertiary institution or guarantees, which parents are generally unable to provide. The SACAP Education Fund aims to assist students in this group, most of whom are from disadvantaged backgrounds, who might be excluded from study due to financial need. As of 2009 grants became available for all years of study up to masters' level. Applicants are required to submit their academic results to SACAP.

## Allocation of grants

The amount to be awarded to each applicant is determined by assessing, on the basis of the Fund's annual accounts, the total amount available and dividing this amount by the number of successful applicants. The decision is at the discretion of the SACAP Education Fund Committee and is ratified by Council.

The Council resolved in its 2010/2011 budget to allocate R800 000 to the Education Fund.

## Assessment of applications

A total of two hundred and forty five (245) applications were received. Following evaluation of the need, ninety two (92) students were selected to receive grants and a total of R772 500 was paid out. The following table indicates the value of grants allocated per institution for the year under review:

Institution	Amount Allocated
Cape Peninsula University of Technology (CPUT)	R65 000
Durban University of Technology (DUT)	R95 000
Nelson Mandela Metropolitan University (NMMU)	R152 000
Tshwane University of Technology (TUT)	R45 000
University of Cape Town (UCT)	R61 000
University of Free State (UFS)	R18 000
University of Johannesburg (UJ)	R20 000
University of KwaZulu-Natal (UKZN)	R183 500
University of Pretoria (UP)	R92 000
University of Witwatersrand (Wits)	R35 000

Student grantees were invited to attend the 2010 Architectural Student Congress (ASC) and SACAP paid for their registration fees. Approximately 23 students from different institutions attended the event.

# LEGAL COMPLIANCE



**Adv Desiree le Roux**  
Chief Operations Officer

From April to June, SACAP was without a Legal and Compliance Officer, following the departure of the incumbent at the time. A contingency procedure was put in place for logging and responding to legal queries and providing affidavit forms on the website, which were placed in a queue file.

In June, a Legal Consultant was appointed, specifically to address the backlog that had built up over time in respect of investigations of complaints against professionals. The backlog was addressed and the turnaround time for responding to complaints improved. The average time for completion of a case, from date of lodgement to date of finalisation, is currently between 12 and 18 months, including the actual investigation.

Sixty-two cases were investigated during the period. The nature of these complaints was broadly as follows:

- Incompetence – 50%
- Breach of contract – 20%
- Fraud – 20%
- Misrepresentation – 10%

One appeal to the Council for the Built Environment was dealt with and one notice of appeal was received.





# PROFESSIONAL FEES ISSUED



**Phillip Crafford**

Chairperson of the Professional Fees Committee

The annual update of the SACAP Fees Guideline was gazetted on 1 December 2010, becoming effective on 1 January 2011. Both the project cost-based fees as well as the time-based fees were thoroughly considered. Revised cost brackets were introduced and additional categories were created in respect of hourly rates. The hourly rates were duly revised to take into account the remuneration of allied professionals and also to take into account the expertise brought to the architectural project.

A completely new Framework for the Professional Fees Guideline was also gazetted on 1 December 2010, which sets out the new six work stage cycle of an architectural professional, being inception, concept and viability, design development, documentation and procurement, construction and close out. Standard services, partial services as well as additional services were taken up in the document, after work-shopping, consulting widely and incorporating comments received.

The Professional Fees working group, along with the full committee, meet on a regular basis to consider comments from registered persons and to act in anticipation of the annual updates.



# IDENTIFICATION OF WORK



**Fanuel JC Chaane Motsepe**

Chairperson of the Identification of Work Committee

Since the 3<sup>rd</sup> Term Council took up its tenureship, the Identification of Work (IDoW) Committee of the 2<sup>nd</sup> Term Council, chaired by Malcolm Campbell, which included Council members Ms Scott, Ms Gerrans and Mr Basdew, held four meetings with participation also of other Council members as noted below:

- 26 November 2009 - Mr Mashabane attended
- 14 December 2009 - Mr Crafford and Prof. Steyn apologised
- 12 January 2010 - Mr Crafford and Mr Motsepe attended
- 16 March 2010 - Mr Motsepe attended

As part of addressing concerns raised by the South African Institute of Architects (SAIA), about an apparent lack of consultation regarding the IDoW, Mr Campbell was invited by the 3<sup>rd</sup> Term Council to make presentations, which served to allow the 3<sup>rd</sup> Term Council to gain insight and clarity about the status of the document at that time. Mr Campbell made two presentations, on the following dates:

- 5 June 2010
- 20 August 2010

Prior to consulting the architects and as part of identifying whether or not they were consulted, a meeting was arranged to which the following were invited and attended:

- Those persons who were engaged in the process of drawing up the document during the 2<sup>nd</sup> Term Council;
- Those Council members of SACAP who previously served on the 2<sup>nd</sup> Term Council;
- The Executive Officer of the SAIA, to represent the voice of those architects who claimed that architects had not been consulted;
- The Chair of the Council for the Built Environment's (CBE's) IDoW Committee, Mr Charles Israelite, to ensure expediting conclusions for a way forward; and
- The current President of SACAP.

The 3<sup>rd</sup> Term Council mandated its IDoW Committee to workshop the document and to finalise it for submission to the CBE. After a series of meetings by the IDoW Committee and the Task Team it established, this process was finalised and the document was formally submitted to the CBE.







SECTION 4

# ANNUAL FINANCIAL REPORT





# CHIEF FINANCIAL OFFICER'S REPORT



**Sam Moyo**  
Chief Financial Officer

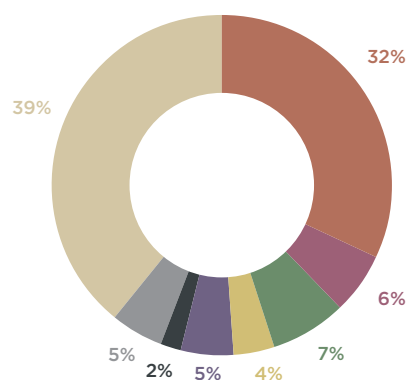
## Introduction

This report is intended to provide additional insight into the financial performance of SACAP for the financial year ended 31 March 2011. It should be read in conjunction with the combined audited financial statements set out on pages 77 to 97.

The impact of the economic slowdown continued to have an adverse effect on debt recoveries for fees owed to SACAP by registered persons. SACAP continued to be inundated with requests from registered persons, either opting to de-register or requesting a waiver of payment of fees due to economic adversity.

## Financial Overview

### Expenditure Distribution

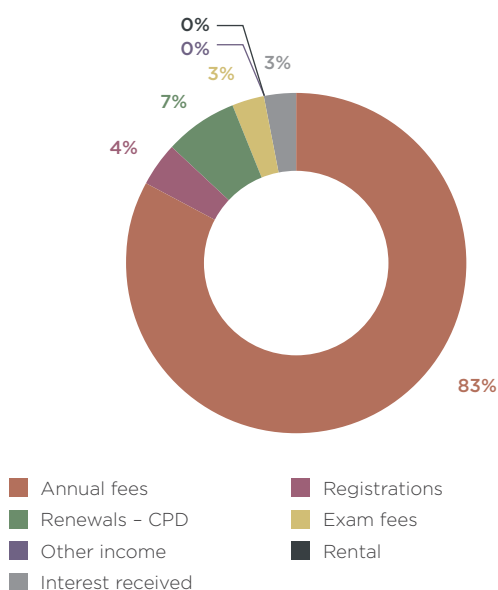


- Administration
- Bad debts
- Consulting fees
- Education fund
- Honororia (Committees)
- Legal expenses
- Levies to CBE
- Staff salaries

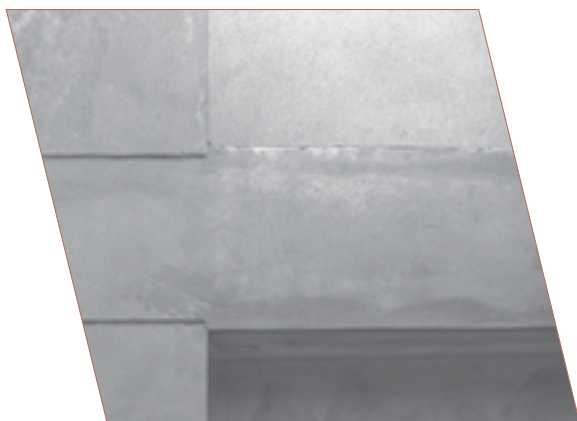
The major cost drivers were in respect of staff salaries, which constituted 39%, followed by administration costs of 32%. Education Fund expenditure is an ongoing expense, dedicated to promoting the Architectural Profession through educational grants to architectural students who are faced with financial challenges in meeting their education fee commitments at tertiary institutions.



## Revenue Distribution



The major source of income was in respect of annual fees which constituted 83% of total revenue. Revenue from the renewal of CPD registration fees was much higher compared to the prior year as a large number of registered professional's registrations fell due for renewal in October 2010. Interest received from investments reflected a reduction compared to the prior year due to decreases in the prime interest rate by the Reserve Bank during the course of the year.



## Financial Performance

### Summary of Operating Results for the Year Ended 31 March

	2011 R	2010 R
<b>Income</b>		
Annual fees	14 951 913	15 093 392
Registrations		
- Renewal	764 561	1 092 175
- CPD Renewal	1 298 242	112 575
Exam fees	487 730	457 293
	<b>17 502 446</b>	<b>16 755 435</b>
<b>Sundry Income</b>		
Rental	-	176 000
Other income	7 823	
Interest on investments	502 433	631 272
	<b>510 256</b>	<b>807 272</b>
<b>Expenditure</b>	<b>19 435 986</b>	<b>20 206 464</b>
Administration*	6 231 712	6 542 540
Bad debts	1 209 442	1 962 671
Consulting fees	1 304 400	1 461 718
Education fund	800 000	842 284
Honoraria (Committees)	954 594	960 129
Levies to CBE	321 598	356 337
Legal expenses	1 055 441	970 411
Staff salaries	7 558 799	7 110 374
<b>Net surplus/(loss) for the year</b>	<b>(1 423 284)</b>	<b>(2 643 757)</b>

\* Administration costs include telephone, transcript, travel, depreciation and amortisation costs

## CHIEF FINANCIAL OFFICER'S REPORT (CONTINUED)

### Financial Position

It is pleasing to note that SACAP recorded a reduced loss for the year, from R2.6 million in 2009/10 to R1.4 million in the reporting period. This can mainly be attributed to the improvement of cost controls. Total expenditure reduced from R20.2 million in 2009/10 to R19.4 million in 2010/11, despite forensic audit costs totalling R736 334 for which no provision had been made. This improvement was achieved primarily as a result of the above-mentioned cost controls.

### Non-current Assets

Non-current assets increased by R47 625 (from R1.61 million in 2009/10 to R1.66 million in 2010/11) reflecting the upgrading of leased photocopiers for which the lessor offered more cost-effective photocopiers in exchange for the older ones.

### Current Assets

Current assets decreased by R526 424 (from R10.6 million in 2009/10 to R10.07 million in 2010/11). The R1.4 million reduction in investments was off-set by a R1.0 million increase under cash and cash equivalents, as monies from investments were transferred into the current account to meet operational expenditures.

With current liabilities recorded at R4.2 million, it is pleasing to note that SACAP's net working capital of R5.9 million is adequate to meet its on-going obligations.

### Contingent Liabilities

SACAP is involved in an on-going dispute with a former employee following the premature termination of the employee's employment contract through an agreed exit package. The matter has been referred to the High Court for arbitration. Whilst SACAP considers it unlikely that the action will succeed, provision was made for a contingent liability on the statement of financial position date.

### Key Management Initiatives

In an effort to improve SACAP's revenue base, management initiatives included a cash collections strategy to encourage registered persons to comply with the registration and renewals processes. Non-paying professionals were suspended from the database of registered persons and SACAP communicated with these persons to bring to their attention their lack of compliance and their legal obligation to rectify such.

Persons practicing without registration are now finding it increasingly difficult to practice because municipalities are enforcing the requirement for SACAP registration for any person submitting plans for approval. Against this background, a "special registration dispensation" was created to enable applicants who have been practicing without registration for more than six years to register as professionals. It is pleasing to record that this project is slowly gathering momentum, with four professionals having registered as at 31 March 2011 and associated fees totalling R114 000.

### Capital Expenditure

No major capital expenditures were incurred during the course of the financial year, save for the procurement of replacement laptops for some management staff. Office equipment additions amounted to R682 407 in respect of the upgrading of two leased photo-copiers to improve overall cost efficiency.

### Risk Management Approach

SACAP has a risk management process in place to enable delivery of its strategic objectives. The Audit and Risk Committee oversees the risk management process and, in keeping with recognised good practice, appointed an independent audit firm, Rebahale Chartered Accountants to manage the internal audit function.

Executive management participates in various group forums including Treasury Risk Management workshops to ensure that SACAP is kept apprised with matters relating to risk management.

In line with its fraud prevention and anti-corruption plan, SACAP also conducts a formal fraud prevention workshop on an annual basis. This workshop serves to keep staff abreast of fraudulent activities that are specific to SACAP's business operations and the precautionary measures that must be taken to render SACAP fraud free.

Executive management provides regular, updated reports to the Audit and Risk Committee which in turn reports to the Council. The Council retains ultimate responsibility for risk management in the organisation.

## Key Financial Risks

### Liquidity Risk

SACAP maintained prudent liquidity risk management processes during the reporting period through weekly and monthly cash flow forecasts. This approach ensured that sufficient cash resources were maintained to meet foreseen and unforeseen cash obligations.

### Credit Risks on Debtors

To expedite cash collections from debtors, management entered into "Transaction Referencing" agreements with First National Bank and Nedbank. These agreements have gone a long way towards facilitating the speedy allocations of deposited funds to the respective debtors at the time payments are made at these banks. Efforts are being made to set up a similar support agreement with Standard Bank and Absa so that the value of unallocated receipts which increased from R403 719 to R709 529 (as indicated under trade and other payables) is significantly reduced. However, the risk associated with the recoverability from debtors still prevails and may be further heightened due to the slow economic recovery.

## Future Focus

Having made significant progress in terms of improvement in financial performance through cost controls, SACAP is now in a position to focus attention on the Council's strategic objective of growing and diversifying the revenue base i.e. ensuring that sufficient financial resources are in place to sustain SACAP as a going concern.

In addition, the focus of the finance division will remain on managing the key financial risks referred to above, as well as maintaining a strong system of internal controls and providing value adding support to other units in the organisation.

## Conclusion

The review period has been a challenging one, exacerbated by the continued economic slow-down. Nevertheless, it is encouraging to note that SACAP has recorded some improvements in its financial performance. Substantial progress has been made in terms of the cost management targets that were set by the Council to eliminate losses. SACAP management must be complimented on the diligence with which they have pursued these goals. SACAP will reap the reward of these efforts as the economic situation unfolds.



# TREASURER'S REPORT



**Anthea Houston**  
Treasurer

SACAP's financial results for the review period are presented in the audited financial statements enclosed in this report. Council is pleased that these statements are unqualified but remains concerned about the overall financial health of the entity and its ongoing ability to perform against its mandate.

During the period under review stringent action was taken to reverse the loss trend of prior years and to avoid further depletion of SACAP's asset base. Council set up a Procurement Committee to oversee procurement of goods and services with the objective of constraining expenditure and ensuring that SACAP achieves value for money when spending.

Various controls and policies were put in place to improve financial performance during the review period and these will continue to be applied in the forthcoming period. A Bad Debt Policy was adopted, non-paying registered professionals were suspended and removed from the database of registered professionals, transaction-referencing was introduced and the Procurement Policy was placed under review. A forensic audit was undertaken to address concerns

identified by Council members and the independent auditors in prior years.

SACAP was well served by its Audit and Risk Committee whose members discharged their duties with due care and diligence. The committee was thorough in its efforts to identify and improve weaknesses in controls and to minimise SACAP's exposure to risks. Their efforts, together with those of independent auditors, Sizwe Ntsaluba ES Inc., and internal auditors, Rebahale, are gratefully acknowledged.

During the year ahead the Council will table the findings of the forensic audit and address any issues identified therein along with the control and risk issues highlighted through Council's internal audit function and brought to its attention. Council will continue to seek new ways to achieve efficiency in pursuit of its mandate. Already, management has been tasked with quantifying the cost of SACAP fulfilling its mandate and with the preparation of an activity-based budget for 2012/13. Initiatives such as these will assist in the tightening of belts and in spending more frugally.





# REPORT OF THE AUDIT AND RISK COMMITTEE



**Rene Kenosi**

Acting Chairperson of the Audit and Risk Committee

The Audit and Risk Committee is an independent statutory committee appointed by the Council. In addition to its statutory duties, further duties are delegated to the committee by the Council. This report includes both these sets of duties and responsibilities.

## Terms of Reference

The Audit and Risk Committee has adopted formal terms of reference that have been approved by the Council. The committee conducted its affairs in compliance with these terms of reference and discharged its responsibilities as contained therein.

## Members and Meeting Attendance

The committee includes three independent members and meets at least quarterly in line with its terms of reference.

Two dedicated members of the Council are also members of the Audit and Risk Committee and the Registrar, Chief Financial Officer, External Auditors and Internal Auditors attend meetings by invitation only.

## Role and Responsibilities

### Statutory Duties

#### External Auditor Appointment and Independence

The committee has satisfied itself that the external auditor is independent of the entity. Evaluation included consideration of previous appointments of the auditor, the extent of other work undertaken by the auditor for the entity and compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors. 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 ensured that the appointment of the auditor complied with good governance.

The committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the 2011 year.

In accordance with the formal procedure that governs the process whereby the auditor is considered for non-audit services, the committee approved the terms of a master service agreement with the external auditor, and approved the nature and extent of non-audit services that the external auditor may provide.

#### Financial Statements and Accounting Practices

The committee has reviewed the accounting policies and the financial statements of SACAP and is satisfied that they are appropriate and comply with International Standards of Auditing.

A formal process was established to receive and deal appropriately with any concerns or complaints relating to reporting practices. No matters of significance were raised in the review period.

#### Internal Financial Controls

The committee reviewed the process by which internal audit performed a written assessment of the effectiveness of SACAP's system of internal control

## REPORT OF THE AUDIT AND RISK COMMITTEE (CONTINUED)

and risk management, including internal financial controls. During the year under review numerous internal control deficiencies were reported by the internal audit function. These will be addressed by management during the 2011/12 financial year. In addition Council requested a forensic report which further highlighted deficiencies in control measures. Corrective action to address both internal control deficiencies by internal audit and those deficiencies identified in the forensic report will remain high on the committee's list of priorities for 2011/12.

### Duties Assigned by the Council

In addition to the statutory duties of the committee, as reported above, and in accordance with good governance practices, the Council determined further functions which the committee performed, as set out in the audit committee's terms of reference. These functions included the following:

#### Going concern

The committee reviewed a documented assessment, including key assumptions, prepared by the external auditors of the going concern status of SACAP and made recommendations to the Council.

#### Governance of Risk

The risk management processes at SACAP were ineffective for the period under review due to various corporate governance deficiencies resulting in the committee not being able to exercise its oversight function in this regard.

#### Internal Audit

The 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 committee considered and recommended the internal audit charter for approval by the Council. The internal audit function's interim annual audit plan was approved by the committee, subject to Council conducting a risk assessment.

The internal audit function reports centrally with responsibility for reviewing and providing assurance on the adequacy of the internal control environment across all of SACAP's operations. The director of the outsourced internal audit function is responsible for reporting the findings of the internal audit work against the agreed internal audit plan to the committee on a regular basis.

The director: internal audit has direct access to the audit committee, primarily through its chairperson. During the year, the committee met with the external auditors and with the director: internal audit without management being present.

#### Internal Controls

The committee is satisfied that it has complied with its legal, regulatory and other responsibilities.

Human Resource processes are being reviewed by Council in relation to the current internal structures of SACAP to ensure greater efficiencies within the respective units. This will remain high on the committee's agenda for the 2011/12 financial year.



**Rene Kenosi**

Acting Chairperson of the Audit and Risk Committee  
27 July 2011



# COMBINED ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

## Index

The reports and statements set out below comprise the combined annual financial statements (refer to Registrar's report presented to the members on page 76):

Report of the Independent Auditors

Council's Responsibilities and Approval

Registrar's Report

Statement of Financial Position

Statement of Comprehensive Income

Statement of Changes in Funds

Statement of Cash Flows

Accounting Policies

Notes to the Combined Annual Financial Statements

# REPORT OF THE INDEPENDENT AUDITORS

**To the persons registered with the South African Council for the Architectural Profession, established under the Architectural Profession Act, No. 44 of 2000.**

We have audited the accompanying combined annual financial statements of South African Council for the Architectural Profession, which comprise the Registrar's report, the statement of financial position as at 31 March 2011, the statement of comprehensive income, the statement of changes in funds and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 75 to 97.

## Councils' Responsibility for the Financial Statements

Council is responsible for the preparation and fair presentation of these combined annual financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Architectural Profession Act. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of combined annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined annual financial statements. The procedures selected depend on the auditors'

judgement, including the assessment of the risks of material misstatement of the combined annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members, as well as evaluating the overall presentation of the combined annual financial statements.

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

## Opinion

In our opinion, the combined annual financial statements present fairly, in all material respects, the financial position of the South African Council for the Architectural Profession, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Architectural Profession Act.

## Accounting and Secretarial Duties

Without qualifying our opinion, we draw attention to the fact that with the written consent of Council, we have performed certain accounting and secretarial duties.



**SizweNtsaluba ES Inc**

Registered Auditors

Per: Cilliers van Zyl

Pretoria

28 July 2011



# COUNCIL'S RESPONSIBILITIES AND APPROVAL

Council is required by the Architectural Profession Act, No. 44 of 2000, Council is required to maintain adequate accounting records and is responsible for the content and integrity of the combined annual financial statements and related financial information included in this report. It is Council's responsibility to ensure that the combined annual financial statements fairly present the state of affairs of SACAP as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the combined annual financial statements.

The combined annual financial statements are prepared in accordance with, and are based upon, appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

Council acknowledges that it is ultimately responsible for the system of internal financial control and places considerable importance on maintaining a strong control environment. To enable Council to meet these responsibilities, 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 entity and all employees are required to maintain the highest ethical standards in ensuring SACAP's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the Council endeavours to minimise this by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Council is 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 combined annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

Council has reviewed the entity's cash flow forecast for the year to 31 March 2012 and, in the light of this review and the current financial position, it is satisfied that SACAP has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the entity's combined annual financial statements. The combined annual financial statements have been examined by the external auditors and their report is presented on page 73.

The combined annual financial statements set out on pages 77 to 97, which have been prepared on the going concern basis, were approved by the Council on 28 July 2011 and were signed on its behalf by:



**Mr Phill Mashabane**  
Chairperson



**Ms Cecilia Chinga**  
Acting Registrar



**Ms Anthea Houston**  
Treasurer

# REGISTRAR'S REPORT

The registrar herewith submits her report for the year ended 31 March 2011.

## Review of Activities

Main business and operations

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

As a statutory body, the entity regulates the architectural profession in South Africa and operates principally in South Africa. Its mission is to make a positive impact on the built environment by ensuring excellence in performance and service delivery through the fostering of collaborative relationships with role players in order to:

- Effectively regulate the architectural profession;
- Ensure pro-active public protection;
- Develop a quality, sustainable and professional skills base;
- Ensure good governance within SACAP;
- Promote the role of the architectural profession in transformation;
- Create a legacy of humane and sustainable architecture.

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

The operating results and state of affairs of the entity are fully set out in the attached combined annual financial statements and do not, in my opinion, require any further comment.

The net deficit of the entity for the reporting period was R1 423 284 (2010: R2 643 757 deficit).

## Going Concern

The combined 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 operations.

The ability of SACAP to continue as a going concern is dependent on a number of factors. The most significant of these is that the trend of incurring operating deficits, which has developed over the past two years, does not continue into the future.

## Events Subsequent to Year End

The Council members are not aware of any matter or circumstance arising since the end of the financial year which may require adjustment to disclosure in the financial statements.

## Council Members

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

Name	Nationality
Mr P Mashabane - President	South African
Ms P Scott - Vice-President	South African
Ms A Houston - Treasurer	South African
Mr F Motsepe	South African
Mr G Steyn	South African
Mr P Crafford	South African
Ms M Nienaber	South African
Ms M Gerrans	South African
Mr V Mthimunye	South African
Mr R Ruiters	South African
Mr D Basdew	South African

## REGISTRAR'S REPORT (CONTINUED)

### **Auditors**

SizweNtsaluba ES Inc. will continue in office for the next financial period.

### **Registered Address**

1<sup>st</sup> Floor, Lakeside Place  
Cnr Ernest Oppenheimer and Queen Street  
Bruma  
2026

### **Annual Financial Statements**

The annual financial statements are classified as follows:

Combined: South African Council for the Architectural Profession including the balances and transactions of SACAP Education Fund is categorised as "Combined".

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

# STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2011

	Notes	COMBINED		COUNCIL	
		2011 R	2010 R	2011 R	2010 R
<b>Assets</b>					
<b>Non-current assets</b>					
Investment property	3	-	-	-	-
Property, plant and equipment	4	1 658 150	1 610 525	1 658 150	1 610 525
		<b>1 658 150</b>	<b>1 610 525</b>	<b>1 658 150</b>	<b>1 610 525</b>
<b>Current assets</b>					
Other financial assets	5	7 170 596	8 528 723	4 260 177	5 759 756
Trade and other receivables	6	1 039 587	1 205 289	1 114 294	1 276 087
Cash and cash equivalents	7	1 860 978	863 573	1 645 148	280 207
		10 071 161	10 597 585	7 019 619	7 316 050
<b>Total assets</b>		<b>11 729 311</b>	<b>12 208 110</b>	<b>8 677 769</b>	<b>8 926 575</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Retained income		6 860 479	8 283 763	3 697 983	4 901 184
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Finance lease obligation	8	689 094	491 410	689 094	491 410
<b>Current liabilities</b>					
Finance lease obligation	8	105 338	130 498	105 338	130 498
Trade and other payables	9	4 074 400	3 302 439	4 185 354	3 403 483
		<b>4 179 738</b>	<b>3 432 937</b>	<b>4 290 692</b>	<b>3 533 981</b>
<b>Total liabilities</b>		<b>4 868 832</b>	<b>3 924 347</b>	<b>4 979 786</b>	<b>4 025 391</b>
<b>Total equity and liabilities</b>		<b>11 729 311</b>	<b>12 208 110</b>	<b>8 677 769</b>	<b>8 926 575</b>

# STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2011

	Notes	COMBINED		COUNCIL	
		2011 R	2010 R	2011 R	2010 R
Revenue	10	17 502 446	16 755 435	17 502 446	16 755 435
Other income		7 823	176 000	7 823	176 000
Operating expenses		(19 390 189)	(20 100 731)	(19 018 095)	(19 429 274)
<b>Operating deficit</b>	11	<b>(1 879 920)</b>	<b>(3 169 296)</b>	<b>(1 507 826)</b>	<b>(2 497 839)</b>
Investment revenue	12	502 433	631 272	350 422	436 219
Finance costs	13	(45 797)	(105 733)	(45 797)	(105 733)
<b>Deficit for the year</b>		<b>(1 423 284)</b>	<b>(2 643 757)</b>	<b>(1 203 201)</b>	<b>(2 167 353)</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive deficit</b>		<b>(1 423 284)</b>	<b>(2 643 757)</b>	<b>(1 203 201)</b>	<b>(2 167 353)</b>



# STATEMENT OF CHANGES IN FUNDS

for the year ended 31 March 2011

	Retained income R	Total funds R
<b>Combined</b>		
<b>Balance at 1 April 2009</b>	<b>10 927 520</b>	<b>10 927 520</b>
Changes in funds		
Total comprehensive deficit for the year	(2 643 757)	(2 643 757)
Total changes	(2 643 757)	(2 643 757)
<b>Balance at 1 April 2010</b>	<b>8 283 763</b>	<b>8 283 763</b>
Changes in funds		
Total comprehensive deficit for the year	(1 423 284)	(1 423 284)
Total changes	(1 423 284)	(1 423 284)
<b>Balance at 31 March 2011</b>	<b>6 860 479</b>	<b>6 860 479</b>
<b>Council</b>		
<b>Balance at 1 April 2009</b>	<b>7 068 537</b>	<b>7 068 537</b>
Changes in funds		
Total comprehensive deficit for the year	(2 167 353)	(2 167 353)
Total changes	(2 167 353)	(2 167 353)
<b>Balance at 1 April 2010</b>	<b>4 901 184</b>	<b>4 901 184</b>
Changes in funds		
Total comprehensive deficit for the year	(1 203 201)	(1 203 201)
Total changes	(1 203 201)	(1 203 201)
<b>Balance at 31 March 2011</b>	<b>3 697 983</b>	<b>3 697 983</b>

# STATEMENT OF CASH FLOWS

for the year ended 31 March 2011

	Notes	COMBINED		COUNCIL	
		2011 R	2010 R	2011 R	2010 R
<b>Cash flows from operating activities</b>					
Cash utilised in operations	15	(466 059)	(2 157 092)	(87 964)	(1 556 433)
Interest income		502 433	631 272	350 422	436 219
Finance costs		(1 758)	(10 909)	(1 758)	(10 909)
<b>Net cash from operating activities</b>		<b>34 616</b>	<b>(1 536 729)</b>	<b>260 700</b>	<b>(1 131 123)</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	4	(832 585)	(861 491)	(832 585)	(861 491)
Sale of property, plant and equipment	4	308 762	-	308 762	-
Sale of investment property	3	-	3 200 000	-	3 200 000
Purchase of financial assets		-	(1 397 501)	-	(1 234 095)
Sale of financial assets		1 358 127	-	1 499 579	-
<b>Net cash from investing activities</b>		<b>834 304</b>	<b>941 008</b>	<b>975 756</b>	<b>1 104 414</b>
<b>Cash flows from financing activities</b>					
Finance lease payments		128 485	215 282	128 485	215 282
Total cash movement for the year		997 405	(380 439)	1 364 941	188 573
Cash at the beginning of the year		863 573	1 244 012	280 207	91 634
<b>Total cash at end of the year</b>	7	<b>1 860 978</b>	<b>863 573</b>	<b>1 645 148</b>	<b>280 207</b>

# ACCOUNTING POLICIES

for the year ended 31 March 2011

## 1. Presentation of Combined Annual Financial Statements

The combined annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Architectural Profession Act, No. 44 of 2000. The combined annual financial statements have been prepared on the historical cost basis, except where otherwise indicated, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

### 1.1 Significant Judgements

In preparing the combined annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the combined annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the combined annual financial statements. Significant judgements include:

#### Trade receivables

The entity assesses its trade receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the Council makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

#### Taxation

The receipts and accruals to the entity are exempt from income tax in terms of the provisions of section 10(1)(cA)(i) of the Income Tax Act, No. 58 of 1962.

## 1.2 Property, Plant and Equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in an asset's carrying amount, as a result of a revaluation, is recognised to other comprehensive income and accumulated in the revaluation surplus in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current period. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation surplus in equity.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

## ACCOUNTING POLICIES (CONTINUED)

Item	Average useful life
Furniture and fixtures	10 years
Motor vehicles	5 years
Office equipment	5 years
IT equipment	3 years
Computer software	3 years

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

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

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

### 1.3 Financial Instruments

#### Initial recognition and measurement

Financial instruments are recognised initially when the entity becomes a party to the contractual provisions of the instruments.

The entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable. These are measured at cost and are classified as available for sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

#### Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

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

Trade and other receivables are classified as loans and receivables.

#### Trade and other payables

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

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are classified as available for sale financial assets.

## 1.4 Leases

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

### Finance leases – lessee

Assets held under finance leases are initially recognised as assets of the entity at their fair value at the inception of the lease or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to constantly reduce the remaining balance of the liability.

### Operating leases – lessee

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

## 1.5 Impairment of Assets

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

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

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is

reduced to its recoverable amount. That reduction is an impairment loss.

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

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

## 1.6 Employee Benefits

### Short-term employee benefits

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

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

### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

## ACCOUNTING POLICIES (CONTINUED)

### 1.7 Provisions and Contingencies

Provisions are recognised when:

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

The amount of a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

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

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and

- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 17.

### 1.8 Revenue

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



# NOTES TO THE COMBINED ANNUAL FINANCIAL STATEMENTS

## 2. New Standards and Interpretations

### 2.1 Standards and Interpretations Effective and Adopted in the Current Year

In the current year, the entity has not adopted any effective standards and interpretations as none are relevant to its operations.

### 2.2 Standards and Interpretations Early Adopted

The entity has not chosen to early adopt any standards and interpretations.

### 2.3 Standards and Interpretations not yet Effective

The entity has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 1 April 2011 or later periods:

#### Amendment to IAS 39 and IFRS 7: Reclassification of financial assets

The amendment permits the entity to reclassify certain financial assets out of the fair value through profit and loss category if certain stringent conditions are met. It also permits an entity to transfer from the available for sale category to loans and receivables under certain circumstances. Additional disclosures are required in the event of any of these reclassifications.

The effective date of the amendment is for years beginning on or after 1 July 2010.

The entity expects to adopt the amendment for the first time in the 2011 annual financial statements.

It is unlikely that the amendment will have a material impact on the entity's annual financial statements.

## 3. Investment Property

### Reconciliation of Investment Property - Combined - 2010

	Opening Balance R	Disposals R	Total R
Investment property	3 200 000	(3 200 000)	-

### Reconciliation of Investment Property - Council - 2010

	Opening Balance R	Disposals R	Total R
Investment property	3 200 000	(3 200 000)	-

NOTES TO THE COMBINED ANNUAL FINANCIAL STATEMENTS  
(CONTINUED)

Details of Property

	COMBINED		COUNCIL	
	2011 R	2010 R	2011 R	2010 R
<b>Erf 3614, portion 7, Randpark Ridge Ext 52</b>				
- Transfer from Property, Plant and Equipment	-	1 585 261	-	1 585 261
- Fair Value Adjustments	-	1 614 739	-	1 614 739
- Sale of investment property	-	(3 200 000)	-	(3 200 000)
	-	-	-	-

4. Property, Plant and Equipment

COMBINED	2011			2010		
	Cost/ Valuation R	Accumulated depreciation R	Carrying value R	Cost/ Valuation R	Accumulated depreciation R	Carrying value R
Furniture and fixtures	619 756	(181 593)	438 163	619 756	(124 012)	495 744
Motor vehicles	131 300	(78 780)	52 520	131 300	(59 085)	72 215
Office equipment	1 123 968	(202 244)	921 724	941 748	(176 185)	765 563
IT equipment	877 512	(687 954)	189 558	753 912	(559 591)	194 321
Leasehold improvements	113 557	(57 372)	56 185	113 557	(30 875)	82 682
<b>Total</b>	<b>2 866 093</b>	<b>(1 207 943)</b>	<b>1 658 150</b>	<b>2 560 273</b>	<b>(949 748)</b>	<b>1 610 525</b>

COUNCIL	2011			2010		
	Cost/ Valuation R	Accumulated depreciation R	Carrying value R	Cost/ Valuation R	Accumulated depreciation R	Carrying value R
Furniture and fixtures	619 756	(181 593)	438 163	619 756	(124 012)	495 744
Motor vehicles	131 300	(78 780)	52 520	131 300	(59 085)	72 215
Office equipment	1 123 968	(202 244)	921 724	941 748	(176 185)	765 563
IT equipment	877 512	(687 954)	189 558	753 912	(559 591)	194 321
Leasehold improvements	113 557	(57 372)	56 185	113 557	(30 875)	82 682
<b>Total</b>	<b>2 866 093</b>	<b>(1 207 943)</b>	<b>1 658 150</b>	<b>2 560 273</b>	<b>(949 748)</b>	<b>1 610 525</b>

## Reconciliation of Property, Plant and Equipment - Combined - 2011

	Opening Balance R	Additions R	Disposals R	Depreciation R	Total R
Furniture and fixtures	495 744	4 993	-	(62 574)	438 163
Motor vehicles	72 215	-	-	(19 695)	52 520
Office equipment	765 563	682 407	(361 477)	(164 769)	921 724
IT equipment	194 321	145 185	-	(149 948)	189 558
Leasehold improvements	82 682	-	-	(26 497)	56 185
	<b>1 610 525</b>	<b>832 585</b>	<b>(361 477)</b>	<b>(423 483)</b>	<b>1 658 150</b>

## Reconciliation of Property, Plant and Equipment - Combined - 2010

	Opening Balance R	Additions R	Depreciation R	Total R
Furniture and fixtures	358 030	186 230	(48 516)	495 744
Motor vehicles	91 910	-	(19 695)	72 215
Office equipment	350 976	529 420	(114 833)	765 563
IT equipment	246 762	110 840	(163 281)	194 321
Leasehold improvements	75 283	35 001	(27 602)	82 682
	<b>1 122 961</b>	<b>861 491</b>	<b>(373 927)</b>	<b>1 610 525</b>

## Reconciliation of Property, Plant and Equipment - Council - 2011

	Opening Balance R	Additions R	Disposals R	Depreciation R	Total R
Furniture and fixtures	495 744	4 993	-	(62 574)	438 163
Motor vehicles	72 215	-	-	(19 695)	52 520
Office equipment	765 563	682 407	(361 477)	(164 769)	921 724
IT equipment	194 321	145 185	-	(149 948)	189 558
Leasehold improvements	82 682	-	-	(26 497)	56 185
	<b>1 610 525</b>	<b>832 585</b>	<b>(361 477)</b>	<b>(423 483)</b>	<b>1 658 150</b>

## Reconciliation of Property, Plant and Equipment - Council - 2010

	Opening Balance R	Additions R	Depreciation R	Total R
Furniture and fixtures	358 030	186 230	(48 516)	495 744
Motor vehicles	91 910	-	(19 695)	72 215
Office equipment	350 976	529 420	(114 833)	765 563
IT equipment	246 762	110 840	(163 281)	194 321
Leasehold improvements	75 283	35 001	(27 602)	82 682
	<b>1 122 961</b>	<b>861 491</b>	<b>(373 927)</b>	<b>1 610 525</b>

NOTES TO THE COMBINED ANNUAL FINANCIAL STATEMENTS  
(CONTINUED)

**Property, Plant and Equipment – Beginning Council – 2010**

	Cost/ Valuation R	Accumulated depreciation R	Carrying value R
Furniture and fixtures	435 162	(77 132)	358 030
Motor vehicles	131 300	(39 390)	91 910
Office equipment	412 327	(61 351)	350 976
IT equipment	642 943	(396 181)	246 762
Leasehold improvements	77 056	(1 773)	75 283
	<b>1 698 788</b>	<b>(575 827)</b>	<b>1 122 961</b>

**Assets Subject to Finance Lease (Net Carrying Amount)**

	COMBINED		COUNCIL	
	2011 R	2010 R	2011 R	2010 R
Office equipment	765 116	599 755	765 116	599 755
Leasehold improvements	56 185	82 682	56 185	82 682
	<b>821 301</b>	<b>682 437</b>	<b>821 301</b>	<b>682 437</b>

**5. Other Financial Assets**

	COMBINED		COUNCIL	
	2011 R	2010 R	2011 R	2010 R
<b>Investments</b>				
First National Bank 32 Day Notice Account	2 667 306	5 759 756	2 667 306	5 759 756
Investec 32 Day Notice (Prime Linked)	1 592 871	-	1 592 871	-
Nedbank 32 Day Notice Deposit at 9.85%	218 875	206 741	-	-
Nedbank Call at 7.75%	861 740	821 303	-	-
Investec 32 Day Notice (Prime Linked)	566 989	539 180	-	-
Nedbank 32 Day Notice Deposit at 9.85%	701 194	662 320	-	-
Nedbank Call Deposit	561 621	539 423	-	-
	<b>7 170 596</b>	<b>8 528 723</b>	<b>4 260 177</b>	<b>5 759 756</b>
<b>Current assets</b>				
Available for sale	7 170 596	8 528 723	4 260 177	5 759 756

Fair values of investments reflect the approximate fair value at year end.

There were no gains or losses realised on the disposal of held to maturity financial assets in 2011 or 2010, as all the financial assets were disposed of at their redemption date.

## 6. Trade and Other Receivables

	COMBINED		COUNCIL	
	2011 R	2010 R	2011 R	2010 R
Trade receivables	398 444	320 955	402 353	320 955
Travel allowances in advance	6 694	8 133	6 694	8 133
Prepayments	11 896	10 809	11 896	10 809
VAT	622 553	865 392	622 553	865 392
SACAP Education Fund	-	-	70 798	70 798
	<b>1 039 587</b>	<b>1 205 289</b>	<b>1 114 294</b>	<b>1 276 087</b>

The carrying value of trade and other receivables reflects the approximate fair value at year end.

### Trade and Other Receivables Impaired

According to section 20(1)(a)(iii) of the Architectural Professions Act, No. 44 of 2000, registered professionals who fail to pay the prescribed annual fee or portion thereof, within 60 days from it becoming due or within such further period as the Council may allow, either before or after the expiry of the 60 days, will be removed as a registered professional.

As of 31 March 2011, trade and other receivables of R3 623 951 (2010: R2 237 445) were impaired and provided for.

The amount of the provision inclusive of VAT amounted to R3 623 951 as of 31 March 2011 (2010: (R2 237 445)).

The ageing of these trade receivables provided for is as follows:

	COMBINED		COUNCIL	
	2011 R	2010 R	2011 R	2010 R
Older than 60 days	3 623 951	2 237 445	3 623 951	2 237 445

## 7. Cash and Cash Equivalents

Cash and cash equivalents consist of:

	COMBINED		COUNCIL	
	2011 R	2010 R	2011 R	2010 R
Cash on hand	3 888	3 281	3 888	3 281
Bank balances	1 857 090	860 292	1 641 260	276 926
	<b>1 860 978</b>	<b>863 573</b>	<b>1 645 148</b>	<b>280 207</b>

Bank balances earn interest at a floating rate based on a daily bank deposit rate.

## NOTES TO THE COMBINED ANNUAL FINANCIAL STATEMENTS (CONTINUED)

### 8. Finance Lease Obligation

	COMBINED		COUNCIL	
	2011 R	2010 R	2011 R	2010 R
<b>Minimum lease payments due</b>				
- within one year	266 028	198 490	266 028	198 490
- in second to fifth year inclusive	708 045	591 445	708 045	591 445
	974 073	789 935	974 073	789 935
less: future finance charges	(179 641)	(168 027)	(179 641)	(168 027)
<b>Present value of minimum lease payments</b>	<b>789 932</b>	<b>621 908</b>	<b>789 932</b>	<b>621 908</b>
<b>Present value of minimum lease payments due</b>				
- within one year	105 338	130 498	105 338	130 498
- in second to fifth year inclusive	689 094	491 410	689 094	491 410
	<b>794 432</b>	<b>621 908</b>	<b>794 432</b>	<b>621 908</b>
Non-current liabilities	689 094	491 410	689 094	491 410
Current liabilities	105 338	130 498	105 338	130 498
	<b>794 432</b>	<b>621 908</b>	<b>794 432</b>	<b>621 908</b>

#### NEFCO

SACAP entered into an agreement with NEFCO for a copier (Canon 2880i). The rental agreement is for a period of 60 months with monthly instalments of R3 185 and an escalation of 15% per annum. The monthly instalments, payable in advance, commenced on 28 February 2008.

#### SAPOR

SACAP entered into an agreement with SAPOR for a copier (Sagem 6590N). The rental agreement is for a period of 60 months with monthly instalments of R675 and an escalation of 0% per annum. The monthly instalments, payable in advance, commenced on 30 August 2006.

#### Canon Business Centre

SACAP entered into an agreement with Canon Business Centre for two copiers (HP Edgeline CM8050). The rental agreement is for a period of 60 months with monthly instalments of R14 499 and an escalation of 0% per annum. The monthly instalments, payable in advance, commenced on 1 January 2011.



## 9. Trade and Other Payables

	COMBINED		COUNCIL	
	2011 R	2010 R	2011 R	2010 R
Trade payables	1 323 239	1 037 160	1 323 239	1 037 159
Amounts received in advance	1 726 210	1 102 435	1 726 210	1 102 435
VAT – Education Fund	61 449	61 449	-	-
VAT on property transfer	-	192 000	-	192 000
Accrued leave pay	139 443	191 569	139 443	191 569
Accrued bonus	-	172 859	-	172 859
SACAP Education Fund	-	-	172 403	162 494
Payroll accruals	114 530	141 248	114 530	141 248
Unallocated receipts	709 529	403 719	709 529	403 719
	<b>4 074 400</b>	<b>3 302 439</b>	<b>4 185 354</b>	<b>3 403 483</b>

## 10. Revenue

	COMBINED		COUNCIL	
	2011 R	2010 R	2011 R	2010 R
Annual fees	14 951 913	15 093 392	14 951 913	15 093 392
Exam fees	487 730	457 293	487 730	457 293
Registration fees	764 561	1 092 175	764 561	1 092 175
Renewals	1 298 242	112 575	1 298 242	112 575
	<b>17 502 446</b>	<b>16 755 435</b>	<b>17 502 446</b>	<b>16 755 435</b>

Registrations are cancelled where the registered persons do not pay their fees within the prescribed time. When such a person wants to re-register, the prior years' outstanding fees must be settled first. These fees are then recognised in the year in which they are received.

## NOTES TO THE COMBINED ANNUAL FINANCIAL STATEMENTS (CONTINUED)

### 11. Operating Deficit

Operating deficit for the year is stated after accounting for the following:

	COMBINED		COUNCIL	
	2011 R	2010 R	2011 R	2010 R
<b>Operating lease charges</b>				
Equipment				
- Contractual amounts	97 645	129 211	97 645	129 211
Lease rentals on operating lease - Buildings				
- Contractual amounts	704 637	438 227	704 637	438 227
	<b>802 282</b>	<b>567 438</b>	<b>802 282</b>	<b>567 438</b>
Loss on sale of property, plant and equipment	(52 715)	-	(52 715)	-
Impairment on trade and other receivables	419 078	192 000	419 078	192 000
Depreciation on property, plant and equipment	423 483	373 921	423 483	373 921
Employee costs	7 558 799	7 110 374	7 558 799	7 110 374

### 12. Investment Revenue

	COMBINED		COUNCIL	
	2011 R	2010 R	2011 R	2010 R
<b>Interest revenue</b>				
Bank	502 433	631 272	350 422	436 219
<b>The following is an analysis of investment revenue earned per financial asset category:</b>				
Available-for-sale financial assets	631 272	1 033 880	350 422	436 219
Loans and receivables	-	-	-	-
Held-to-maturity investments	-	-	-	-
Total interest income for financial assets not designated as at fair value through profit or loss	631 272	1 033 880	350 422	436 219
Investment income earned on non-financial assets	-	-	-	-
	<b>631 272</b>	<b>1 033 880</b>	<b>436 219</b>	<b>436 219</b>

## 13. Finance Costs

	COMBINED		COUNCIL	
	2011 R	2010 R	2011 R	2010 R
Finance leases	44 039	94 824	44 039	94 824
Late payment of VAT	-	9 906	-	9 906
Suppliers	1 758	1 003	1 758	1 003
	<b>45 797</b>	<b>105 733</b>	<b>45 797</b>	<b>105 733</b>

## 14. Auditors' Remuneration

	COMBINED		COUNCIL	
	2011 R	2010 R	2011 R	2010 R
Fees	143 498	178 840	116 765	178 840

## 15. Cash Utilised in Operations

	COMBINED		COUNCIL	
	2011 R	2010 R	2011 R	2010 R
Deficit for the year	(1 423 284)	(2 643 757)	(1 203 201)	(2 167 353)
<b>Adjustments for:</b>				
Depreciation and amortisation	423 483	373 921	423 483	373 921
Loss on sale of assets	52 715	-	52 715	-
Interest received	(502 433)	(631 272)	(350 422)	(436 219)
Finance costs	45 797	105 733	45 797	105 733
Impairment loss	419 078	192 000	419 078	192 000
<b>Changes in working capital:</b>				
Trade and other receivables	(253 370)	(668 920)	(257 285)	(739 718)
Trade and other payables	771 955	1 115 203	781 871	1 115 203
	<b>(466 059)</b>	<b>(2 157 092)</b>	<b>(87 964)</b>	<b>(1 556 433)</b>

## NOTES TO THE COMBINED ANNUAL FINANCIAL STATEMENTS (CONTINUED)

### 16. Commitments

#### Operating Leases – As Lessee (Expense)

	COMBINED		COUNCIL	
	2011 R	2010 R	2011 R	2010 R
Minimum lease payments due				
- within one year	207 246	695 177	207 246	695 177
- in second to fifth year inclusive	-	207 246	-	207 246
	207 246	902 423	207 246	902 423

Operating lease payments represent rentals payable by the entity for certain of its office properties. Leases are negotiated for an average term of three years and rentals will escalate annually by an average of 9.5%.

### 17. Contingencies

Litigation is in process against the entity relating to a dispute with a former employee who is challenging the quantum of the exit package and is seeking damages of R300 000. The entity's lawyers and management consider it unlikely that the action against the entity will be successful, and the case should be resolved within the next year.

During the 2010 year, the entity incurred a possible claim of R1,3 million against it by one of its suppliers for alleged breach of contract. The supplier was engaged by management to set up a contact centre for SACAP. It is the view of SACAP's attorneys that the claim for alleged breach of contract and damages is without merit and that, should the supplier institute a claim out of the High Court, the claim ought to be dismissed. The anticipated legal fees and disbursements is approximated to be R400 000.

### 18. Related Parties

#### Relationships

Members of key management	Ms D Brislin – Previous Registrar (Left office 10 September 2010) Ms C Chinga – Acting Registrar Mr S Moyo – Chief Financial Officer Ms D le Roux – Chief Operations Officer
Executive authority	Department of Public Works
Governing body	Refer to point 4 of the Registrar's report for details on Council members
Fund under control of Council	Education Fund of the SA Council for the Architectural Profession
Relationship governed by law	Council for the Built Environment

**Related Party Balances**

	COUNCIL	
	2011 R	2010 R
<b>Amounts included in trade receivable/(trade payable) regarding related parties</b>		
Council for the Built Environment	(34 503)	(356 337)
Education Fund of the South African Council for the Architectural Profession	70 798	70 798

**Provision for Doubtful Debts Related to the Amount of Outstanding Balances**

None

**Related Party Transactions**

<b>Included in operating expenses</b>		
Education Fund of the South African Council for the Architectural Profession	800 000	842 284
Council for the Built Environment	348 327	356 337
<b>Compensation to Council members and executive management</b>		
- Basic Salaries and allowances	2 180 640	1 878 972
- Council contributions	445 902	337 787
- Council and other meetings	660 292	422 036
- Compensation for loss of office	562 884	-
- Bonus	-	117 602
	<b>3 849 718</b>	<b>2 756 397</b>

## NOTES TO THE COMBINED ANNUAL FINANCIAL STATEMENTS (CONTINUED)

### 19. Risk Management

#### Capital Risk Management

Council's objectives when managing capital are to safeguard the entity's ability to continue as a going concern.

The capital structure of the entity consists of cash and cash equivalents, disclosed in note 7, and accumulated funds as disclosed in the statement of financial position.

#### Financial Risk Management

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

#### Liquidity Risk

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

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

Cash flow forecasts are prepared and the amount of cash available is monitored.

#### Interest Rate Risk

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

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

**Interest Rate Risk Table**

	Increase/ (decrease) in base points	Effect on profit before tax	Effect on equity
South African Rand	1%	43 802	43 802
South African Rand	(1%)	(43 802)	(43 802)



### Credit risk

Credit risk consists mainly of cash deposits and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter party.

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

# GLOSSARY OF TERMS

## Stakeholders (National)

<b>CBE</b>	Council for the Built Environment
<b>CHE</b>	Council for Higher Education
<b>CIDB</b>	Construction Industry Development Board
<b>DPW</b>	Department of Public Works
<b>DEAT</b>	Department of Environmental Affairs and Tourism
<b>DTI</b>	Department of Trade and Industry
<b>DLA</b>	Department of Land Affairs
<b>DAC</b>	Department of Arts and Culture
<b>DOE</b>	Department of Education
<b>ECSA</b>	Engineering Council of South Africa
<b>NHBRC</b>	National Home Builders Regulations Council
<b>SACAP</b>	South African Council for the Architectural Profession
<b>SACLAP</b>	South African Council for the Landscape Architectural Profession
<b>SAQA</b>	South African Qualifications Authority
<b>SACPCMP</b>	South African Council for Project & Construction Managers Profession
<b>SACPVP</b>	South African Council for the Property Valuers Profession
<b>SACQSP</b>	South African Council for the Quantity Surveyors Profession

## Stakeholders (International)

<b>AUA</b>	African Union of Architects
<b>ARB</b>	Architectural Regulations Board
<b>CAA</b>	Commonwealth Association of Architects
<b>RIBA</b>	Royal Institute of British Architects
<b>UIA</b>	International Union of Architects

## Stakeholders (Accredited/Architectural Learning Sites) ALS

<b>CPUT</b>	Cape Peninsula University of Technology
<b>DUT</b>	Durban University of Technology
<b>UKZN</b>	University of KwaZulu-Natal
<b>NMMU</b>	Nelson Mandela Metropolitan University
<b>TUT</b>	Tshwane University of Technology
<b>UCT</b>	University of Cape Town
<b>UFS</b>	University of Free State
<b>UJ</b>	University of Johannesburg
<b>UP</b>	University of Pretoria
<b>WITS</b>	University of the Witwatersrand
<b>INSCAPE</b>	Inscape Design College

## Stakeholders (Voluntary Associations)

<b>SAIA</b>	South African Institute of Architects
<b>SAIAT</b>	South African Institute of Architectural Technologists
<b>SAIBD</b>	South African Institute of Building Design
<b>SAID</b>	South African Institute of Draughting
<b>BKIA</b>	Border Kei Institute of Architects
<b>CIA</b>	Cape Institute of Architects
<b>ECIA</b>	Eastern Cape Institute of Architects
<b>FSIA</b>	Free State Institute of Architects
<b>GifA</b>	Gauteng Institute for Architecture
<b>IID</b>	South African Institute of the Interior Design Professions
<b>KZNIA</b>	KwaZulu-Natal Institute for Architecture
<b>PIA</b>	Pretoria Institute for Architecture

## SACAP Categories of Registration

<b>CANT</b>	Candidate Architect
<b>CAD</b>	Candidate Architectural Draughtsperson
<b>CAT</b>	Candidate Architectural Technologist
<b>CSAT</b>	Candidate Senior Architectural Technologist
<b>PAD</b>	Professional Architectural Draughtsperson
<b>PAT</b>	Professional Architectural Technologist
<b>PSAT</b>	Professional Senior Architectural Technologist
<b>Pr Arch</b>	Professional Architect

## Other – Generic

<b>Act 44 of 2000</b>	Architectural Profession Act No. 44 of 2000
<b>ALS</b>	Accredited Architectural Learning Site
<b>AAFF</b>	Architect Africa Film Festival
<b>CPD</b>	Continuing Professional Development
<b>ICT</b>	Information Communication Technology
<b>IDoW</b>	Identification of Work
<b>HR</b>	Human Resources
<b>MCS</b>	Management Control Systems
<b>PFMA</b>	Public Finance Management Act
<b>QMS</b>	Quality Management System
<b>RPL</b>	Recognition of Prior Learning
<b>VA</b>	Voluntary Association



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SOUTH AFRICAN COUNCIL  
for the  
ARCHITECTURAL PROFESSION

1<sup>st</sup> floor, Lakeside Place  
Cnr Ernest Oppenheimer and Queen Street  
Bruma  
Johannesburg  
2198

**Tel:** +27 11 479 5000

**Fax:** +27 11 479 5100

PO Box 408  
Bruma  
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