

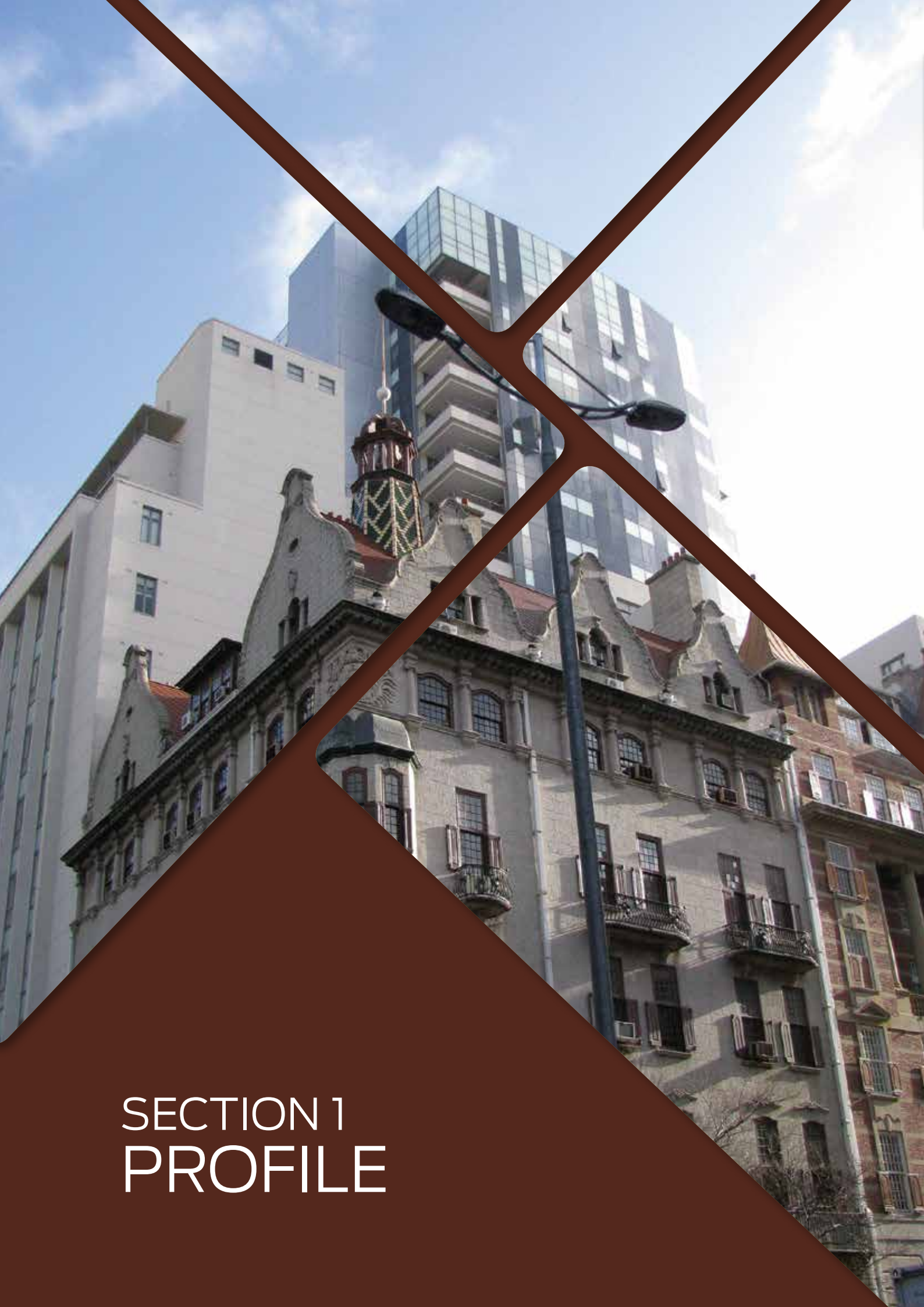


SOUTH AFRICAN COUNCIL  
for the  
ARCHITECTURAL PROFESSION



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SECTION 1  
PROFILE

## About this Report

SACAP's 2012/13 Annual Report sets out an in-depth, contextual review of the entity's overall performance for the period under review – 1 April 2012 to 31 March 2013. The report outlines the business operations, reviews challenges facing the organisation and how it has dealt with some and plans to overcome others, and presents SACAP's assessment of the period ahead.

## Determining Materiality in Partnership with our Stakeholders

This report focuses on qualitative and quantitative issues arising in 2012/13 that are material to SACAP's business operations and strategic objectives. The question of what is 'material' has been determined in extensive consultation with the organisation's stakeholders, while taking into consideration its core objectives and the way in which its value chain operates.

SACAP's stakeholders include the Council, Employees, the Council for the Built Environment (CBE), government departments, registered persons (RPs), voluntary associations (VAs), architectural learning sites (ALS), the public and the media.

The approach of this report is different to previous annual reports, as this report focuses on 'Batho Pele' (people first) principles for the purpose of information, openness and transparency. SACAP has further endeavoured to adhere to the requirements of the Public Finance Management Act (PFMA) and the King Report on Corporate Governance for South Africa 2009 (King III) in the reporting period.

## Nature of Business and Client Base

The Architects' Act, No. 35 of 1970, established the South African Council for Architects on 1 March 1971. This legislation, with amendments, remained in force for almost 30 years.

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

The new Act offered the opportunity of registration with the statutory body for all persons practising architecture, where the previous legislation allowed only for architects or those with special dispensation to be registered with the statutory body.

The categories in which a person may register with SACAP are:

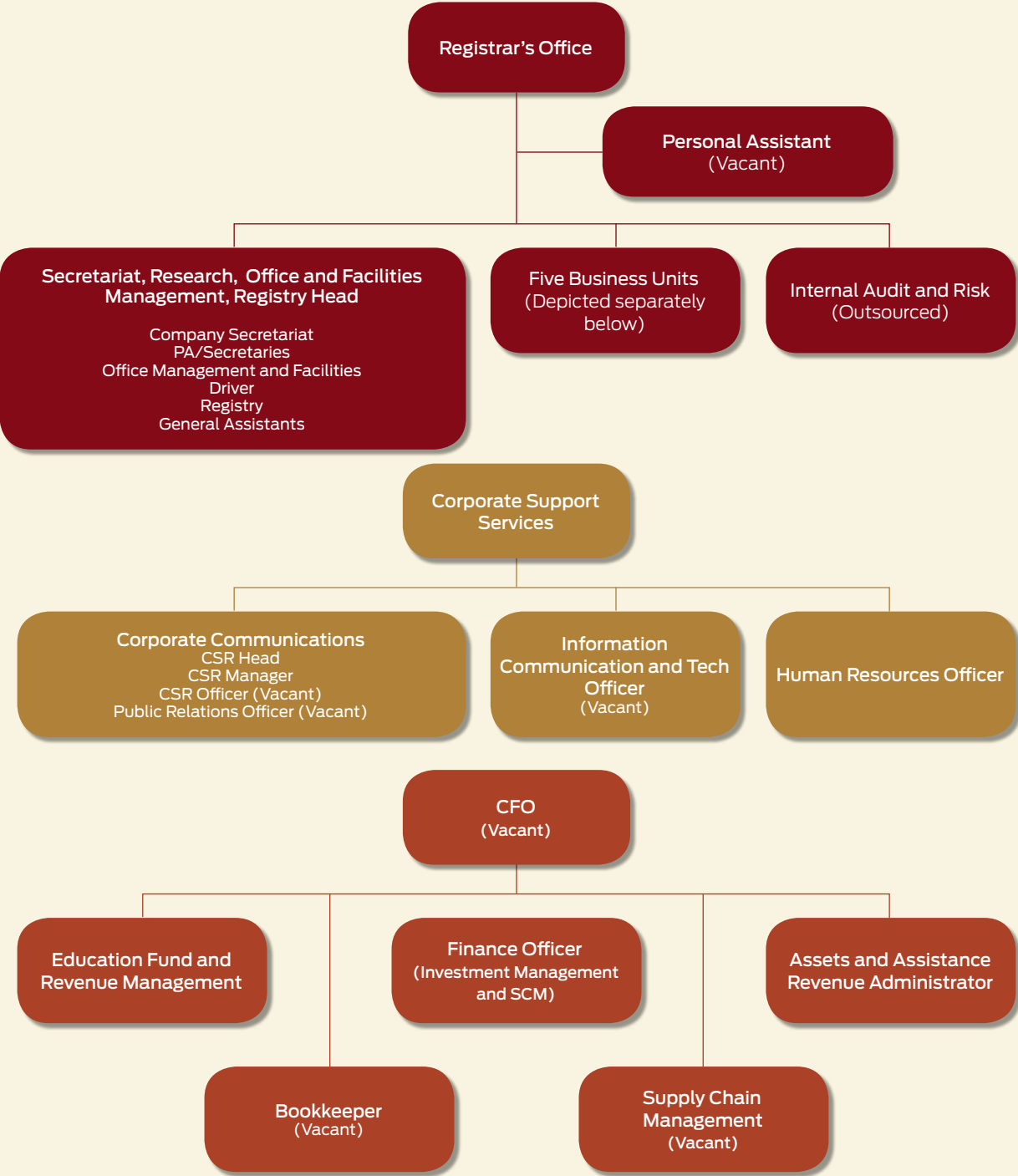
- (a) Professionals, which are divided into:
  - (i) Professional architect;
  - (ii) Professional senior architectural technologists;
  - (iii) Professional architectural technologist; and
  - (iv) Professional architectural draughtsperson.
- (b) Candidates, which are divided into:
  - (i) Candidate architect;
  - (ii) Candidate senior architectural technologists;
  - (iii) Candidate architectural technologist; and
  - (iv) Candidate architectural draughtsperson.
- (c) Specified categories prescribed by council.

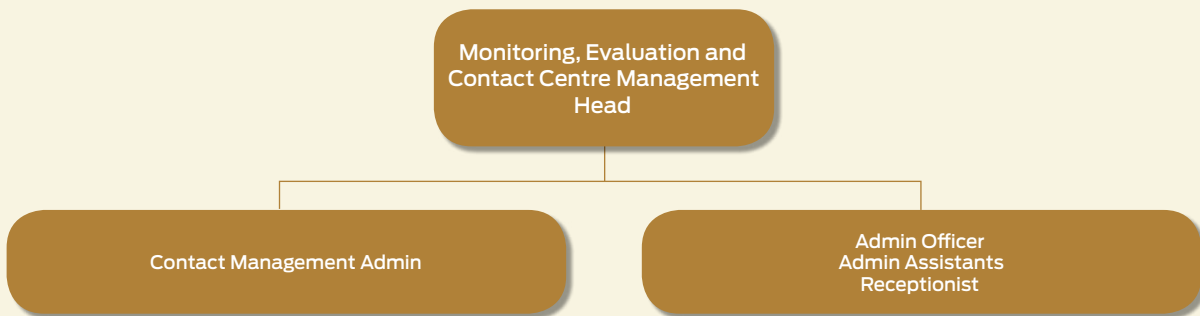
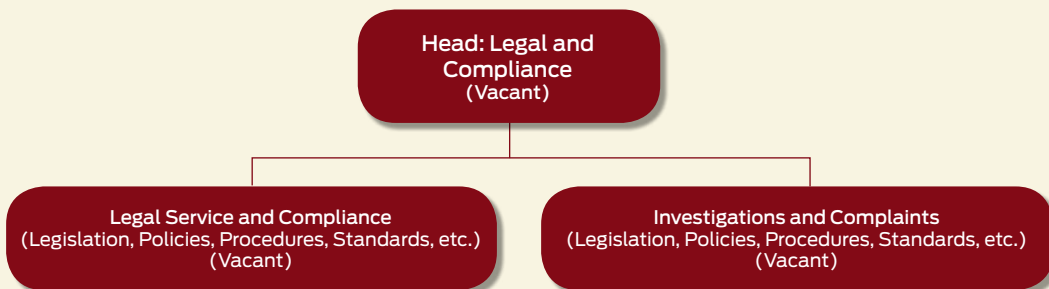
The protection of the public is intrinsic to the new Act. In as much as the regulations of the Act are appropriately instituted, applied and administered and therefore succeed in protecting the public.

Furthermore, these regulations equally protect registered persons in that they reinforce the development and sustainability of the architectural profession as a whole, and enhance the integrity and status of SACAP registered persons.

# Profile (continued)

## Legal and Operational Structure





# Profile (continued)

## Governing Tenets

### 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 and compliance within SACAP;
- Promote the role of the architectural profession in transformation;
- Create a legacy of humane and sustainable architecture; and
- Improve awareness of the architectural profession.

### 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 debate

## Strategic Priorities

### Strategic Priority 1:

Ensure public protection and compliance by registered persons

#### Strategic Objectives:

- 1.1 To implement an effective education campaign
- 1.2 To partner with law enforcement agencies and Chapter 9 institutions
- 1.3 To develop the necessary internal capacity and resources for effective education and enforcement
- 1.4 Active regulation of service delivery towards ensuring the protection of the public

### Strategic Priority 2:

Grow and develop the profession to achieve sustainability and improved service delivery

#### Strategic Objectives:

- 2.1 To improve the quality and relevance of the curriculum of architectural learning sites (ALS)
- 2.2 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
- 2.3 To improve the relevance and quality of on-going professional development and registered persons
- 2.4 To implement an appropriate Identification of Work (IDoW) framework
- 2.5 Enhancement of skills development

### Strategic Priority 3:

Develop SACAP as a centre of excellence

#### Strategic Objectives:

- 3.1 To implement a turnaround strategy for SACAP to improve the institution's delivery to all its stakeholders
- 3.2 To develop and implement strategies for engagement of all key stakeholders, namely registered persons (RPs), voluntary associations (VAs), the public, local authorities, architectural learning sites, CBE and Department of Public Works (DPW)
- 3.3 To ensure that sufficient financial resources are in place to sustain SACAP
- 3.4 To position SACAP as an active role player in the built environment

### Strategic Priority 4:

Social responsibility

#### Strategic Objectives:

- 4.1 Contribute to poverty alleviation through job creation within the scope of the architectural profession
- 4.2 To promote the role of the architectural profession in general transformation
- 4.3 To contribute to driving government's proposed infrastructural development
- 4.4 To drive the implementation of green architectural practices



## SACAP Business Performance

SACAP's business performance activities for the period 1 April 2012 to 31 March 2013 are presented below.

TARGET	INDICATOR	PERFORMANCE
<b>STRATEGIC PRIORITY 1: Ensure Public Protection and Compliance by Registered Persons</b>		
<i>Objective 1.1 To implement an effective education campaign</i>		
a) Targeting registered persons on SACAP's mandate and registered persons' obligations	<ul style="list-style-type: none"> <li>• Convene Educational Seminars at a fee</li> <li>• Effective advertising and marketing of SACAP's policies through Media Campaigns</li> </ul>	<ul style="list-style-type: none"> <li>• A comprehensive Communications Plan was developed to strategically and effectively engage all stakeholders. The plan will be implemented in 2013/14.</li> <li>• A Frequently Asked Questions Task Team was set up to deal with queries related to issues such as IDoW, fees and registrations.</li> </ul>
b) Targeting the public on SACAP's mandate and registered persons' obligations	<ul style="list-style-type: none"> <li>• Conducting routine visits to LA on SACAP Public Protection Mandate</li> </ul>	
c) Targeting local authorities on enforcement of SACAP's mandate	<ul style="list-style-type: none"> <li>• Seminars at main centres</li> </ul>	
<i>Objective 1.2 To partner with law enforcement agencies and Chapter 9 institutions</i>		
a) Local authorities targeted on enforcement of SACAP's mandate	<ul style="list-style-type: none"> <li>• Identify all exhibitions that are targeted at Local Authorities as key stakeholders – e.g. Construction Summit as part of Construction Week</li> <li>• Establish which exhibition would be appropriate to participate in for maximum exposure</li> <li>• Participate in exhibitions</li> </ul>	<ul style="list-style-type: none"> <li>• A comprehensive Communications Plan was developed to strategically and effectively engage all stakeholders. The plan will be implemented in 2013/14.</li> </ul>
b) Strategic relationship with SALGA, National Prosecuting Authority (NPA) and South African Police Services (SAPS)	<ul style="list-style-type: none"> <li>• Stakeholder Management Committee identified need for strategic relationships</li> <li>• Set up meetings between NPA, SAPS, and SACAP with a view to establishing a long-term partnership</li> <li>• Establish a national forum with law enforcement agencies</li> </ul>	

## Profile (continued)

TARGET	INDICATOR	PERFORMANCE
<b>STRATEGIC PRIORITY 1: Ensure Public Protection and Compliance by Registered Persons</b>		
<i>Objective 1.3 To develop the necessary internal capacity and resources for effective education and enforcement</i>		
a) Fully staffed operational structure	<ul style="list-style-type: none"> <li>Finalise organisational development interventions</li> <li>Determine organisation's structural needs in line with strategic priorities</li> <li>Identify vacancies in organisation</li> <li>Undertake recruitment as identified</li> </ul>	<ul style="list-style-type: none"> <li>The Council was not fully staffed during the period although several vacancies were filled including critical vacancies such as the Registrar and Finance Manager, Legal and Compliance Officer.</li> <li>The structure was reviewed against the needs mandate and strategic priorities and vacancies were identified and filled.</li> <li>Further recruitment will occur in 2014.</li> </ul>
b) Staff trained with requisite skills to deliver services	<ul style="list-style-type: none"> <li>Develop training plans</li> <li>Develop training matrix</li> <li>Implement training matrix as per the Skills Development Plan</li> <li>Establish on-going training and mentoring sessions on all processes</li> </ul>	<ul style="list-style-type: none"> <li>Limited training occurred in the review period as the focus was on recruitment and selection.</li> </ul>
c) Relevant policies, procedures and guidelines are in place	<ul style="list-style-type: none"> <li>Review existing policies, procedures and guidelines</li> <li>Conduct internal workshops and meetings to finalise review</li> <li>Complete review report</li> <li>Circulate review report for final comment</li> <li>Ensure adoption of review report</li> <li>Implement recommendations</li> </ul>	<ul style="list-style-type: none"> <li>Several policies, procedures and guidelines are in place and under review. The development of some urgent policies (e.g. Supply Chain Management, Delegation of Authority) occurred and important policy reviews also occurred (e.g. Interim Policy on the IDoW; CPD Policy; Code of Conduct for Persons Serving on Council committees).</li> <li>Some policies that require development and review have also been identified and much more work needs to be done.</li> <li>Council established a policy review task team to address this.</li> </ul>

TARGET	INDICATOR	PERFORMANCE
<b>STRATEGIC PRIORITY 1: Ensure Public Protection and Compliance by Registered Persons</b>		
<i>Objective 1.3 To develop the necessary internal capacity and resources for effective education and enforcement</i>		
d) Relevant systems and infrastructure in place	<ul style="list-style-type: none"> <li>Review existing systems and infrastructure</li> <li>Consult with relevant stakeholders</li> <li>Compile review report</li> <li>Circulate review report for final comment</li> <li>Ensure adoption of review report</li> <li>Implement recommendations</li> </ul>	<ul style="list-style-type: none"> <li>Review of the effectiveness of systems and infrastructure commenced and is on-going. The ICT systems were assessed and a new server, uninterrupted power supply (UPS) and telephone system were sourced and installed.</li> <li>Printing of certificates was moved in-house and the turnaround time for printing reduced while the frequency of printing increased.</li> <li>The Internal Audit function also helped to expose vulnerabilities in core business areas which will be addressed in the future.</li> <li>Turnaround times were developed for selected SACAP activities.</li> </ul>
<i>Objective 1.4 Active regulation of service delivery towards ensuring the protection of the public</i>		
a) Regular assessment of services provided by architectural professionals	<ul style="list-style-type: none"> <li>Sample check of work submitted by architectural professionals to municipalities</li> <li>Empower municipalities' inspectors with architectural work assessment skills</li> <li>Conduct educational workshops with the municipalities</li> <li>Liaise with and make contribution to work done by VAs in this regard</li> </ul>	<ul style="list-style-type: none"> <li>The comprehensive Communications Plan, developed to engage all stakeholders, addresses this and will be implemented in 2013/14.</li> </ul>
<b>STRATEGIC PRIORITY 2: Grow and Develop the Profession to Achieve Sustainability and Improved Service Delivery</b>		
<i>Objective 2.1 To improve the quality and relevance of the curriculum of architectural learning sites (ALS)</i>		
a) Validation of architectural qualifications	<ul style="list-style-type: none"> <li>Set dates for validation visits together with Registrar and the institutions</li> <li>Panellists appointed and notified</li> <li>Obtain validation pack from the institution</li> <li>Distribute pack to panellists</li> <li>Organise travel and accommodation logistics</li> <li>Report compiled and signed by all panellists</li> <li>Final draft report submitted to Council for approval</li> </ul>	<ul style="list-style-type: none"> <li>Validation of the following institutions took place: NMMU, TUT, Wits and UFS.</li> <li>A database of unaccredited colleges providing architectural programmes was developed and an engagement strategy will follow.</li> </ul>

## Profile (continued)

TARGET	INDICATOR	PERFORMANCE
STRATEGIC PRIORITY 2: Grow and Develop the Profession to Achieve Sustainability and Improved Service Delivery		
<i>Objective 2.2 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</i>		
a) Grants for previously disadvantaged architectural students	<ul style="list-style-type: none"> <li>• Distribute application forms to ALS</li> <li>• Publish application form on the website</li> <li>• Head of Schools distribute forms to students</li> <li>• Students submit application forms on or before due date</li> <li>• Capture application forms received</li> <li>• Assess and evaluate received applications</li> <li>• Submit evaluated applications to Council for approval</li> <li>• Write allocation letters to ALS</li> <li>• Submit ALS' account numbers to Finance</li> <li>• Payments made by Finance</li> <li>• Information proof of payment to ALS</li> </ul>	<ul style="list-style-type: none"> <li>• Year-on-year financial losses previously suffered by SACAP led to a suspension of the allocation of grants as SACAP's sustainability was under threat. Consequently no student grant allocations were made for 2012/13.</li> <li>• Following the successful turnaround of SACAP's financial affairs an allocation for grant making has been provided for in the 2013/14 budget.</li> </ul>
b) SACAP architectural learning sites (ALS)	<ul style="list-style-type: none"> <li>• Report on ALS demographics in the SACAP Annual Report</li> <li>• Profile Education Fund grantees and registered candidates in SACAP publications and other selected media</li> <li>• Use the SACAP Newsletters to spread the message about transformation in the ALS</li> <li>• Use the SACAP Annual Student Congress as a platform to promote transformation</li> <li>• Ensure SACAP presence at all ALS open days</li> </ul>	<ul style="list-style-type: none"> <li>• The ALS demographics are contained in the SACAP Annual Report.</li> <li>• The Annual Student Congress was used as a platform to promote SACAP and the transformation of the profession.</li> <li>• SACAP made presentations at ALS.</li> </ul>

TARGET	INDICATOR	PERFORMANCE
<b>STRATEGIC PRIORITY 2: Grow and Develop the Profession to Achieve Sustainability and Improved Service Delivery</b>		
<i>Objective 2.3 To improve the relevance and quality of the on-going professional development and registered persons</i>		
a) Revise information for registered persons	<ul style="list-style-type: none"> <li>• Produce publications to explain professional development processes and procedures</li> <li>• Develop electronic information on same</li> <li>• Revise board notice for recommended tariff of fees annually</li> <li>• Involvement in road shows and student congresses</li> <li>• Regularly revise and update application forms</li> <li>• Ensure that website has most updated information</li> <li>• Publication of new processes in the newsletters</li> </ul>	<ul style="list-style-type: none"> <li>• Regular email communication has been sent to registered persons.</li> <li>• The board notice for recommended tariff of fees was published.</li> <li>• SACAP participated at the Annual Student Congress.</li> <li>• The SACAP website is updated with relevant and current information.</li> <li>• Set up a call centre to receive, correctly direct, monitor and track queries.</li> <li>• Improved turnaround times were achieved for dealing with registered persons' complaints.</li> </ul>
b) Online electronic processes	<ul style="list-style-type: none"> <li>• Update existing and develop online processes for CPD</li> <li>• Develop online registration process</li> <li>• Conduct random audits on the success of the electronic processes</li> <li>• Electronic process for printing of certificates by registered persons when required</li> </ul>	<ul style="list-style-type: none"> <li>• An online registration system was conceptualised and is in the process of being procured. The system also makes provision for online CPD processes (capturing credits), issuing of registration documents, accessing invoices.</li> </ul>
c) Ensure compliance with SACAP policies and procedures on professional development	<ul style="list-style-type: none"> <li>• Timely capture and evaluation of all information</li> <li>• Updated and efficient database records</li> <li>• BIC report template produced for instant report production</li> <li>• Communication with Finance Unit with regards to payment of renewal of registration fee</li> <li>• Increased validated category one activities</li> </ul>	<ul style="list-style-type: none"> <li>• The need for a CPD audit was identified and will be implemented in 2013/14.</li> <li>• The professional practice exam (PPE) process was re-examined and the curriculum was reviewed.</li> <li>• A workshop for PPE examiners and markers was held and the overall pass rate improved.</li> </ul>

## Profile (continued)

TARGET	INDICATOR	PERFORMANCE
<b>STRATEGIC PRIORITY 2: Grow and Develop the Profession to Achieve Sustainability and Improved Service Delivery</b>		
<i>Objective 2.4 To implement an appropriate Identification of Work (IDoW) framework</i>		
a) Finalise IDoW Framework	<ul style="list-style-type: none"> <li>• Provide secretarial support to the IDoW Committee</li> <li>• Liaise with CBE</li> <li>• Attend relevant stakeholders' meetings</li> </ul>	<ul style="list-style-type: none"> <li>• The Interim Policy on the Identification of Work (IDoW) was reviewed. Engagement was held with the Competition Commission regarding the implementation of the IDoW.</li> </ul>
b) Implementation of IDoW	<ul style="list-style-type: none"> <li>• Resource allocation</li> <li>• Development of relevant information/documentation/materials</li> <li>• Liaison with stakeholders</li> <li>• Awareness campaigns</li> </ul>	
<i>Objective 2.5 Enhancement of skills development</i>		
a) Build capacity	<ul style="list-style-type: none"> <li>• Conduct skills audit</li> <li>• Identify gaps</li> <li>• Develop relevant training programmes</li> </ul>	The skills of staff were assessed by the Registrar and several employees have been redeployed.
<b>STRATEGIC PRIORITY 3: Develop SACAP as a Centre of Excellence</b>		
<i>Objective 3.1 To implement a Turnaround Strategy for SACAP to improve the institution's delivery to all its stakeholders</i>		
a) Develop and implement consolidated organisational plan	<ul style="list-style-type: none"> <li>• Organise and participate in the review/development of the Annual Strategic Plan</li> <li>• Oversee finalisation of unit plans</li> <li>• Consolidate all the unit plans into one plan</li> <li>• Oversee finalisation of individual performance agreements</li> <li>• Ensure adoption of consolidated plan by Council</li> <li>• Monitor implementation of all plans and agreements</li> </ul>	<ul style="list-style-type: none"> <li>• The strategy was reviewed and a new Strategic Plan was approved.</li> <li>• Detailed unit plans could not be developed due to the management level vacancies.</li> <li>• A plan was developed for the Corporate Communications and Stakeholder Relations unit.</li> <li>• Individual performance agreements were signed.</li> </ul>

TARGET	INDICATOR	PERFORMANCE
<b>STRATEGIC PRIORITY 3: Develop SACAP as a Centre of Excellence</b>		
<i>Objective 3.1 To implement a Turnaround Strategy for SACAP to improve the institution's delivery to all its stakeholders</i>		
b) Effective human resources management	<ul style="list-style-type: none"> <li>• Manage standard conditions of services of employees</li> <li>• Manage recruitment process as and when required</li> <li>• Manage payroll, including employee benefits</li> <li>• Co-ordinate training and development interventions</li> <li>• Oversee fair labour relations practices and procedures</li> </ul>	<ul style="list-style-type: none"> <li>• The standard conditions of services of employees has been managed and new contracts were entered into with all employees.</li> <li>• The need to review the employment contracts was identified.</li> <li>• Recruitment for a number of vacant posts was undertaken. Several posts were filled but a few vacancies are still being carried.</li> <li>• Payroll has been managed and employees have been migrated to a new provident fund.</li> <li>• Limited training and development occurred during the period but several staff were promoted internally.</li> </ul>
c) Effective performance management	<ul style="list-style-type: none"> <li>• Review/update Performance Management Policy</li> <li>• Establish individual performance expectations for managers</li> <li>• Regularly evaluate their performance against organisational objectives</li> <li>• Oversee the performance evaluation process for entire organisation</li> </ul>	<ul style="list-style-type: none"> <li>• The Performance Management Policy remained unchanged during the period.</li> <li>• The performance of the entire organisation was reviewed immediately after the period and new performance agreements have been entered into.</li> </ul>
d) Manage organisation risks	<ul style="list-style-type: none"> <li>• Develop/update Risk Management Strategy</li> <li>• Develop/update Risk Register</li> <li>• Prioritise risks to be managed</li> <li>• Identify and allocate resources needed</li> <li>• Incorporate into Business Plan</li> <li>• Monitor risk profile</li> </ul>	<ul style="list-style-type: none"> <li>• A risk workshop was held, priority risks were identified and these informed the development of the Internal Audit Plan.</li> <li>• The Risk Register from the preceding year was maintained.</li> <li>• A Risk Management Plan was developed and monthly reporting protocols were put in place.</li> <li>• The Risk Management Strategy has not been developed yet.</li> <li>• The Business Plan does not fully incorporate the priority risks.</li> </ul>

## Profile (continued)

TARGET	INDICATOR	PERFORMANCE
<b>STRATEGIC PRIORITY 3: Develop SACAP as a Centre of Excellence</b>		
<i>Objective 3.1 To implement a Turnaround Strategy for SACAP to improve the institution's delivery to all its stakeholders</i>		
e) Updated policies and procedures	<ul style="list-style-type: none"> <li>• Audit all policies and procedures</li> <li>• Compile list of policies adopted</li> <li>• Compile list of draft policies</li> <li>• Update existing policies as required</li> <li>• Develop new policies as required</li> <li>• Obtain approval for new updated/new policies</li> <li>• Inform all stakeholders of relevant policies</li> <li>• Training on policies as required</li> <li>• Monitoring of policies and procedures</li> </ul>	<ul style="list-style-type: none"> <li>• A policy review committee was established to audit all policies and procedures.</li> <li>• List of policies adopted and drafted have not yet been developed.</li> <li>• The following new policies were however adopted: Delegation of Authority and Supply Chain Management.</li> <li>• The following policies were updated: Interim Policy on the IDoW; CPD Policy; Code of Conduct for Persons Serving on Council Committees.</li> <li>• The following policies are under review: Travel and Entertainment.</li> <li>• The need for the following new policies have been identified: Risk Management Strategy, Policy and Framework; Reduced fees for Seniors; Registration of Academics as Professional Architects; Education Grants.</li> <li>• One employee was trained on Supply Chain Management and further training for other staff is required.</li> </ul>
f) Skills planning process	<ul style="list-style-type: none"> <li>• Conduct a Skills Audit</li> <li>• Develop/update Workplace Skills Plan</li> <li>• Submit Workplace Skills Plan</li> <li>• Align individual training needs to Workplace Skills Plan – Personal Development Plan</li> <li>• Identify, source and provide suitable training and development interventions</li> <li>• Evaluate impact of training and development</li> </ul>	<ul style="list-style-type: none"> <li>• Limited training occurred in the review period as the focus was on recruitment and selection.</li> </ul>



TARGET	INDICATOR	PERFORMANCE
<b>STRATEGIC PRIORITY 3: Develop SACAP as a Centre of Excellence</b>		
<i>Objective 3.1 To implement a Turnaround Strategy for SACAP to improve the institution's delivery to all its stakeholders</i>		
g) An electronic document and information management system	<ul style="list-style-type: none"> <li>• Conduct audit to establish status quo</li> <li>• Make recommendations and obtain approval</li> <li>• Allocate resources and implement the system</li> <li>• Manage, monitor and review the system</li> </ul>	
h) A Quality Management System in line with ISO9000	<ul style="list-style-type: none"> <li>• Develop a Quality Policy</li> <li>• Draw up a Quality Plan</li> <li>• Document the Quality Management System</li> <li>• Establish performance indicators</li> <li>• Review the system</li> <li>• Prepare for assessment</li> <li>• Actual assessment</li> <li>• Maintain registration</li> </ul>	<ul style="list-style-type: none"> <li>• SACAP has not yet implemented a Quality Management System. The initial focus was on stabilising the organisation.</li> </ul>
i) Operationally sound systems	<ul style="list-style-type: none"> <li>• Conduct systems audit</li> <li>• Review systems audit</li> <li>• Issue audit report for adoption by Council</li> <li>• On-going monitoring systems</li> </ul>	<ul style="list-style-type: none"> <li>• A systems audit has not yet been concluded. The initial focus was on stabilising the organisation.</li> </ul>
<i>Objective 3.2 To develop and implement strategies for engagement of all key stakeholders, namely registered persons (RPs), voluntary associations (VAs), the public, local authorities (LAs), architectural learning sites (ALS), CBE and DPW</i>		
a) Engagement with registered persons	<ul style="list-style-type: none"> <li>• Determine the demographic composition of SACAP registered persons</li> <li>• Determine the information requirements</li> <li>• Develop appropriate Communication Strategy</li> <li>• Implement the strategy</li> </ul>	<ul style="list-style-type: none"> <li>• The demographic of the active register of architectural professionals was determined.</li> <li>• Regular e-mail communication was disseminated to registered persons.</li> <li>• The website was maintained as a communication tool to reach all stakeholders.</li> <li>• CPD courses were reflected on the website as well as the active register of professionals.</li> </ul>

## Profile (continued)

TARGET	INDICATOR	PERFORMANCE
<b>STRATEGIC PRIORITY 3: Develop SACAP as a Centre of Excellence</b>		
<i>Objective 3.2 To develop and implement strategies for engagement of all key stakeholders, namely registered persons (RPs), voluntary associations (VAs), the public, local authorities (LAs), architectural learning sites (ALS), CBE and DPW</i>		
b) Engagement with voluntary associations	<ul style="list-style-type: none"> <li>• Ensure on-going communication with the VAs i.t.o. the MoU and per direction of the Stakeholder Management Committee</li> <li>• Enforce regular reporting requirements i.t.o. the Act and recognition of VAs</li> <li>• Liaise with the VAs to align the CPC of SACAP with those of the VAs and vice versa</li> <li>• Set and promote standards for education requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Communicated with VAs in writing and met with some VAs to understand the challenges facing VAs.</li> <li>• The website was maintained as a communication tool to reach all stakeholders.</li> <li>• The Rules for Recognition of VAs was revised and gazetted.</li> </ul>
c) Engagement with the public through home owners' and ratepayers associations	<ul style="list-style-type: none"> <li>• Determine the target market that – i.e. land owners and rate payers</li> <li>• Determine the information requirements</li> <li>• Determine the most effective medium of communication</li> <li>• Determine the geographic areas that require immediate attention</li> <li>• Implement strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Participated in Careers Unlimited 2013 to educate school leavers about available architectural education and the importance of enrolling on an accredited programme.</li> <li>• Participated in high school career guidance days to promote the profession.</li> <li>• Participated in radio interviews and in BuildAid publications.</li> <li>• The active register of professionals was maintained on and accessible from the website.</li> </ul>
d) Engagement with local authorities	<ul style="list-style-type: none"> <li>• Identify local authorities in need of intervention</li> <li>• Determine the information requirements</li> <li>• Develop appropriate communication strategy</li> <li>• Implement strategy</li> </ul>	<ul style="list-style-type: none"> <li>• The website was maintained as a communication tool to reach all stakeholders.</li> <li>• The active register of professionals was maintained and made accessible from the website.</li> </ul>
e) Engagement with architectural learning sites (ALS)	<ul style="list-style-type: none"> <li>• Take into account academic calendar year when determining SACAP calendar</li> <li>• Identify relevant personnel at ALS</li> <li>• Compile relevant information for distribution and engagement to ALS</li> <li>• Complete Education Fund requirements with ALS</li> <li>• Conduct ALS visits</li> </ul>	<ul style="list-style-type: none"> <li>• Convened regular meetings with the Heads of Schools of the ALS.</li> <li>• Made presentations at various ALS to educate students about the candidate registration process.</li> <li>• The website was maintained as a communication tool to reach all stakeholders.</li> </ul>

TARGET	INDICATOR	PERFORMANCE
<b>STRATEGIC PRIORITY 3: Develop SACAP as a Centre of Excellence</b>		
<i>Objective 3.2 To develop and implement strategies for engagement of all key stakeholders, namely Registered Persons (RPs), Voluntary Associations (VAs), the Public, Local Authorities (LAs), Architectural Learning Sites (ALS), CBE and DPW</i>		
f) Engagement with CBE	<ul style="list-style-type: none"> <li>Comply with all CBE requirements</li> <li>Submit relevant quarterly reports on time</li> <li>Co-ordinate CBE/SACAP meetings</li> <li>Follow-up on all actions emanating from CBE /SACAP meetings</li> <li>Submit SACAP Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>A Memorandum of Agreement was signed with CBE.</li> <li>Submitted quarterly reports</li> <li>Participated in the Registrars' forum.</li> <li>Participated in other CBE forums e.g. the Mentorship Task Team.</li> <li>On-going liaison with the CBE on matters such as IDoW, Competition Commission.</li> <li>The website was maintained as a communication tool to reach all stakeholders.</li> </ul>
g) Engagement with DPW	<ul style="list-style-type: none"> <li>Comply with all DPW requirements</li> <li>Submit SACAP Annual Report due on 31 August</li> </ul>	<ul style="list-style-type: none"> <li>The website was maintained as a communication tool to reach all stakeholders.</li> </ul>
<i>Objective 3.3 To ensure that sufficient financial resources are in place to sustain SACAP</i>		
a) Ensure financial integrity of SACAP	<ul style="list-style-type: none"> <li>Adhere to finance policies and procedures, including procurement of services</li> <li>Ensure that all procurement is the most effective</li> <li>Ensure that all expenditures are signed off and submitted on time</li> <li>Undertake monthly reconciliation</li> <li>Provide SACAP Finance Unit with correct paperwork so that payments are made timeously to suppliers</li> <li>Re-examine and refine cross checking of information i.e. confirmation of receipt of payments and disqualification of applicants</li> <li>Educate service providers regarding the SACAP requirements in terms of invoices and payment cycles</li> </ul>	<ul style="list-style-type: none"> <li>A new head of the Finance Unit was appointed with a mandate to strengthen the finance systems and controls.</li> <li>A new Supply Chain Management Policy was developed and introduced. The policy aimed to align SACAP's supply chain processes with the requirements of the PFMA. Employees are slowly adapting to the new supply chain regime.</li> <li>The need for capacity building in this area has been identified to address the problems encountered with adherence to finance policies and procedures, including procurement of services.</li> <li>To ensure that all procurement is most effective, a process of reviewing the existing Service Level Agreements was initiated and will continue in 2013/14.</li> <li>A supplier database was developed and payment terms were negotiated with service providers.</li> </ul>

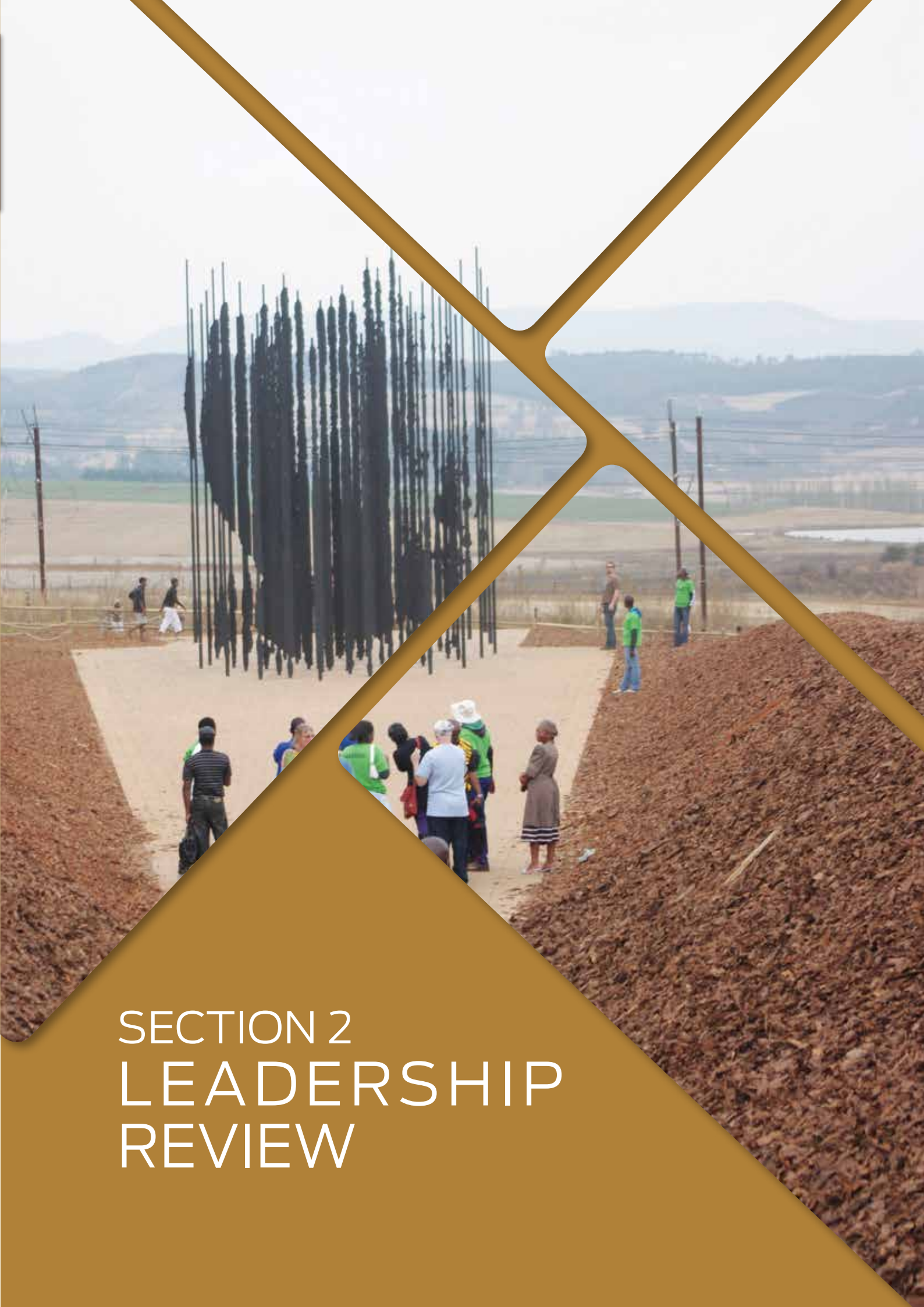
## Profile (continued)

TARGET	INDICATOR	PERFORMANCE
<b>STRATEGIC PRIORITY 3: Develop SACAP as a Centre of Excellence</b>		
<i>Objective 3.3 To ensure that sufficient financial resources are in place to sustain SACAP</i>		
b) Contribute to the production of an annual budget	<ul style="list-style-type: none"> <li>Produce estimates of expenditure in line with the Business Plan</li> <li>Produce projections of prospective income</li> <li>Recommend adjustments to the fee structure in line with inflation and operational needs</li> </ul>	<ul style="list-style-type: none"> <li>Expenditure and income were estimated to implement the Strategic Plan. The high turnover, especially at a management level, made it difficult to access some historical data for expenses and income.</li> <li>Due to operational constraints, the fee structure was only adjusted for inflation,</li> </ul>
c) Integration of the annual budget and Operating Plan	<ul style="list-style-type: none"> <li>Finalise organisation's budget with Executive Management</li> <li>Present budget to Council for approval</li> <li>Facilitate organisation's strategic review process</li> <li>Ensure strategic priorities are linked to budget</li> </ul>	<ul style="list-style-type: none"> <li>The budget for 2013/14 was prepared and approved by Council.</li> <li>The organisation's strategy was reviewed and adopted in June 2012.</li> <li>The strategic priorities were linked to the budget.</li> </ul>
d) Manage and monitor unit budgets	<ul style="list-style-type: none"> <li>Obtain budget templates from Finance Unit</li> <li>Link strategic priorities to budget</li> <li>Populate template and finalise unit budget</li> <li>Meet internally to discuss line items</li> <li>Submit to Executive Management</li> <li>Monitor budget by completing the monthly monitoring template</li> </ul>	<ul style="list-style-type: none"> <li>Templates developed by the Finance Unit were utilised.</li> <li>Although the budget links the strategic priorities and planned expenditure, the absence of senior managers for most of the year constrained detailed planning, implementation and related expenditure.</li> <li>The 2012/13 budget was monitored throughout the period.</li> </ul>
e) Ensure that SACAP is a going concern	<ul style="list-style-type: none"> <li>Good liquidity and unqualified audit report</li> </ul>	Unqualified audit report received for 2012/13.
<i>Objective 3.4 To position SACAP as an active role player within the built environment</i>		
a) Ensure SACAP's representation in all CBE activities	<ul style="list-style-type: none"> <li>Attend Registrar's Forum</li> <li>Participate in sharing progressive business ideas with other Built Environment Councils</li> <li>Participate in business activities impacting on SACAP's mandate</li> <li>Attend to Minister and DPW's built environment initiatives</li> </ul>	<ul style="list-style-type: none"> <li>SACAP was represented at the CBE Registrar's Forum and the DPW Minister's Budget Vote.</li> <li>SACAP also participates in the CBE IDoW Committee.</li> <li>Submitted quarterly reports to CBE and DPW.</li> </ul>

TARGET	INDICATOR	PERFORMANCE
<b>STRATEGIC PRIORITY 4: Social Responsibility</b>		
<i>Objective 4.1 Contribute to poverty alleviation through job creation within the scope of the architectural profession</i>		
a) Identify and pursue the employment creation avenues within the architectural profession	<ul style="list-style-type: none"> <li>• Identify and exploit architectural profession avenues that can enhance job creation within the built environment</li> <li>• Ensure public knowledge and understanding of the architectural profession to encourage increased interest in the profession</li> <li>• Create and implement ways and means to open avenues to those persons that were previously excluded from the profession</li> <li>• Develop and create architectural designs that would directly or indirectly contribute to employment creation (labour-intensive approaches)</li> </ul>	<ul style="list-style-type: none"> <li>• Promoted the profession to high school learners.</li> <li>• Published an advertorial.</li> <li>• Developed a comprehensive Communications Plan.</li> </ul>
<i>Objective 4.2 To promote role of the architectural profession in general transformation</i>		
a) Ensure the transformation of the Architectural Profession Guidelines and Legislation	<ul style="list-style-type: none"> <li>• Ensure the demographical balance of professionals in architecture by:               <ul style="list-style-type: none"> <li>– Running campaigns to increase interest in the profession</li> <li>– Proactively encourage entry to the profession through effective career guidance</li> <li>– Relax the entry requirements into the profession whilst ensuring the upholding of the professional standards</li> <li>– Extensively contribute to the efforts of CBE and other structures towards the transformation of the built environment</li> <li>– Contribute to funding architectural studies</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The work of the Transformation Task Team, established in the previous reporting period, gained some momentum. The Task Team tabled a report to Council and it was agreed that SACAP set up a Transformation Committee. A Transformation Strategy was discussed and the state of transformation in the sector was reviewed.</li> <li>• The draft SACAP Transformation Policy Framework was developed and discussed.</li> </ul>

# Profile (continued)

TARGET	INDICATOR	PERFORMANCE
<b>STRATEGIC PRIORITY 4: Social Responsibility</b>		
<i>Objective 4.3 To contribute to the driving the government's proposed infrastructural development</i>		
a) Actively contribute to government's Infrastructure Development Programme	<ul style="list-style-type: none"> <li>Actively participate in the CBE initiatives to lead the Infrastructure Development Programme</li> <li>Identify and collate the levels of architectural skills required in the roll out of the Infrastructure Development Programme</li> <li>Encourage the involvement of the architectural profession in the various projects of the programme</li> <li>Exploit the Infrastructure Development Programme for identification of income-generating activities for architectural professionals</li> </ul>	<ul style="list-style-type: none"> <li>SACAP recognises the need for alignment between its goals and activities and that of government's transformation efforts. Council aims to position the profession towards the promotion of the general transformational agenda, the contribution to employment creation and to enhancing the efforts in contributing to the proposed government Infrastructure Development Programme.</li> <li>A comprehensive Communications Plan was developed to strategically and effectively engage all stakeholders. The plan will be implemented in 2013/14.</li> </ul>
<i>Objective 4.4 To drive the implementation of green architectural practices</i>		
a) Spearhead the green architecture with all affected parties	<ul style="list-style-type: none"> <li>Campaign for the architectural designs that are effective with regards to green architecture</li> <li>Encourage municipalities to ensure the incorporation of green architecture in plans submitted for approval</li> </ul>	<ul style="list-style-type: none"> <li>A comprehensive Communications Plan was developed to strategically and effectively engage all stakeholders. The plan will be implemented in 2013/14.</li> </ul>



SECTION 2  
LEADERSHIP  
REVIEW

# President's Review



It is my pleasure to report on the Council's achievements during its current term in office. Council has broadly aligned its strategic priorities and therefore the resultant strategic objectives with its statutory mandate, as encapsulated in the Architectural Profession Act, No. 44 of 2000, underpinning the existence of the South African Council for the Architectural Profession (SACAP). We are ensuring the translation of such strategic objectives into an implementable Operational Plan.

The Act generally tasks the Council with:

- The protection of the public with respect to the professional services provided by architectural professionals;
- Regulation of the architectural profession through the determination of the requirements for persons wishing to register as practising architectural professionals or candidates;
- Determination of the applicable registration, annual subscription, and other relevant fee structures for registered persons;
- 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;
- Spearheading the improvement of 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;
- Creating awareness among its registered persons of the importance of protecting the environment against unsound architectural practices; and
- Aligning the architectural profession with the current transformational intents of the South African Government.

These strategic priorities and, therefore, the strategic objectives, guide Council in performing its duties, as operationalised through the delegation of authority to the appointed Registrar and subsequently the personnel of SACAP.



## Strategic Priorities

### Ensuring Compliance by Registered Persons

During the period under review, Council has continued to improve awareness of the necessity for compliance with the Act through the implementation of targeted campaigns amongst its stakeholders. In this particular instance, local municipal authorities were targeted to educate them about the architectural profession and to agree, with them, on the requirements for submission of building plans for approval by registered professionals. 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 on-going with other stakeholders in an effort to promote the architectural profession and to further educate the public about the protection that they enjoy from perceived negative architectural practices.

The bulk of the awareness campaign, aimed at ensuring compliance by registered persons, will continue intensely in the 2013/14 financial year through the implementation of the Communication Plan prepared by Management and adopted by Council.

### 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). The provision of these grants was frozen because SACAP was running a deficit in 2009, 2010 and 2011. We currently are revisiting the process of grant making, the processes for allocation and aligning the funding with the broader requirements and related issues of the built environment.

Through SACAP's Professional Development Unit we further continued to engage 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 within the architectural profession.

During the period, the improvement of relations between SACAP and other similar institutions internationally continued, with particular emphasis on the rest of the African continent and with the intention of establishing working relationships.

SACAP aims to increase its registered persons database and that of candidates by about 25% in the 2013/14 year.

### 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 in fulfilling its role. Council continues to implement the agreed 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. Council has approved a number of policies and others were operationalised during this period. These policies and some procedures have materialised after considerable deliberation and are informed by the Act under which SACAP was constituted. Staff will need to be assisted to adhere to the procedures endorsed by Council, and both SACAP executive 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 play an oversight role on operations. The implementation of the turnaround strategy remains the focus of Council for the coming financial year, particularly in view of Council's appreciation of the role SACAP has to play within transformational processes.

In an effort to deal with challenges encountered with the registration process, SACAP will be introducing the new electronic-based, online registration system that will eliminate the challenges that have been encountered in the past.

# President's Review (continued)

## Social Responsibility

During the period under review, Council identified the need to align SACAP's activities and goals with the broader transformational efforts of government. To this effect, Council has continued to prioritise the manner in which the architectural profession can be practised to contribute to poverty alleviation through job creation within the scope of the profession. Architecture plays a pivotal role within the built environment stable, and to this end, Council embarked on positioning the profession to promote the general transformational agenda, its contribution to employment creation and to enhancing efforts proposed by government in terms of infrastructural development, inclusive of contributions to improved environmental practices by spearheading green architectural practices.

## 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. In its endeavour to protect the public and ensure a safe built environment, SACAP has also embarked on steps to curb corruption and fraud reported at the point of plan approval.

### Identification of Work

The Interim Policy on 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. SACAP is currently involved with the Competition Commission to deliberate on issues raised by the latter with respect to the IDoW concept. The outcome of this process is expected towards the end of the coming financial year.

### Continuous Professional Development

Continuing 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 it 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 continue to assess the CPD programmes or engage with service providers before the programmes are offered.

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

The Council has also taken steps to ensure that the CPD requirements are strictly adhered to through the introduction of a CPD audit action and a related penalty regime.

### Code of Conduct

The Code of Conduct is the responsibility of every registered person. 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 Examination (PPE). Architectural professionals are advised to ensure that they have in place the guidelines of processes 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.

It has however come to SACAP's attention that there have been, in some instances, including deliberate breaches of the Code of Conduct by some professionals. To this effect, the Investigation Committee, assisted by management, has taken steps in dealing with the affected persons in the interests of protecting the public.

### Recognition of Prior Learning

Recognition of Prior Learning is not a function of SACAP but that of Accredited Architectural Institutions which can evaluate, grade and advise on the previous knowledge acquired by an applicant and offer a qualification or status of knowledge.

### Voluntary Associations

Recognised voluntary associations (VAs) is one of SACAP's largest stakeholder groups and most of the Council committees 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 unit.

### 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.

Members of the public 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 professional is competent to carry out the work and we will gladly assist with any other queries they may have. Most importantly the public can refer a complaint to Council about inappropriate conduct by RPs. It is with this focus in mind that we will continue to set the organisation on a new, self-propelled trajectory.



**Mr Phill Mashabane**  
SACAP President

# Registrar's Review



The year under review has been an eventful and challenging one. This was the fourth year of the third Council, which was appointed in the middle of the 2009/10 financial year. The Council has made strides in appreciating and determining the direction of the SACAP business mandate. Acting Registrar, Corrie Smit, served between January and March 2012, but continued thereafter until 30 April 2012 to hand over duties to the newly appointed Registrar, who commenced his duties on 2 April 2012.

This transitional period was very demanding for the new Registrar who had to introduce stability within the operational environment and simultaneously ensure the translation of the reviewed strategic objectives into implementable business plans, whilst at the same time revisiting internal systems and processes and also introducing measures which would address and correct the image of SACAP with its stakeholders.

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

## **Challenges**

The main challenge that SACAP faced in the period under review was the need to refocus the culture of the entity and its internal stakeholders towards a common goal, based on the main objectives of SACAP. Another challenge was to correct and streamline processes and systems to 'synchronise' and to support the mandate of the organisation.

## **Policy Development and Review**

The need was identified to align the existing policies of SACAP to the relevant legislation and also to ensure that they are aligned to the requirements of the PFMA and other relevant applicable legislation. The policies required in terms of the PFMA such as the Supply Chain Management (SCM) Policy, were given priority.

Although some significant work was done, these reviews will continue in the next 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 also fully understood. Whilst 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 reduced significantly. The period saw the exit of:

- The Legal and Compliance Officer;
- The Communications and Stakeholder Relations Administration Officer; and
- The Finance Administrator (Bookkeeper).

SACAP succeeded in filling all the positions below that were vacant, including internal transfers of existing staff to fill vacant posts on the basis of their competencies and skills:

- The Communications and Stakeholder Relations Senior Manager;
- The Professional Development Unit Senior Manager;
- Four Contact Centre Administration personnel; and
- Secretariat staff.

At the end of the financial year we had two vacancies which were not filled, namely those of the Supply Chain Management (SCM) and Information and Communication and Technology (ICT) Officers. The SCM function was carried out by the Finance Manager himself, whilst the ICT work was outsourced.

## Information and Communication Technology Systems

SACAP's ICT systems continued to pose a challenge to the organisation. A critical analysis of the problem was undertaken with the resultant installation of new ICT equipment such as the server; the new telephone system and the Customer (registered persons) Call Centre telephone system, inclusive of the necessary software to handle (capture and track) registered persons' complaints and queries. This financial year

also realised the conception of the long awaited Online Registration System that will speed up the turnover cycle of the registration process and the issuing of relevant registration documentation such as certificates. The new system will enhance the speedy capturing of the monthly training records, inclusive of CPD credits and analysis. Registered professionals will also be able to download and pay their invoices through the system. However, due to the Supply Chain Management (SCM) protocols that we adhere to, the system will be installed during the middle of the next financial year.

Power outages in the area again created a 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. However, this problem was resolved through the installation of Uninterrupted Power Supply (UPS) systems during the financial year. This has helped a great deal in ensuring continuity of operations during power outages.

## Strategy

The period saw the unpacking of strategic priorities/objectives into the Business Plans and further translated into Performance Agreements with staff. This process will continue in the new financial year to ensure the effective execution of SACAP's mandate.

During this financial year SACAP has also succeeded in addressing certain image related problems through the development and approval of the very intense Corporate Communications and Stakeholder Relations Plan for the coming three years. This plan will be rolled out during the coming year to bring SACAP closer to its stakeholders.

## Successes

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

### Unqualified Audit

SACAP achieved its fourth unqualified audit in succession. In addition, SACAP was deemed a 'going concern'. However, some significant and housekeeping matters were raised which will be addressed during the new financial year.

# Registrar's Review (continued)

## PFMA Compliance

SACAP developed a checklist for PFMA Compliance. This checklist was forwarded to the Department of Public Works (DPW) through the Council for the Built Environment (CBE) in an attempt to ensure that SACAP complies with the PFMA and Treasury Regulations applicable to public entities, as required by the Shareholder.

## Framework for Strategic Plans and Annual Performance

A revised Treasury format for the Framework for Strategic Plans and Annual Performance Plans was received and the first aspects of this format were incorporated into the SACAP Business Plan and Annual Report. SACAP has included the first annual performance assessment documents in this Annual Report.

## Budget

A detailed budgeting process was followed resulting in the 2012/13 budget guided expenditure for the period. The organogram was reviewed during the budget process and the new organogram was implemented with effect from 02 April 2012.

## Calendar of Meetings

The annual calendar was aligned with that of government, the CBE and associations. This significantly improved the planning of meetings and the governance aspects of agendas, minutes and work flowing from committee resolutions. In addition, SACAP appointed Council committee secretaries to strengthen this area of performance, and a workshop was held with the committee Secretary Manager and the Executive Assistant to the Council, which resulted in the formulation of committee service standards. We introduced the new Registry Unit within SACAP for storage of all Council committee documents and all other critical documents. The bulk of the information in these documents is backed up to our computers and server. The improvement and effective management of this Registry will be realised during the next financial year.

## Registration Processes

In response to findings of inconsistencies by the internal auditors in previous reporting periods, SACAP continued to

improve the registration process. Among other refinements, a checklist was developed to ensure consistency in the preliminary screening, evaluation and finalisation of applications. Through the introduction of the Call Centre, the turnaround times were reviewed, including the most efficient ways of tracking the transaction. There are still some problems emanating from some registered professionals and these are being factored into the further enhancement of our systems.

## Revised SACAP Mission, Vision and Values

The revised SACAP mission, vision and values express the new thinking adopted by SACAP. This lays 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 some of the voluntary associations. The bulk of the communications based on the newly developed plan will be effected in the new financial year.

## Professional Practice Examination

During the reporting period, SACAP re-examined the Professional Practice Examination (PPE) process and reviewed the curriculum. A workshop for examiners and markers continued to be held during the review year, resulting in a marked improvement in the pass rate.

## 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 the certificates. The latter part of the period saw an increase in the frequency of printing certificates from a quarterly basis to fortnightly.

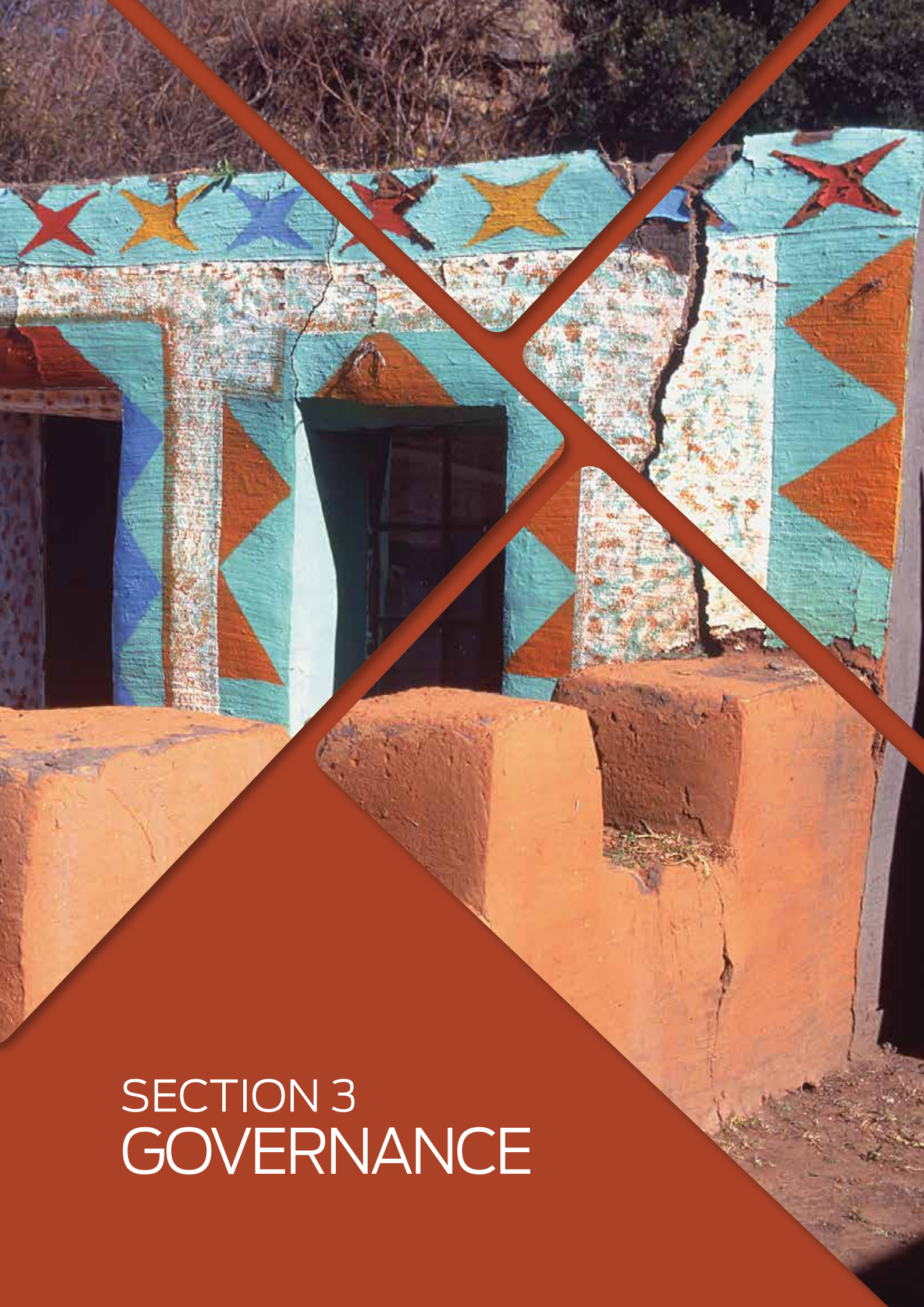
## Conclusion

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 Council for its continued presence and involvement in SACAP's activities.

My appreciation also extends to members of the recognised VAs, and all other stakeholders that have supported our improvement efforts by raising issues about the services rendered to them, and thereby enabled us to effect the necessary changes. Special thanks go to the operational team at SACAP for their support and efforts to contribute to the bottom line of SACAP. Lastly, I would like to thank the CBE and the Registrars of the other Built Environment Professional Councils (BEPCs) that have made a tremendous contribution to my ability to progress through our Registrar's Forum.



**Mr E Lekota**  
Registrar



SECTION 3  
GOVERNANCE



# Composition of Council

The Council consists of members who are appointed by the Minister of Public Works taking into account, among other things, the principles of transparency and representivity. Council consists of seven registered persons, excluding candidates, of whom at least four must actively practice in the architectural profession and must be nominated by voluntary associations and any registered person; two professionals in the service of the state nominated by any sphere of government, but at least one must be nominated by the Department of Public Works; and two members of the public nominated through an open process of public participation.

## 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 R Ruiters	Coloured	Male

## Council Meeting Attendance

Name	20 April 2012	28 June 2012	27 July 2012	05 Oct 2012	16 Nov 2012	15 Feb 2013	08 Mar 2013
Mr P Mashabane (President)	√	x	√	√	√	√	√
Ms L Scott (Vice-President)	√	√	√	√	√	√	√
Ms A Houston (Treasurer)	√	√	√	√	√	x	√
Prof. G Steyn	x	√	√	√	√	√	√
Mr P Crafford	x	√	x	√	√	√	√
Mr F Motsepe	√	√	√	√	√	√	√
Ms H Nienaber	x	x	√	√	√	√	√
Ms M Gerrans	√	√	√	√	√	√	√
Mr D Basdew	√	√	√	√	√	√	√
Mr R Ruiters	√	√	√	√	√	√	√

Key: √ in attendance x not in attendance

## Composition of Council (continued)

### Council



**Phill Mashabane**  
President



**Lula Scott**  
Vice-President



**Anthea Houston**  
Treasurer



**Fanuel Motsepe**  
Council



**Gerald Steyn**  
Council



**Phillip Crafford**  
Council



**Helene Nienaber**  
Council



**Maureen Gerrans**  
Council



**Rowen Ruiters**  
Council



**Dhanashwar Basdew**  
Council

### Executive Committee (EXCO)



**Phill Mashabane**  
President



**Lula Scott**  
Vice-President



**Anthea Houston**  
Treasurer



**Faniel Motsepe**  
Council



**Dhanashwar Basdew**  
Council

## Composition of Council (continued)

### Executive Committee (EXCO) and Meeting Attendance

Name	02 April 2012	24 May 2012	15 Nov 2012	11 Apr 2013
Mr P Mashabane (President)	√	√	√	√
Ms L Scott (Vice-President)	√	√	√	√
Ms A Houston (Treasurer)	√	√	√	√
Mr F Motsepe	x	√	√	√
Mr D Basdew	o	o	√	√

Key: √ in attendance x not in attendance o not yet a member

### Procurement Committee and Meeting Attendance

Name	24 May 2012	06 July 2012	24 Aug 2012	14 Sep 2012	26 Oct 2012	27 Mar 2013
Ms A Houston (Chairperson)	√	√	√	√	√	√
Ms L Scott (Vice-President)	√	√	√	√	√	√
Ms M Gerrans	√	√	√	√	√	√
Mr R Ruiters	√	√	√	√	√	√

Key: √ in attendance x not in attendance

### Audit and Risk Committee and Meeting Attendance

Name	02 April 2012	18 May 2012	28 May 2012	13 Jul 2012	14 Sept 2012	24 Jan 2013	05 Feb 2013
Ms RA Kenosi (Independent Member and Acting Chairperson)	√	√	√	√	√	√	√
Mr V Mabuli (Independent Member)	√	√	√	√	√	x	√
Mr C Senoamadi (Independent Member)	√	√	√	x	√	√	√
Ms L Scott (Vice-President)	√	√	√	√	√	√	#
Ms A Houston (Treasurer)	√	√	√	√	√	√	x

Key: √ in attendance x not in attendance # teleconference

### Communications and Stakeholder Relations (CSR) Committee and Meeting Attendance

Name	12 July 2012	18 Oct 2012	29 Jan 2013
Mr D Basdew (Chairperson)	√	√	√
Ms L Scott (Vice-President)	√	√	x
Ms M Gerrans	√	√	√
Mr R Ruiters	√	√	√

Key: √ in attendance x not in attendance

### Continuing Professional Development (CPD) Committee and Meeting Attendance

Name	31 Aug 2012	12 Oct 2012	27 Feb 2013
Ms H Nienaber (Chairperson)	√	√	×
Ms L Scott (Vice-President)	√	√	×
Mr N Adler	√	√	√
Ms M Gerrans	√	√	√
Mr B Wallis	√	√	√
Mr D Basdew	×	√	√
Ms P Emmett	√	×	√
Ms F Jordaan	√	×	×
Mr F Dekker	√	√	√

Key: √ in attendance × not in attendance

### Heads of Schools Committee and Meeting Attendance

Name	30 Aug 2012
Prof. G Steyn (Chairperson)	√
Prof. A Steenkamp	√
Prof. K Bakker	√
Prof. A Van Graan	×
Prof. P Kotze	√
Prof. C Vosloo	√
Prof. T Xaba	√
Prof. G Mclachlan	√
Ms N Darke	×
Mr Y Luckan	√
Mr S Schmidt	√
Ms M Bitzer	√
Mr M Mkhize	√

Key: √ in attendance × not in attendance

## Composition of Council (continued)

### Identification of Work (IDoW) Committee and Meeting Attendance

Name	05 Mar 2012	27 Sept 2012
Mr F Motsepe (Chairperson)	√	√
Ms L Scott (Vice-President)	√	√
Mr L Du Toit	√	√
Mr F Dekker	×	×
Mrs P Emmett	√	×
Mr P Brown	√	√
Mr P Bakker	√	√
Mr D Basdew	√	√
Ms M Gerrans	√	√
Ms F Jordaan	×	×
Mr MS Mansura (Alternate Member)	√	×

Key: √ in attendance × not in attendance

### Investigating Committee and Meeting Attendance

Name	03 Oct 2012	15 Nov 2012	07 Mar 2013
Mr P Mashabane (Chairperson)	√	√	√
Mr P Brown	√	×	×
Mr A Louw	√	√	√
Mr D Joubert	√	√	√
Ms M Gerrans	√	√	√
Mr D Basdew	√	√	√

Key: √ in attendance × not in attendance

## Professional Fees Committee and Meeting Attendance

Name	08 Mar 2012	06 Sep 2012	22 Jan 2013
Mr P Crafford (Chairperson)	x	√	√
Ms L Scott (Vice-President)	√	√	√
Mr I Alexander	√	√	√
Mr J Barnard	√	√	√
Mr D Basdew	√	√	√
Ms M Gerrans	√	√	x
Mr A Louw	√	x	√
Mr S Segal	x	x	√
Mr M Borgström	x	x	√
Mr B Wallis (Observer)	√	√	x
Mr U Putlitz (Invited Expert)	x	x	√

Key: √ in attendance x not in attendance

## Validation Committee and Meeting Attendance

Name	03 Apr 2012	26 Jun 2012	2 Nov 2012	19 Feb 2013
Prof. G Steyn (Chairperson)	√	√	√	√
Mr P Crafford	√	√	x	x
Mr J De Villiers	√	√	√	√
Mr F Motsepe	x	√	√	√
Ms M Gerrans	√	√	√	√
Mr D Yuill	√	•	•	•
Mr R Lekota	◦	√	√	√

Key: √ in attendance x not in attendance ◦ not yet a member • retired

# Executive Management



**Edwin Lekota**  
Registrar



**Prudence Mkhwanazi**  
Head: Secretariat,  
Research, Registry, Office  
and Facilities Management



**Daniel Manamela**  
Head: Professional  
Development



**Nontembeko Thutani**  
Head: Monitoring,  
Evaluation and Contact  
Centre



**Pappie Maja**  
Head: Corporate  
Communications and  
Stakeholder Relations

Note: The positions of Chief Financial Officer and Head: Legal and Compliance, who are also members of Executive Management, were vacant at 31 March 2013

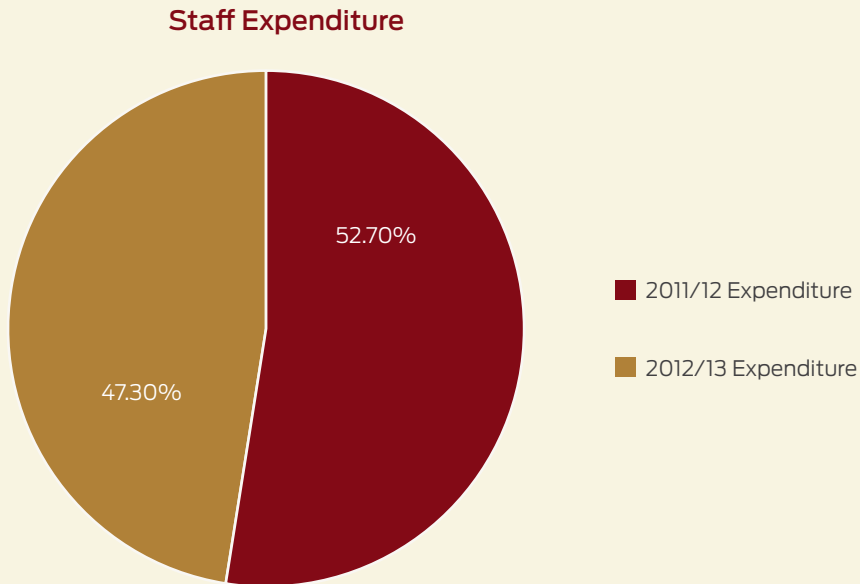


# Human Resources

The Human Resource function is supervised by the Council, which deals with SACAP staffing requirements, including conditions of service and recruitment.

## Expenditure

Total staff costs in the 2012/13 financial year amounted to R5,726,410.00 (2011/12: R6,390,268.00). Staff costs represented 47.3% of total expenditure for the 2012/13 financial year, compared to 52.7% in the previous reporting period. The diagram below presents a comparison of staff costs between 2011/12 and 2012/13.



## Human Resources (continued)

### Employment Changes

The staff complement for the year under review was 31 as at 31 March 2013.

The table below illustrates appointments made in the 2012/13 financial year.

Incumbent	Unit	Position
Edwin Lekota	Registrar	Registrar/CEO
Thami Tshilane	Finance	Manager: Finance
Daniel Manamela	Professional Development Unit (PDU)	Head: PDU
Pappie Maja	Corporate Communications and Stakeholder Relations (CSR)	Head: CSR
Mmathabo Seleke	Monitoring, Evaluation and Contact Centre	Assistant: Contact Centre
Grace Sibaya	Monitoring, Evaluation and Contact Centre	Admin: Contact Centre
Virquila Johnson	Monitoring, Evaluation and Contact Centre	Admin: Contact Centre
Sanny Papi	Monitoring, Evaluation and Contact Centre	Admin: Contact Centre
Philasande Nodada	Monitoring, Evaluation and Contact Centre	Admin: Contact Centre
Rachel Nhlapo	Secretariat, Research, Office and Facilities Management, Registry	Secretariat
Mahlodi Rakgetsi	Secretariat, Research, Office and Facilities Management, Registry	Secretariat
Nomvula Mathaba	Secretariat, Research, Office and Facilities Management, Registry	Secretariat
Senzo Khubisa	Secretariat, Research, Office and Facilities Management, Registry	Driver
Nombulelo Makubalo	Legal and Compliance	Paralegal
Setjhaba Serobanyane	Registrar	Officer: Human Resources

**Internal Staff Transfers**

Incumbent	Unit	Position
Prudence Mkhwanazi	Secretariat, Research, Office and Facilities Management, Registry	Head
Nontembeko Thutani	Monitoring, Evaluation and Contact Centre	Head
Mafalena Kgoahla	Professional Development	Admin: PDU

**Staff Resignations**

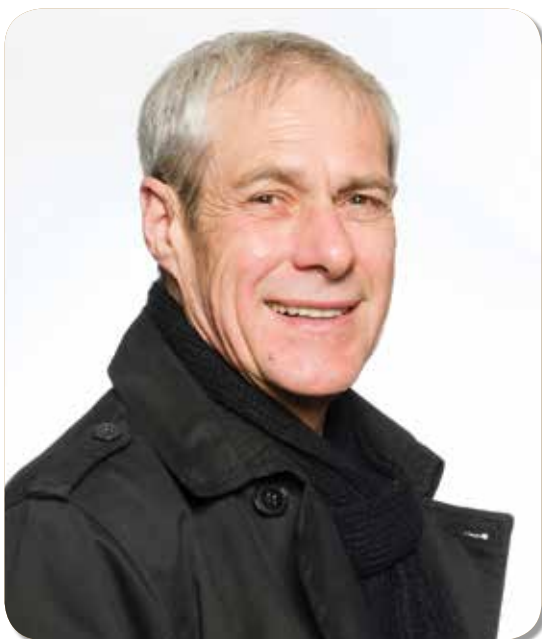
Incumbent	Unit	Position
Lindiwe Mahlangu	Finance	Bookkeeper
Thalukanyo Nangammbi	Corporate Communications and Stakeholder Relations	Officer: CSR
Michael Tshikororo	Legal and Compliance	Manager



SECTION 4  
OPERATIONS AND  
PERFORMANCE

# Registrations

Chairperson: Prof. Gerald Steyn



Previous annual reports expressed concern over the decreasing number of registered persons. It is therefore heartening to report that the number of registered persons increased from 7,380 to 9,532 during this financial year.

This increase can largely be attributed to the number of professionals that re-registered, after being removed for non-payment of their annual fees. The number of newly registered candidates increased from 423, to a total of 603 for the period.

Of the number of registered professionals:

- Black professionals now constitute 14% of the total; and
- Female professional architects constitute 24% of the total.

Of the number of registered candidates:

- Black candidates constitute 28% of the total; and
- Female candidate architects constitute 35% of the total.

Of some concern is the fact that 35% of the registered candidates have been registered for periods longer than required for their period of internship. An alarming number of 190 candidates have in fact been registered as such for more than six years.

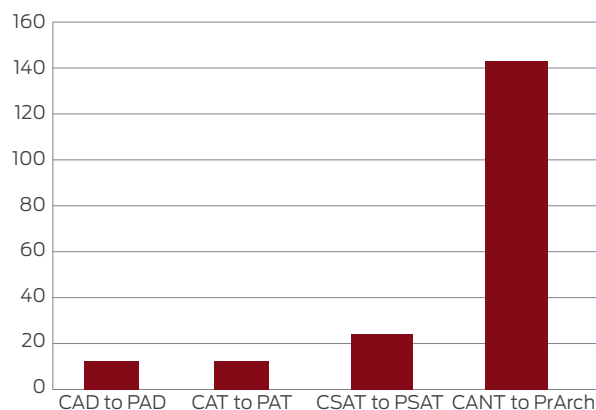
## Professional Registrations

All new applicants are registered as candidates and can upgrade to a professional registration category once they have complied with the requirements for internship and have passed the Professional Practice Examination (PPE). The figures for this graph therefore reflect the number of registered candidates that were upgraded to a professional registration category during the period under review.

Table 1: Upgrades

Initial Category		Upgraded to		Total
Candidate Architectural Draughtspersons	CAD	Professional Architectural Draughtsperson	PAD	12
Candidate Architectural Technologists	CAT	Professional Architectural Technologist	PAT	12
Candidate Senior Architectural Technologists	CSAT	Professional Senior Architectural Technologist	PSAT	23
Candidate Architects	CANT	Professional Architect	PrArch	143

Table 1.1

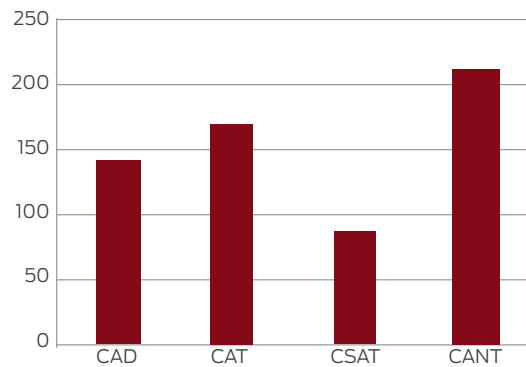


# Registrations (continued)

**Table 2: New Registrations**

Category		No. of Registrations
Candidate Architectural Draughtspersons	CAD	143
Candidate Architectural Technologists	CAT	162
Candidate Senior Architectural Technologists	CSAT	90
Candidate Architects	CANT	208
<b>TOTAL</b>		<b>603</b>

**Table 2.1**



**Table 3: Non-active Categories (Total on Database)**

Category	No. of Persons
Declined	21
Disqualified	111
Deceased	196
Non-practicing	94
Removed	6,554
Retired	93
Resigned	93
<b>TOTAL</b>	<b>7,162</b>

**Table 3.1**

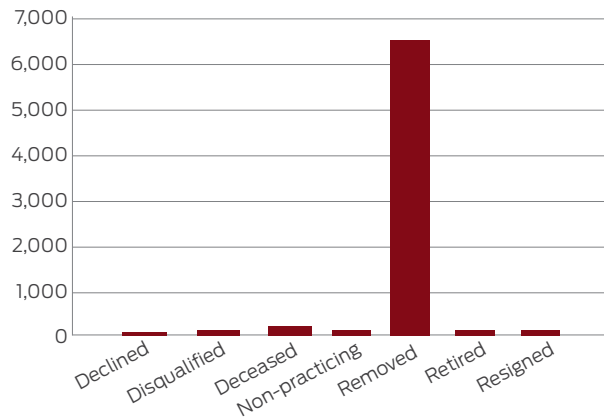
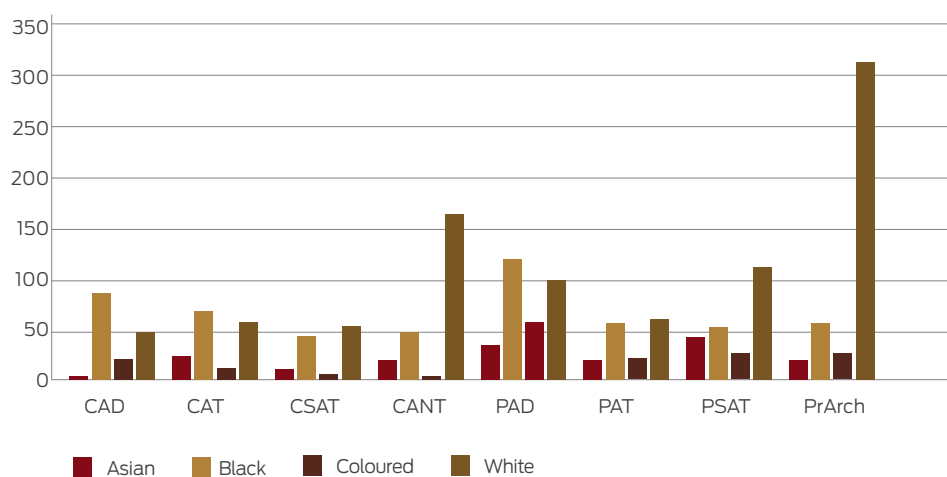


Table 4: Registrations by Race Group

Category		Asian	Black	Coloured	White	Total
Candidate Architectural Draughtspersons	CAD	4	81	9	49	143
Candidate Architectural Technologists	CAT	20	70	13	59	162
Candidate Senior Architectural Technologists	CSAT	6	27	3	54	90
Candidate Architects	CANT	12	32	2	162	208
Sub-total Candidates		42	210	27	324	603
Professional Architectural Draughtspersons	PAD	25	124	43	99	291
Professional Architectural Technologists	PAT	18	62	19	62	161
Professional Senior Architectural Technologists	PSAT	25	35	19	115	194
Professional Architects	PrArch	16	56	18	315	405
Sub-total Professionals		84	277	99	591	1,051
TOTAL		126	487	126	915	1,654

Table 4.1



# Registrations (continued)

**Table 5: Registrations by Gender**

Category		Female	Male	Total
Candidate Architectural Draughtspersons	CAD	25	118	143
Candidate Architectural Technologists	CAT	64	98	162
Candidate Senior Architectural Technologists	CSAT	25	65	90
Candidate Architects	CANT	70	138	208
<b>Sub-total Candidates</b>		<b>184</b>	<b>419</b>	<b>603</b>
Professional Architectural Draughtspersons	PAD	32	259	291
Professional Architectural Technologists	PAT	24	137	161
Professional Senior Architectural Technologists	PSAT	24	170	194
Professional Architects	PrArch	110	295	405
<b>Sub-total Professionals</b>		<b>190</b>	<b>861</b>	<b>1,051</b>
<b>TOTAL</b>		<b>374</b>	<b>1,280</b>	<b>1,654</b>

**Table 5.1**

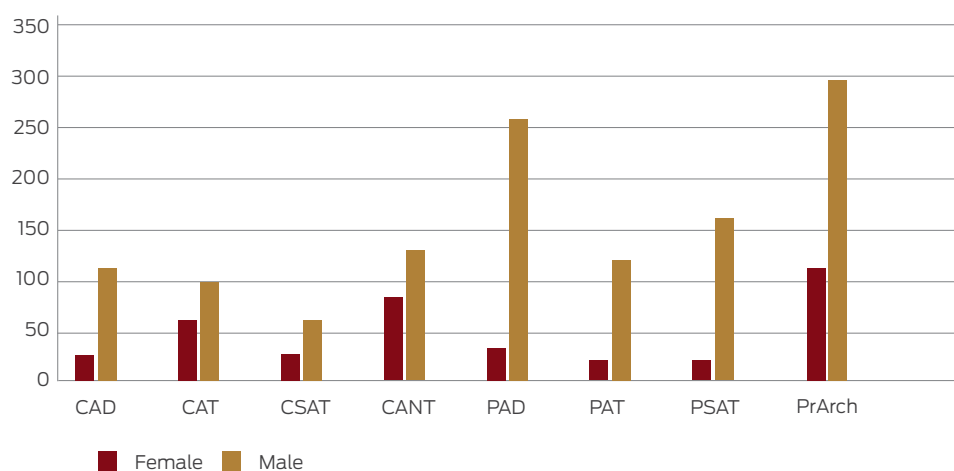
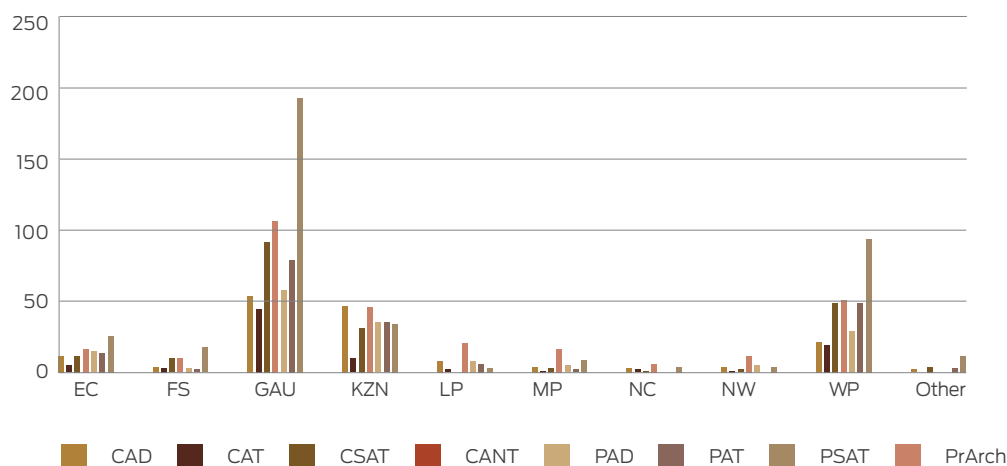




Table 6: Registrations by Province

Category		EC	FS	GAU	KZN	LP	MP	NC	NW	WC	Other	Total
Candidate Architectural Draughtspersons	CAD	6	5	70	11	14	12	2	9	13	1	143
Candidate Architectural Technologists	CAT	12	4	55	48	8	4	3	4	22	2	162
Candidate Senior Architectural Technologists	CSAT	5	3	46	10	2	1	2	1	20	0	90
Candidate Architects	CANT	12	10	94	32	0	3	1	2	50	4	208
Sub-total Candidates		35	22	265	101	24	20	8	16	105	7	603
Professional Architectural Draughtspersons	PAD	17	10	109	47	21	17	6	12	52	0	291
Professional Architectural Technologists	PAT	15	3	59	36	8	5	0	5	30	0	161
Professional Senior Architectural Technologists	PSAT	14	2	81	36	6	2	0	0	50	3	194
Professional Architects	PrArch	26	18	198	35	3	9	4	4	96	12	405
Sub-total Professionals		72	33	447	154	38	33	10	21	228	15	1,051
TOTAL		107	55	712	255	62	53	18	37	333	22	1,654

Table 6.1

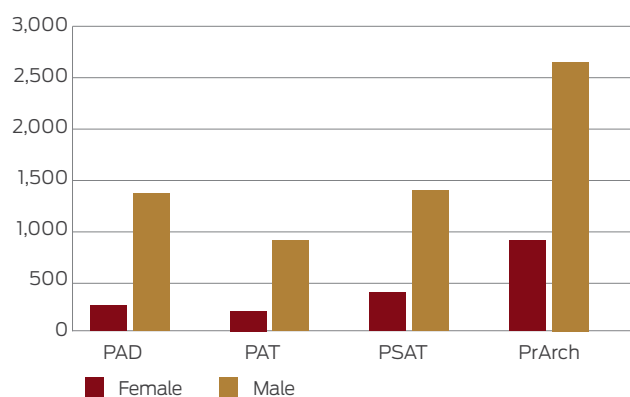


# Registrations (continued)

**Table 7: Registrations by Gender: Professionals**

Category		Female	Male	Total
Professional Architectural Draughtspersons	PAD	210	1,345	1,555
Professional Architectural Technologists	PAT	174	815	989
Professional Senior Architectural Technologists	PSAT	306	1,374	1,680
Professional Architects	PrArch	827	2,632	3,459
<b>TOTAL</b>		<b>1,517</b>	<b>6,166</b>	<b>7,683</b>

**Table 7.1**



**Table 8: Registrations by Race Group: Professionals**

Category		Asian	Black	Coloured	White	Total
Professional Architectural Draughtspersons	PAD	107	443	218	787	1,555
Professional Architectural Technologists	PAT	111	153	101	624	989
Professional Senior Architectural Technologists	PSAT	164	140	122	1,254	1,680
Professional Architects	Pr Arch	155	348	117	2,939	3,559
<b>TOTAL</b>		<b>537</b>	<b>1,084</b>	<b>558</b>	<b>5,604</b>	<b>7,783</b>

Table 8.1

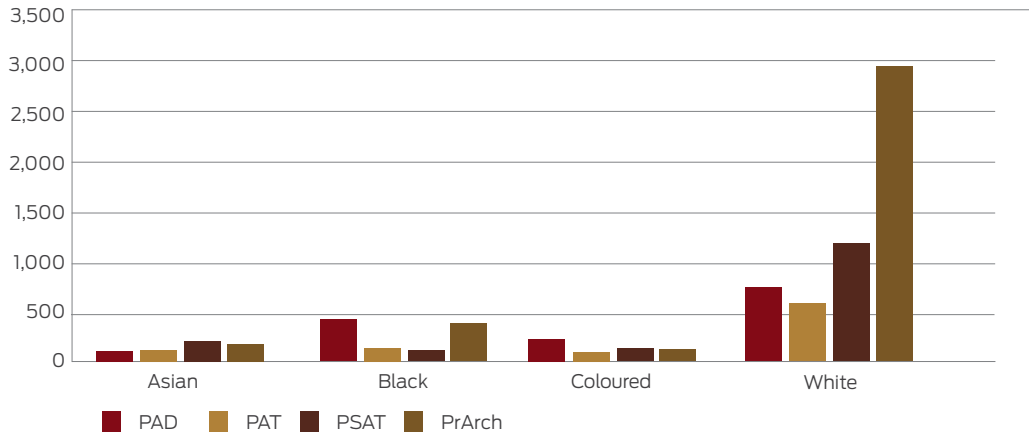
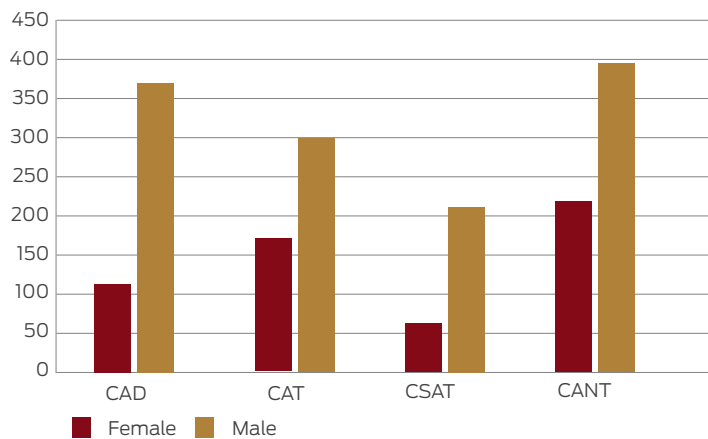


Table 9: Registrations by Gender: Candidates

Candidates		Female	Male	Total
Candidate Architectural Draughtspersons	CAD	113	372	485
Candidate Architectural Technologists	CAT	176	299	475
Candidate Senior Architectural Technologists	CSAT	71	208	279
Candidate Architects	CANT	216	396	612
<b>TOTAL</b>		<b>576</b>	<b>1,275</b>	<b>1,851</b>

Table 9.1

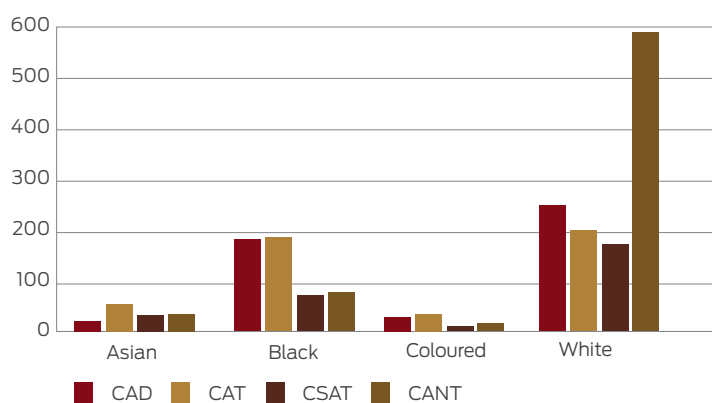


# Registrations (continued)

**Table 10: Registrations by Race Group: Candidates**

Candidate		Asian	Black	Coloured	White	Total
Candidate Architectural Draughtspersons	CAD	21	188	33	243	485
Candidate Architectural Technologists	CAT	52	186	34	203	475
Candidate Senior Architectural Technologists	CSAT	31	70	10	168	279
Candidate Architects	CANT	35	76	16	485	612
<b>TOTAL</b>		<b>139</b>	<b>520</b>	<b>93</b>	<b>1,099</b>	<b>1,851</b>

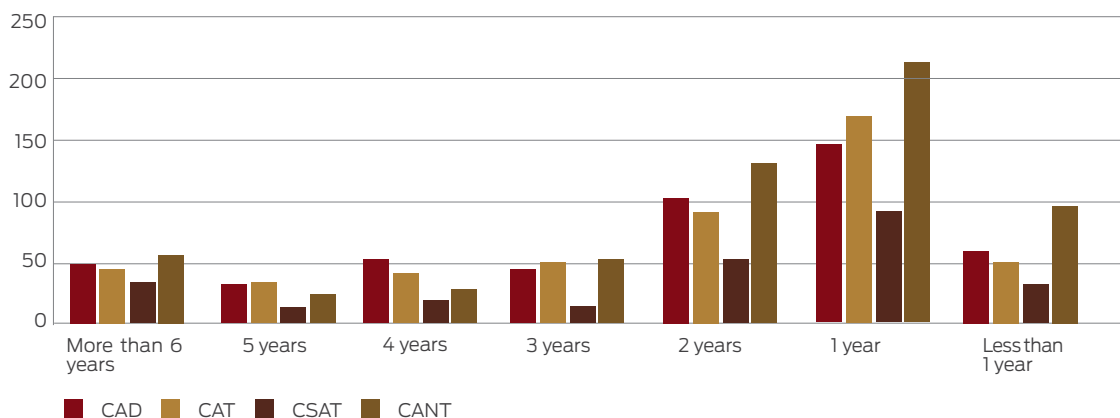
**Table 10.1**



**Table 11: Number of Years that Candidates have been Registered (as at 31 March 2013)**

Candidates		More than 6 years	5 years	4 years	3 years	2 years	1 year	Less than 1 year	Total
Candidate Architectural Draughtspersons	CAD	50	34	52	43	101	143	61	484
Candidate Architectural Technologists	CAT	47	35	40	51	88	167	52	480
Candidate Senior Architectural Technologists	CSAT	37	15	27	21	53	90	36	279
Candidate Architects	CANT	56	30	35	54	138	208	91	612
<b>TOTAL</b>		<b>190</b>	<b>114</b>	<b>154</b>	<b>169</b>	<b>380</b>	<b>608</b>	<b>240</b>	<b>1,855</b>

Table 11.1



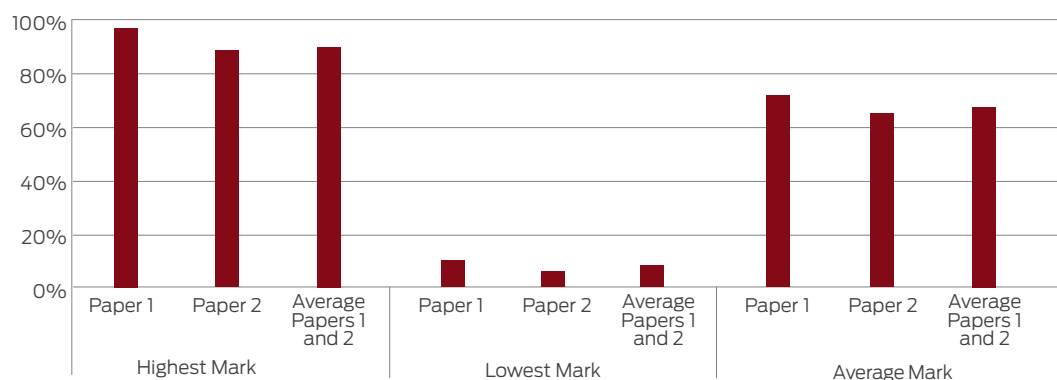
**Professional Practice Examination (PPE)**

It should be noted that Table 12 only reflects statistics for the Professional Practice Examination (PPE) written in September 2012. The PPE that is normally written in March 2013 was not written and could therefore not be included in the statistics.

Table 12: PPE Statistics

No. of registered persons that wrote	Paper 1	134
	Paper 2	130
Highest mark	Paper 1	96%
	Paper 2	90%
	Average Papers 1 and 2	91%
Lowest mark	Paper 1	13%
	Paper 2	8%
	Average Papers 1 and 2	11%
Average mark	Paper 1	77%
	Paper 2	67%
	Average Papers 1 and 2	72%

Table 12.1



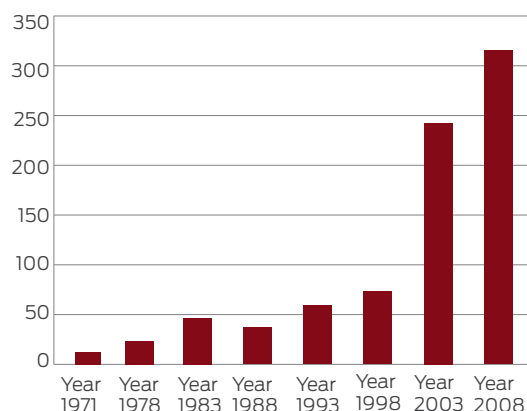
# Registrations (continued)

## Continuing Professional Development (CPD)

**Table 13: Renewal of Registration  
(Due 31 December 2012)**

Year of Registration	Total No. for Renewal
Year 1971	10
Year 1978	24
Year 1983	44
Year 1988	30
Year 1993	65
Year 1998	73
Year 2003	245
Year 2008	320
<b>TOTAL</b>	<b>811</b>

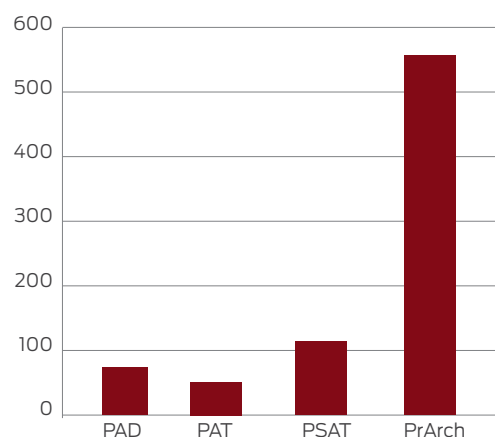
**Table 13.1**



**Table 14: Renewal of Registration by Category**

Category	2013 Renewals
Professional Architectural Draughtsperson (PAD)	90
Professional Architectural Technologist (PAT)	65
Professional Senior Architectural Technologist (PSAT)	104
Professional Architect (PrArch)	552
<b>TOTAL</b>	<b>811</b>

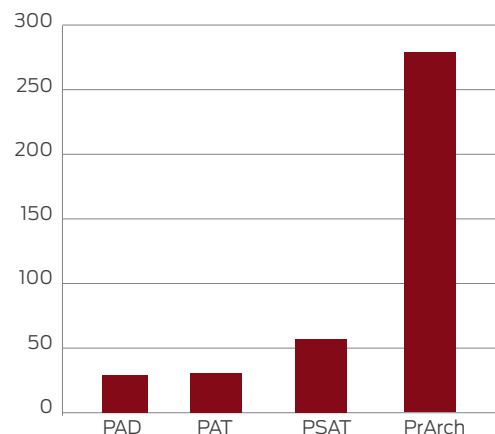
**Table 14.1**



**Table 15: Portfolios Submitted**

Category	No. of Persons
Professional Architectural Draughtsperson (PAD)	34
Professional Architectural Technologist (PAT)	35
Professional Senior Architectural Technologist (PSAT)	66
Professional Architect (PrArch)	270
<b>TOTAL</b>	<b>403</b>

**Table 15.1**



# Appeals and Tribunals (Legal and Compliance)

Chairperson: Mr Phill Mashabane



**Table 16: Complaints Received –  
01 April 2012–31 March 2013**

Nature of Complaint	Number of Complaints Received
Breach of contract	1
Certification of defects	0
Contravention of 500 m <sup>2</sup>	0
Copyright infringement	0
Defective services	3
Delay in completing work	3
Demolition of heritage building	0
Failure to render services	12
Professional fees	0
Fraud	4
No terms of appointment	0
Not registered	7
Poor inspection	0
Pretence to be an architect	2
Professional negligence	0
Theft	0
Unethical behaviour	6
Working without supervision	0
<b>TOTAL</b>	<b>38</b>

## Complaints

This section of the report encompasses complaints dealt with by the Legal and Compliance Unit. The information provides an overview of complaints handling by providing statistics describing the nature of complaints and also highlighting prevalent complaints.

Complaints regarding unprofessional conduct by registered persons are in the majority, followed by complaints regarding unregistered persons undertaking architectural work.

## Code of Professional Conduct

It is the duty of SACAP to ensure that the registered persons undertaking architectural work, comply with the Architectural Profession Act No. 44 of 2000, at all times and adhere to the Code of Professional Conduct.

It is therefore the mandate of this unit to ensure that alleged breaches of the Code of Professional Conduct are investigated in accordance with determined procedures as stipulated in sections 27 to 33 of the Act.

**Table 17: Complaints Against Candidates and Professionals per Category**

Category of Registration	Number of Cases
Candidate Architectural Draughtspersons	0
Candidate Architectural Technologists	0
Candidate Senior Architectural Technologists	1
Candidate Architects	1
Professional Architectural Draughtspersons	9
Professional Senior Architectural Technologists	9
Professional Architects	5
Professional Architectural Technologists	3
<b>TOTAL</b>	<b>28</b>

Note: The total does not tally with the number of cases received by the unit, as per Table 16, because some of the complaints are lodged against the same individuals.

One complaint was lodged against a practice based in the Eastern Cape but not a specific professional within the practice.

# Identification of Work (IDoW)

Chairperson: Mr Fanuel Motsepe



## General

The IDoW Committee's work for the period 1 April 2012 to 31 March 2013 centred primarily around finalising the CBE Board Notice for SACAP, which constitutes the CBE's SACAP regulations developed out of the SACAP IDoW Policy document. Other activities related to the general functions of the IDoW Committee, involved addressing queries by local authorities and registered professionals (RPs). The activities mentioned above are briefly outlined below.

## IDoW Policy

As part of finalising the CBE Board Notice for SACAP, which constitutes the CBE's SACAP regulations, numerous teleconferences and two workshop sessions were held between the CBE's legal consultant, the SACAP IDoW Committee's Chairperson and the IDoW Committee's Deputy-Chairperson. The document is currently completed and is with the CBE as well as the Competition Commission.

## Status of Publishing the Interim Policy as an Interim Rule

The IDoW Policy Board Notice 154 remains published as an Interim Policy because the IDoW Committee decided that first the document needed to be aligned with the CBE's SACAP regulations. This has been achieved as mentioned above. All the queries that SACAP has received to date from RPs and local authorities afford SACAP the opportunity to fine-tune the policy as each query is addressed. Moreover, with the policy published, SACAP has been able to circumvent and drastically reduce many of the illegal practices that plagued the profession and the public.

As such, SACAP has found the publishing of the Interim Policy most useful and valuable because subsequent comments and queries continue to improve the policy and help to better regulate the profession. SACAP is confident that procedures towards promulgation of the policy by the Minister of Public Works have been eased as a result of the published Board Notice. Once the Competitions Commission has concluded its review of the IDoW Policy, SACAP will publish it as an Interim Rule whilst awaiting promulgation by the Minister.

## Frequently Asked Questions Ad Hoc Committee

Having established this Ad Hoc Committee to address queries by RPs, the public and stakeholders, the committee needed only to meet once to address complex matters given that SACAP's website also caters for frequently asked questions, albeit that these address simpler, less complex matters.



## IDoW Policy's Annexed Policies

### 1. Exemptions Policy

The CBE's legal consultant advised the IDoW Committee Chair and Deputy Chair that exemptions can only be applied by the Minister and not SACAP. As such, the Exemptions Policy had been removed from the IDoW Policy.

#### *Overlaps*

Although exemptions are the function of the Minister, SACAP is the authority to address overlaps within its environment. Within the architectural profession there are 'Inter-Category Overlaps' which are areas of consultancy services common to more than one category of registration at SACAP. There are also 'Inter-Council Overlaps' in which areas of consultancy services are common between the six councils of the CBE.

'Inter-Category Overlaps' are addressed by the 'Special Consent Policy' and the 'Recognition of Prior Learning Policy'. Through facilitated consultation and workshops the six different councils are attempting to address 'Inter-Council Overlaps' by way of overlaps agreements so as to avoid professionals from having to register with more than one Council.

In noting that overlaps agreements are still being workshopped by the six councils, SACAP has undertaken to publish Board Notices as and when matters of overlaps are resolved. Once all the overlaps agreements are concluded and signed off between the six councils, these Councils will revise their IDoW Policies and IDoW Regulations and communicate such signed off overlaps agreements.

### 2. Recognition of Prior Learning

The RPL Policy was finalised and all RPL applications are now processed only at ALSs.

### 3. Special Consent Policy

Given that there were some cases which SACAP historically considered as exemptions, such matters are now facilitated under the Special Consent Policy. Following finalisation of the Special Consent Policy, the procedure for applying for special consent is now implemented at SACAP.

### 4. Transitional Authorisation Policy

After the Minister has promulgated the IDoW Policy, the Transitional Authorisation Policy will be applicable to facilitate those persons who undertook work without being registered and RPs who performed work that was above their category of registration. A six-month window period will be allowed for all such persons to disclose their indiscretions.

### Inter-Council IDoW Ad Hoc Committee

This Ad Hoc Committee only met once during the period, as it was difficult to synchronise diaries. Nonetheless this committee will continue to exist so as to address overlap matters, to facilitate the needs of respective RPs as well as to address matters pertaining to local authorities.

# Professional Guideline Fees

## Chairperson: Mr Phillip Crafford



The following matters are, *inter alia*, under review:

1. Publication of Fee Guideline document;
2. Approval of the Terms of Reference of the Fees Committee;
3. SACAP organogram and how professional fees relates to other committees;
4. Professional fees for type drawings, heritage and the like;
5. Code of Conduct with reference to professional fees;
6. Tendering and fee tendering processes;
7. CIDB Professional Services Agreement;
8. Framework for determining professional fees – Executive Summary.

Guidelines for professional fees are arrived at on the following basis:

### Historic Precedent

Professional fees were traditionally determined on a percentage basis, i.e.:

- 1.5% of building cost for sketch plans;
- 3% of building cost for working drawings; and
- 1.5% of building cost for site supervision.

### Modern Precedent

The work of an architectural professional was divided into five stages, with an apportionment of guideline fees to each stage.

### The Present

- The work of an architectural professional is divided into six stages;
- The typical activities of each stage are clearly listed; and
- The apportionment of guideline fees to each stage is dependent on the total project cost.

# Corporate Communication and Stakeholder Relations

Chairperson: Mr Dhanashwar Basdew



## Strategic Objective

The CSR Unit is committed to and responsible for enhancing the image of SACAP through proactive reputational management, improved stakeholder relations and communication initiatives aligned to the organisation's strategic objectives.

## Overview

The CSR Unit was responsible for the following during the period under review:

- Attending to daily communication regarding enquiries received from registered persons via the SACAP website's Contact Us section. (This was completed prior to the SACAP Contact Centre that was established in the latter part of 2012).
- The production of advertorials that were placed in various publications, which assisted in building awareness of SACAP's responsibilities in terms of the Act. Participation in the Careers Unlimited 2013 publication along with other professional councils within the built environment. The purpose of the advertorial was to educate school leavers about the various kinds of architectural education that are available and the importance of studying at an accredited architectural learning site.

## Communication with Stakeholders

Regular e-mailers were disseminated to SACAP registered persons informing the profession of various legislative processes with specific reference to SACAP's mandate.

The SACAP website remains one of the most effective and strategic forms of communication with all stakeholders. The Continuing Professional Development (CPD) courses were regularly updated on this section of the website.

The SACAP website is updated daily to reflect the active Register of SACAP registered persons. This remains an invaluable tool and reference for local authorities, members of the public and professionals to establish the registration status of those members who are active within the profession.

## Engagement with Stakeholders

A workshop was held with Council and committee members on the importance and operations of the organisation. A second workshop was held with employees to improve their understanding of SACAP, its operations and dynamics.

SACAP participated in presentations at various architectural learning sites which aimed at educating the students about their responsibility in terms of the candidate registration process which forms part of an on-going campaign aimed at all SACAP-accredited architectural learning sites. This work complements regular meetings with the heads of schools which SACAP convened throughout the year.

# Corporate Communication and Stakeholder Relations (continued)

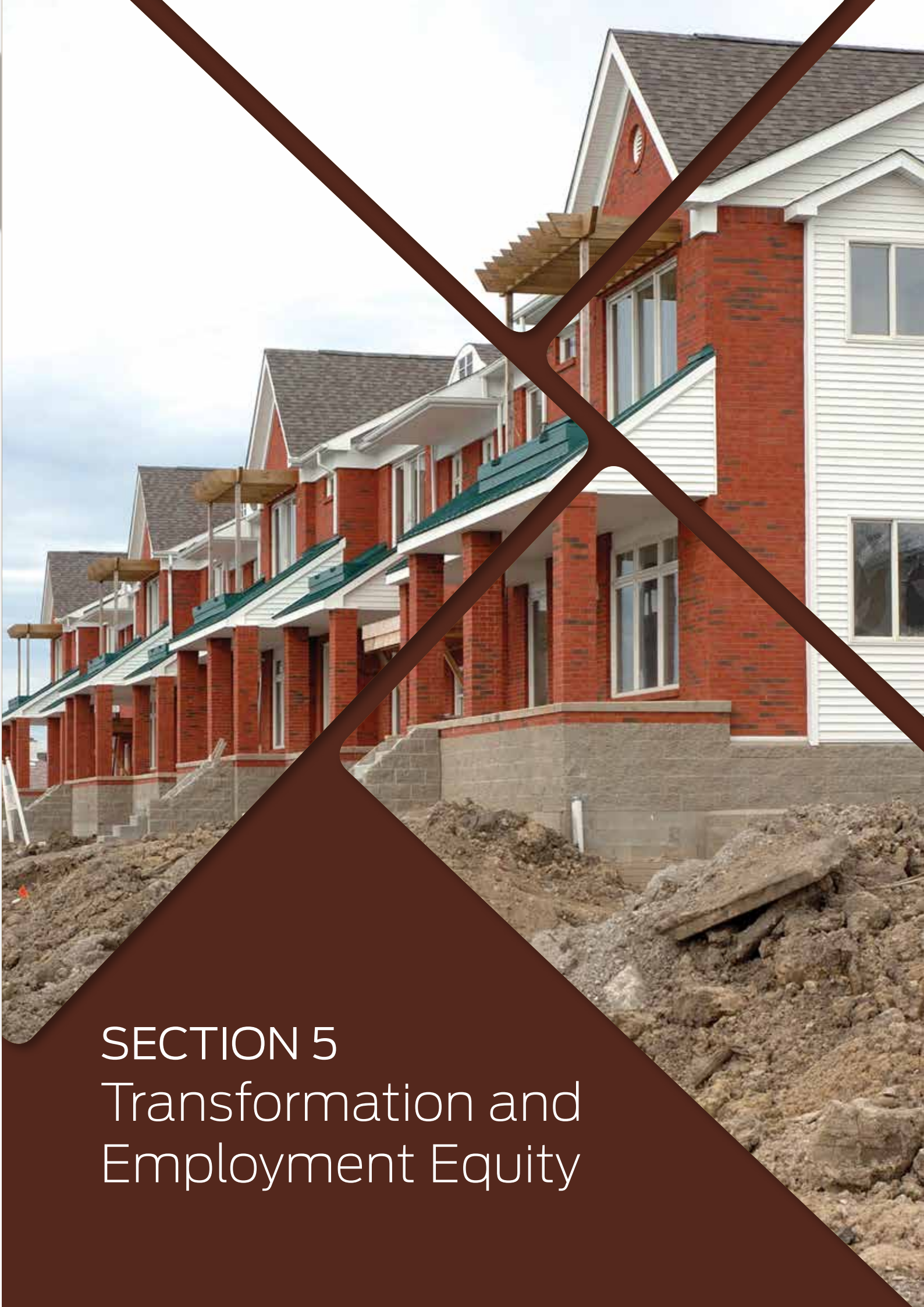
The CSR Unit represented SACAP at career guidance days arranged by various high schools on the East Rand at the request of the DPW, who sponsored this initiative. The various built environment professions were represented by young professionals who imparted valuable knowledge about the career possibilities that exist within the profession.

SACAP re-established relationships through meetings which were held with several voluntary associations (VAs) during the year. The intention of the meetings was to re-introduce SACAP to stakeholders and gain an understanding of the challenges the VAs are facing.

SACAP was interviewed on numerous occasions by BuildAid, which is a community radio show dedicated to construction and the built environment.

## **Conclusion**

The unit experienced a number of challenges due to staff shortages. As a result, it was not possible to achieve all the strategic objectives set. The situation improved with the relocation of information and communication and technology (ICT) to the Office Management and Facilities Unit toward the latter part of 2012, and the appointment of the Head of the Department.



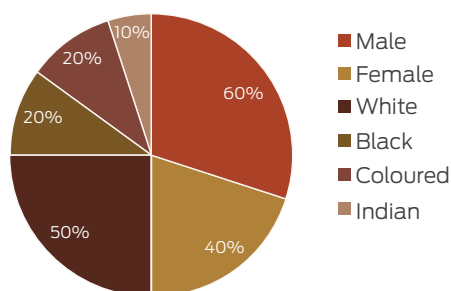
SECTION 5  
Transformation and  
Employment Equity

# Transformation and Employment Equity 2012/13

## Council

SACAP has ten Council members who are elected in accordance with the Architectural Profession Act, No. 44 of 2000. The Council is reasonably transformed in terms of gender (six male and four female members); and race (five White, two Black, two Coloured and one Indian).

## Council Transformation and Employment Equity



## Executives

SACAP has endeavoured to employ skilled and suitably qualified managers. The skill and competency profile of each executive member currently in place is aimed at enhancing the implementation of the revised strategy as translated into the Operational Plan.

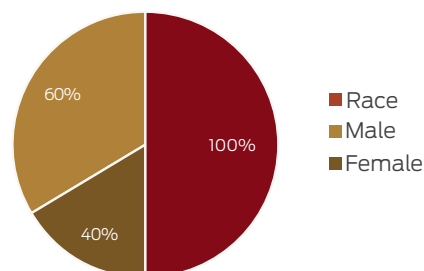
Table 18: Demographic and Gender Profile of SACAP Executives

Executive	Position	Race	Gender
Edwin Lekota	Registrar/CEO	B	M
Prudence Mkhwanazi	Head: Secretariat, Research, Office and Facilities Management Registry	B	F
Daniel Manamela	Head: Professional Development	B	M
Nontembeko Tutani	Head: Monitoring and Evaluation and Contact Centre	B	F
Pappie Maja	Head: Corporate Communications and Stakeholder Relations	B	M

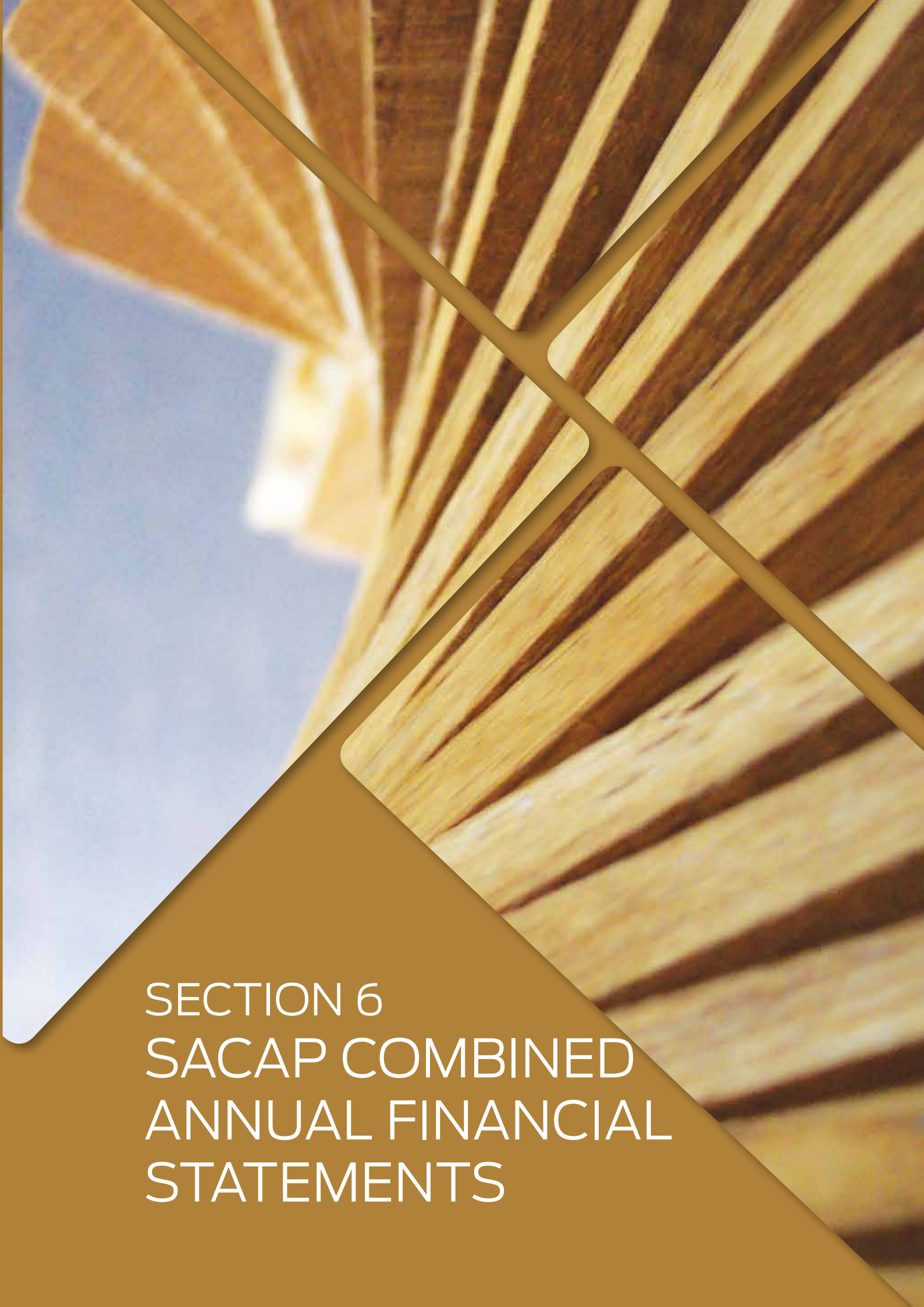
Key: B: Black M: Male F: Female

Table 18.1

## Executive Transformation and Equity Employees



SACAP had a total staff component of thirty-one persons for the 2012/13 financial year. These thirty-one members comprise twenty-five Black, two Coloured, two White and two Indian. Of these, 69% are female and 31% male. Sixteen (16) staff members fall within the youth category, considered to be between 18 and 35 years of age, and fifteen (15) staff members are adults, considered to be 36 years old and above.



SECTION 6  
SACAP COMBINED  
ANNUAL FINANCIAL  
STATEMENTS

# Index

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

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Statement of Comprehensive Income	72
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Statement of Cash Flows	74
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Notes to the Combined Annual Financial Statements	80

The following supplementary information does not form part of the annual financial statements and is unaudited

Detailed Income Statement	96
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# General Information

Country of incorporation	Republic of South Africa
Nature of business and principle activities	Statutory body that regulates the registration of architectural professionals in South Africa
Council members	Mr P Mashabane – President Ms P Scott – Vice-President Ms A Houston – Treasurer Mr F Motsepe Mr D Basdew Mr R Ruiters Ms M Gerrans Ms M Nienaber Prof. G Steyn Mr P Crafford
Registered office address	First Floor, Lakeside Place Cnr Ernest Oppenheimer and Queen Street Bruma 2026
Business address	First Floor, Lakeside Place Cnr Ernest Oppenheimer and Queen Street Bruma 2026
Postal address	PO Box 408 Bruma 2026
Bankers	First National Bank
Auditors	SizweNtsalubaGobodo Inc. Registered Auditors
Level of Assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Architectural Profession Act, No. 44 2000
Preparer	The annual financial statements were independently compiled by: Dipuo Sello – Finance Officer: SACAP
Published	06 August 2013

# Treasurer's Report

Treasurer: Ms Anthea Houston



## Introduction

During the review period, the Council continued to fulfil its fiduciary responsibilities. The Architectural Profession Act, No. 44 of 2000 charges the Council with the responsibility of keeping adequate records of the monies under its control; preparing annual financial statements; having these independently audited and making the audited financial statements available for public inspection. The Act requires that the Council applies due care and diligence when investing and spending the funds under its control, which are primarily the fees paid to us by the people we regulate.

In 2009, when the Council took up office, SACAP ran a deficit in the order of R2.5 million and had to defend its status as a going concern. Throughout our term of office we have worked to turn this situation around and we are proud to report a surplus for the second consecutive year. This is mainly due to the tireless efforts of SACAP's Procurement Committee, our Audit and Risk Committee and the co-operation of SACAP's Management.

## Financial Results

The audited financial statements presented in this report provide a comprehensive picture of our financial results. Once more, SACAP's Statement of Financial Position was strengthened during the review period. The value of investment funds will enable the fourth term Council to consider the outright purchase of a building, thus reducing the high rental cost currently incurred by SACAP. Such a purchase could also potentially create a much needed alternative revenue stream. Furthermore, the accumulated funds increase SACAP's sustainability and will create stability throughout the financial year.

Notably our Statement of Financial Position includes adjustments to our property, plant and equipment. The statement now more accurately reflects the value of our assets. Despite our efforts to reduce the value of unallocated receipts in our accounting records, we continue to carry R1.3 million in unallocated receipts. This arises due to deposits being made by registered persons without reference numbers or using incorrect reference numbers.

The Statement of Comprehensive Income shows that a surplus of R9,514,061 (2012: R6,170,596) was achieved at year-end. Revenue targets were not reached and revenue only increased marginally by 7% to R21,363,662 (2013)

compared to R19,907,757 (2012). Annual fees represented 84% of all revenue and only increased by 3% when compared to the prior year: R18,003,452 (2013) and R17,496,657 (2012). This increase is mainly attributable to the annual fee increase rather than indicating a growing pool of registered persons under SACAP's regulation.

Also noteworthy is the success of the policy to remove registered persons from our database who are in default. The year under review saw an increase in the re-registration of persons affected by this policy. Consequently SACAP collected R1,670,807 in registration and re-registration fees (R924,800 in 2012 and R455,457 in 2011).

Expenditure declined from R14,356,828 (2012) to R13,215,031 (2013). The decline in expenditure during the financial year was mainly due to internal vacancies, forensic audit fees accrued in 2012 which did not repeat itself, the delay in the implementation of the Identification of Work (IDoW) Policy and the implementation of a number of stakeholder engagement initiatives. Expenditure will therefore increase in 2014 as we fill internal vacancies, implement the IDoW Policy and improve stakeholder engagement.

### Conclusion

There is much work still to be done to effectively implement SACAP's mandate to protect the public through the regulation of the profession. However, the state of the economy and resultant construction industry slump is still constraining the income of architectural professionals. Considerable fee increases therefore cannot be sustained by registered persons, even though these fees are SACAP's only source of revenue. Our financial results clearly point

to the need to bring more professionals into the fold in order to realise increased revenue in the coming years. The work of SACAP's Investigation Committee, Professional Development Unit and Communication and Stakeholder Relations Unit will be crucial to encourage young people into the profession, retain the commitment of existing registered persons and limit the scope for professionals to practice without registration.

During the year ahead the Council will implement a PFMA readiness project as it prepares to be listed by National Treasury. As our term of office draws to a close, we once again thank our service providers, the outsourced internal auditors, our independent external auditors and the members of our Audit and Risk Committee for enhancing the capacity of the Council to discharge its fiduciary responsibilities.

With SACAP's financial position stabilised, we have no doubt that the entity is now better placed to effectively pursue its mandate.



**Anthea Houston**  
Treasurer

# Report of the Audit and Risk Committee

Acting Chairperson: Ms Rene Kenosi



## **Audit and Risk Committee Role and Responsibilities**

### **Statutory Duties**

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

The committee executed its duties in Terms of its Terms of Reference.

### **External Auditor Appointment and Independence**

The Audit and Risk Committee has satisfied itself that the external auditor was independent of the entity, as set out in section 94(8) of the Companies Act, No. 71 of 2008, which includes 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 the Companies Act, No. 71 of 2008, and any other legislation relating to the appointment of auditors.

The committee, in consultation with Executive Management, agreed to the engagement letter, terms, Audit Plan and budgeted audit fees for the 2013 year.

### **Financial Statements and Accounting Practices**

The Audit and Risk Committee has reviewed the accounting policies and the financial statements of SACAP and is satisfied that they are appropriate and comply with IFRS.

### **Internal Financial Controls**

Since the period under review the Financial Manager resigned from the organisation to pursue personal interests. The newly appointed Finance Officer became responsible for the entire financial reporting function as well as the day-to-day finance function.

Both internal and external auditors identified numerous internal control weaknesses that should be corrected by Management as a matter of urgency.

Failure to implement corrective action may result in such control weaknesses being escalated and producing unfavourable organisational results.

The insufficient resources with technical expertise within the Finance Department is still of concern to the Audit and Risk Committee and addressing this deficiency will positively contribute to the internal control environment.

#### Duties Assigned by Council

In addition to the statutory duties of the Audit and Risk Committee as reported above, and in accordance with the provisions of the Companies Act, No. 71 of 2008, the Council has determined further functions for the committee to perform, as set out in its Terms of Reference. These functions include the following:

#### Governance of Risk

The risk assessment for the period under review was undertaken during February 2012 and updated during July 2012. Although Management reported to the Audit and Risk Committee on progress of implementation of corrective action during the period under review, risk management processes within the organisation remain at an infancy stage and will have to be elevated in the new financial year.

Risk management policies and framework, including the risk tolerance and acceptance policies, are still to be developed.

The inability to properly structure the risk management function and failure to include risk management as a key performance area for the entire staff complement will result in risk Management remaining at an infancy stage.

#### External Audit

During the year, the committee met with the external auditors without management being present.

#### Internal Audit

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

The outsourced internal audit function reports to the Audit and Risk Committee functionally and to the Registrar administratively. During the period under review, the Audit and Risk Committee approved the Three-year Rolling Plan and Annual Audit Plan to enable internal audit to perform its function and provide assurance to the committee and the organisation as a whole, on the internal control environment.

The Director: Internal Audit has direct access to the committee, primarily through its chairperson.

The contract of the outsourced internal audit service provider expired during the 2012/13 financial year and the function was re-advertised. The new service provider will be appointed in the next financial year.

#### Evaluation of Financial Statements

The Audit and Risk Committee has:

- Reviewed the audited annual financial statements, the external auditor's final management letter and Management's responses thereto;
- Reviewed the appropriateness of accounting policies and practices; and
- Reviewed certain adjustments resulting from the annual audit.

The Audit and Risk Committee concurs with the conclusions of the External Auditors on the annual financial statements.



**Rene Kenosi**  
Acting Chairperson  
05 August 2013

# Report of the Independent Auditors

## To the Persons Registered with the South African Council for the Architectural Profession (Established under the Architectural Profession Act)

We have audited the annual financial statements of the South African Council for the Architectural Profession set out on pages 71 to 95, which comprise the Statement of Financial Position as at 31 March 2013, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

## The Council's Responsibility for the Financial Statements

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

## Auditors' Responsibility

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

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

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

## Opinion

In our opinion, the annual financial statements present fairly, in all material aspects, the financial position of The South African Council for the Architectural Profession at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Architectural Profession Act, No. 44 of 2000.

## Other Reports

As part of our audit of the financial statements for the year ended 31 March 2013, we have read the Treasurer's report, report of the Audit and Risk Committee and the Registrar's report for the purpose of identifying whether there are material inconsistencies between this information and the audited financial statements. The report is the responsibility of the respective preparers. Based on the reading of the report we have not identified material inconsistencies between the report and the audited financial statements. However, we have not audited the report and accordingly do not express a conclusion on the report.

## Supplementary Information

Without qualifying our opinion, we draw your attention to the fact that the supplementary information set out on page 96 to 97 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

*Sizwe Ntsaluba Gobodo Inc.*

**Sizwe Ntsaluba Gobodo Inc.**

Registered Auditors

Per: JPC van Zyl

Pretoria

06 August 2013

# Council's Responsibilities and Approval

The Council is required in terms of the Architectural Profession Act, No. 41 of 2000 to maintain adequate accounting records and are responsible for the integrity of the annual financial statements and related financial information included in this report. It is the Council's responsibility to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

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

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

The Council has reviewed the entity's cash flow forecast for the year to 31 March 2014 and, in the light of this review and the current financial position, it is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on page 68.

The annual financial statements set out on pages 71 to 95, which have been prepared on a going-concern basis, were approved by the Council on 06 August 2013 and were signed on its behalf by:



**Mr P Mashabane**  
President



**Ms A Houston**  
Treasurer

# Registrar's Report

The Registrar submits his report for the year ended 31 March 2013

## 1. Review of Activities

### Main Business and Operations

The South African Council for the Architectural Profession ("the entity") is a statutory body that regulates the architectural profession in South Africa.

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

The mission is to make a positive impact on the built environment by ensuring excellence in performance and service delivery by fostering collaborative relationships with the 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; and
- Create a legacy of humane and sustainable architecture.

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

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

Net profit was R9,514,061 (2012: R6,170,596).

## 2. Going Concern

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

## 3. Events Subsequent to Year-end

The Council members are not aware of any matter or circumstance arising since the end of the financial year.

## 4. Council Members

The members of the Council during the year and to 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 D Basdew	South African
Mr F Motsepe	South African
Prof. G Steyn	South African
Mr P Crafford	South African
Mr R Ruiters	South African
Ms M Gerrans	South African
Ms M Nienaber	South African

## 5. Auditors

SizweNtsalubaGobodo Inc. will continue in office for the next financial period.

## 6. 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'; and
- 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

SECTION 6:  
SACAP COMBINED  
ANNUAL FINANCIAL  
STATEMENTS

	Notes	Combined		Council	
		2013 R	2012 R	2013 R	2012 R
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	3	1,223,038	1,251,627	1,223,038	1,251,627
Intangible assets	4	244,681	34,063	244,681	34,063
		<b>1,467,719</b>	<b>1,285,690</b>	<b>1,467,719</b>	<b>1,285,690</b>
<b>Current assets</b>					
Other financial assets	5	22,889,455	13,803,797	19,709,253	10,758,578
Trade and other receivables	6	857,281	739,184	922,078	803,982
Cash and cash equivalents	7	1,240,606	1,871,701	1,165,629	1,750,507
		24,987,342	16,414,682	21,796,960	13,313,067
<b>Total assets</b>		<b>26,455,039</b>	<b>17,700,372</b>	<b>23,264,679</b>	<b>14,598,757</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Retained income		22,545,136	13,031,075	19,182,374	9,764,056
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Finance lease obligation	8	278,167	416,809	278,167	416,809
<b>Current liabilities</b>					
Finance lease obligation	8	138,543	182,330	138,543	182,330
Trade and other payables	9	3,493,193	4,070,158	3,665,595	4,235,562
		3,631,736	4,252,488	3,804,138	4,417,892
<b>Total liabilities</b>		<b>3,909,903</b>	<b>4,669,297</b>	<b>4,082,305</b>	<b>4,834,701</b>
<b>Total equity and liabilities</b>		<b>26,455,039</b>	<b>17,700,372</b>	<b>23,264,679</b>	<b>14,598,757</b>

# Statement of Comprehensive Income

	Notes	Combined		Council	
		2013 R	2012 R	2013 R	2012 R
Revenue	12	21,363,662	19,907,757	21,363,662	19,907,757
Other income		116,596	75,867	116,596	-
Sundry income	3	318,223	-	318,223	-
Operating expenses		(13,215,031)	(14,356,828)	(13,175,813)	(14,250,879)
<b>Operating surplus</b>	13	<b>8,583,450</b>	<b>5,626,796</b>	<b>8,622,668</b>	<b>5,656,878</b>
Investment revenue	14	984,228	631,527	849,266	496,922
Finance costs	15	(53,617)	(87,727)	(53,617)	(87,727)
<b>Surplus for the year</b>		<b>9,514,061</b>	<b>6,170,596</b>	<b>9,418,317</b>	<b>6,066,073</b>

# Statement of Changes in Funds

SECTION 6:  
SACAP COMBINED  
ANNUAL FINANCIAL  
STATEMENTS

	Retained income R	Total funds R
<b>Combined</b>		
Balance at 01 April 2011	6,860,479	6,860,479
Changes in funds		
Total comprehensive income for the year	6,170,596	6,170,596
Total changes	6,170,596	6,170,596
Balance at 01 April 2012	13,031,075	13,031,075
Changes in funds		
Total comprehensive income for the period	9,514,061	9,514,061
Total changes	9,514,061	9,514,061
Balance at 31 March 2013	22,545,136	22,545,136
<b>Council</b>		
Balance at 01 April 2011	3,697,983	3,697,983
Changes in funds		
Total comprehensive income for the year	6,066,073	6,066,073
Total changes	6,066,073	6,066,073
Balance at 01 April 2012	9,764,056	9,764,056
Changes in funds		
Total comprehensive income for the period	9,418,318	9,418,318
Total changes	9,418,318	9,418,318
Balance at 31 March 2013	19,182,374	19,182,374

# Statement of Cash Flows

	Notes	Combined		Council	
		2013 R	2012 R	2013 R	2012 R
<b>Cash flows from operating activities</b>					
Cash generated from operating activities	18	8,548,915	6,344,976	8,595,132	6,439,418
Interest income	14	984,228	631,527	849,266	496,922
Finance costs	15	(53,617)	(7,211)	(53,617)	(7,211)
<b>Net cash from operating activities</b>		<b>9,479,526</b>	<b>6,969,292</b>	<b>9,390,781</b>	<b>6,929,129</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	3	(543,209)	(40,600)	(543,209)	(40,600)
Sale of property, plant and equipment	3	60,258	9,458	60,258	9,458
Purchase of intangible assets	4	(363,879)	(18,418)	(363,879)	(18,418)
Sale of intangible assets	4	4,275	-	4,275	-
Net movement on financial assets		(9,085,658)	(6,633,200)	(8,950,675)	(6,498,401)
<b>Net cash from investing activities</b>		<b>(9,928,213)</b>	<b>(6,682,760)</b>	<b>(9,793,230)</b>	<b>(6,547,961)</b>
<b>Cash flows from operating activities</b>					
Finance lease payments		(182,429)	(275,809)	(182,429)	(275,809)
Total cash movement for the year		(631,116)	10,723	(584,878)	105,359
Cash at the beginning of the year		1,871,701	1,860,978	1,750,507	1,645,148
<b>Total cash at end of year</b>	7	<b>1,240,606</b>	<b>1,871,701</b>	<b>1,165,629</b>	<b>1,750,507</b>

## 1. Presentation of the Annual Financial Statements

The combined annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Architectural Profession Act, No. 41 of 2000. The annual financial statements have been prepared on the historical cost basis, except where otherwise indicated, and incorporate the principal accounting policies as set out below.

These accounting policies are consistent with the previous period.

### 1.1 Significant Judgements

In preparing the combined annual financial statements, the Council 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 Council assesses the entity's 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.

### 1.2 Property, Plant and Equipment

Property, plant and equipment are tangible assets that:

- Are held for use in the production of supply of goods or services, for rental or other, or for administrative purposes; and
- Are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised 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.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

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

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

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

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.

### 1.3 Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance.

An intangible asset is recognised when:

- It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- The cost of the asset can be measured reliably.

# Accounting Policies (continued)

## 1.3 Intangible Assets (continued)

Intangible assets are initially measured at cost. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Intangible assets are depreciated on the straight-line basis over their expected useful lives to their estimated residual values.

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

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

The useful lives of intangible assets have been assessed as follows:

Item	Average useful life
Computer software	3 years

## 1.4 Financial Instruments

### Definitions

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial asset is any asset that is:

- Cash;
- An equity instrument of another entity;
- A contractual right to receive cash or another financial asset from another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- A contract that will or may be settled in the entity's own equity instruments and is non-derivative for

which the entity is or may be obliged to receive a variable number of its own equity instruments; or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

A financial liability is any liability that is:

- A contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity, under conditions that are potentially unfavourable to the entity; or
- A contract that will or may be settled in the entity's own equity instruments and is non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

### Initial Recognition and Measurement

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

The group 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 instruments for which a fair value is not determinable, which 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.

### Subsequent Measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment loss.

Held to maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment loss.

Available for sale financial assets are subsequently measured at fair value.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

#### Trade and Other Receivables

Trade and other receivables are classified as loans and receivables.

Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of an asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Income 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 Statement of Comprehensive Income.

#### Trade and Other Payables

Trade and other payables are classified as financial liabilities 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 loans and receivables.

### 1.5 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. Leases are classified as either operating or finance leases at the inception of the lease.

#### Finance Leases - Lessee

Assets held under finance leases are initially recognised as assets of the group 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 produce a constant periodic rate of 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 are recognised as an operating lease asset or liability. The liability is not discounted.

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

### 1.6 Impairment of Assets

The entity assesses at the end of the reporting period 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.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual

# Accounting Policies (continued)

## 1.6 Impairment of Assets (continued)

asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

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

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

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.

An 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.

## 1.7 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 are 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.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

### Defined Contribution Plans

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

## 1.8 Provisions and Contingencies

Provisions are recognised when:

- The group 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 the provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that the reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall 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 shall be 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.
- 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 the 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 accumulated amortisation.

Contingent assets and contingent liabilities are not recognised.

## 1.9 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 value-added tax.

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

# Notes to the Combined Annual Financial Statements

## 2. New Accounting 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 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 01 April 2013 or later periods:

Standard/Interpretation	Effective date: Years beginning on or after	Expected impact
IFRS 9 Financial Instruments	01 January 2015	Being assessed
IFRS 13 Fair Value Measurement	01 January 2013	Being assessed
Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IAS32)	01 January 2013	Being assessed
Offsetting Financial Assets and Financial Liabilities (Amendments to IAS32)	01 January 2014	Being assessed
IFRS 1 First Time Adoption of IFRS – Annual Improvements for 2009–2011 Cycle	01 January 2013	Being assessed
IAS 1 Presentation of Financial Statements – Annual Improvements for 2009–2011 Cycle	01 January 2013	Being assessed
IAS 16 Property, Plant and Equipment – Annual Improvements for 2009–2011 Cycle	01 January 2013	Being assessed
IAS 32 Financial Instruments - Presentation – Annual Improvements for 2009–2011 Cycle	01 January 2013	Being assessed

### 2.4 Standards and Interpretations not yet Effective nor Relevant

Standard/Interpretation	Effective date: Years beginning on or after	Expected impact
IFRS 10 Consolidated Financial Statements	01 January 2013	None
IAS 27 Separate Financial Statements	01 January 2013	None
IFRS 11 Joint Arrangements	01 January 2013	None
IFRS 12 Disclosures of Interest in Other Entities	01 January 2013	None
IAS 19 Employee Benefits Revised	01 January 2013	None
IFRS 13 Fair Value Measurement	01 January 2013	None
Government Loans (Amendment to IFRS 1)	01 January 2013	None
Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance	01 January 2013	None
IAS 34 Interim Financial Reporting – Annual Improvements for 2009–2011 Cycle	01 January 2013	None

### 3. Property, Plant and Equipment

	2013			2012		
	Cost R	Accumulated depreciation R	Carrying value R	Cost R	Accumulated depreciation R	Carrying value R
<b>Combined</b>						
Furniture and fixtures	637,284	(277,234)	360,049	619,756	(244,168)	375,588
Motor vehicles	131,300	(111,604)	19,696	131,300	(98,475)	32,825
Office equipment	879,008	(417,844)	461,164	1,096,549	(405,190)	691,359
IT equipment	740,640	(377,202)	363,438	501,407	(402,540)	98,867
Leasehold improvements	113,557	(94,867)	18,690	133,071	(80,083)	52,988
<b>Total</b>	<b>2,501,789</b>	<b>(1,278,752)</b>	<b>1,223,038</b>	<b>2,482,083</b>	<b>(1,230,456)</b>	<b>1,251,627</b>
<b>Council</b>						
Furniture and fixtures	637,284	(277,234)	360,049	619,756	(244,168)	375,588
Motor vehicles	131,300	(111,604)	19,696	131,300	(98,475)	32,825
Office equipment	879,008	(417,844)	461,164	1,096,549	(405,190)	691,359
IT equipment	740,640	(377,202)	363,438	501,407	(402,540)	98,867
Leasehold improvements	113,557	(94,867)	18,690	133,071	(80,083)	52,988
<b>Total</b>	<b>2,501,789</b>	<b>(1,278,752)</b>	<b>1,223,038</b>	<b>2,482,083</b>	<b>(1,230,456)</b>	<b>1,251,627</b>

# Notes to the Combined Annual Financial Statements (continued)

## 3. Property, Plant and Equipment (continued)

	Opening balance	Transfers	Assets at fair value	Disposals	Additions	Depreciation	Total
	R	R	R	R	R	R	R
Reconciliation of property, plant and equipment – Combined 2013							
Furniture and fixtures	375,588	(14,872)	75,946	(34,947)	21,615	(63,280)	360,049
Motor vehicles	32,825	-	-	-	-	(13,129)	19,696
Office equipment	691,359	(80,768)	43,577	(6,469)	18,849	(205,384)	461,164
IT equipment	98,867	202,470	39,060	(18,842)	252,941	(211,058)	363,438
Leasehold improvements	52,988	(15,608)	-	-	-	(18,690)	18,690
	<b>1,251,627</b>	<b>91,222</b>	<b>158,582</b>	<b>(60,258)</b>	<b>293,405</b>	<b>(511,541)</b>	<b>1,223,038</b>

Reconciliation of property, plant and equipment – Combined 2012							
Furniture and fixtures	438,163	-	-	-	-	(62,575)	375,588
Motor vehicles	52,520	-	-	-	-	(19,695)	32,825
Office equipment	921,724	-	-	(9,458)	956	(221,863)	691,359
IT equipment	147,306	-	-	-	20,131	(68,570)	98,867
Leasehold improvements	56,185	-	-	-	19,513	(22,710)	52,988
	<b>1,615,898</b>	<b>-</b>	<b>-</b>	<b>(9,458)</b>	<b>40,600</b>	<b>(395,413)</b>	<b>1,251,627</b>

Included in sundry income are amounts relating to the current period adjustment arising from reassessment of the estimated useful lives of items of property, plant and equipment, and intangible assets to assets. The adjustment is for assets which were fully depreciated as at 31 March 2013 whose useful lives have been extended.

The result of the adjustment is recorded as R318,223 in sundry income in the Statement of Comprehensive Income in accordance with IAS 1 Presentation of Financial Statements, IAS 8 Accounting Policies, Estimates and Errors, IAS 16 Property, Plant and Equipment, and IAS 38 Intangible Assets.

### (Gain)/Loss on adjustment arising on:

	R
IT equipment	(207,938)
Furniture and fixtures	(64,115)
Leasehold improvements	15,609
Office equipment	5,720
Computer software	(67,499)
	<b>(318,223)</b>

	Opening balance	Transfers	Assets at fair value	Disposals	Additions	Depreciation	Total
	R	R	R	R	R	R	R
<b>Reconciliation of property, plant and equipment – Council 2013</b>							
Furniture and fixtures	375,588	(14,872)	75,946	(34,947)	21,615	(63,280)	360,050
Motor vehicles	32,825	-	-	-	-	(13,129)	19,696
Office equipment	691,359	(80,768)	43,577	(6,469)	18,849	(205,384)	461,164
IT equipment	98,867	202,470	39,060	(18,842)	252,941	(211,058)	363,438
Leasehold improvements	52,988	(15,608)	-	-	-	(18,690)	18,690
	<b>1,251,627</b>	<b>91,222</b>	<b>158,582</b>	<b>(60,258)</b>	<b>293,405</b>	<b>(511,541)</b>	<b>1,223,038</b>

<b>Reconciliation of property, plant and equipment – Council 2012</b>							
Furniture and fixtures	438,163	-	-	-	-	(62,575)	375,588
Motor vehicles	52,520	-	-	-	-	(19,695)	32,825
Office equipment	921,724	-	-	(9,458)	956	(221,863)	691,359
IT equipment	147,306	-	-	-	20,131	(68,570)	98,867
Leasehold improvements	56,185	-	-	-	19,513	(22,710)	52,988
	<b>1,615,898</b>	<b>-</b>	<b>-</b>	<b>(9,458)</b>	<b>40,600</b>	<b>(395,413)</b>	<b>1,251,627</b>

Property, plant and equipment – Council 2011

	Cost	Accumulated depreciation	Carrying value
	R	R	R
Furniture and fixtures	624,749	(186,586)	438,163
Motor vehicles	131,300	(78,780)	52,520
Office equipment	1,262,678	(340,954)	921,724
IT equipment	880,478	(733,172)	147,306
Leasehold improvements	113,557	(57,372)	56,185
	<b>3,012,762</b>	<b>(1,396,864)</b>	<b>1,615,898</b>

Assets subject to finance lease (net carrying amount)

	Combined		Council	
	2013	2012	2013	2012
Office equipment	368,976	579,286	368,976	579,286
Leasehold improvements	18,690	52,988	18,690	52,988
	<b>387,666</b>	<b>632,274</b>	<b>387,666</b>	<b>632,274</b>

# Notes to the Combined Annual Financial Statements (continued)

## 4. Intangible Assets

	2013			2012		
	Cost R	Accumulated depreciation R	Carrying value R	Cost R	Accumulated depreciation R	Carrying value R
<b>Combined</b>						
Computer software	495,560	(250,879)	244,681	414,654	(380,591)	34,063
<b>Total</b>	<b>495,560</b>	<b>(250,879)</b>	<b>244,681</b>	<b>414,654</b>	<b>(380,591)</b>	<b>34,063</b>
<b>Council</b>						
Computer software	495,560	(250,879)	244,681	414,654	(380,591)	34,063
<b>Total</b>	<b>495,560</b>	<b>(250,879)</b>	<b>244,681</b>	<b>414,654</b>	<b>(380,591)</b>	<b>34,063</b>

	Opening balance R	Transfers R	Assets at fair value R	Disposals R	Additions R	Depreciation R	Total R
<b>Reconciliation of intangible assets – Combined 2013</b>							
Computer software	34,063	68,420	-	(4,275)	295,459	(148,986)	244,681
<b>Reconciliation of intangible assets – Combined 2012</b>							
Computer software	42,252	-	-	-	18,418	(26,607)	34,063
<b>Reconciliation of intangible assets – Council 2013</b>							
Computer software	34,063	68,420	-	(4,275)	295,459	(148,986)	244,681
<b>Reconciliation of intangible assets – Council 2012</b>							
Computer software	42,252	-	-	-	18,418	(26,607)	34,063

	Cost R	Accumulated amortisation R	Carrying value R
<b>Intangible assets – Council – 2011</b>			
Computer software	396,236	(353,984)	42,252
	<b>396,236</b>	<b>(353,984)</b>	<b>42,252</b>

## 5. Other Financial Assets

	Combined		Council	
	2013 R	2012 R	2013 R	2012 R
<b>Investments</b>				
First National Bank	8,953,926	568,482	8,953,926	568,482
Investec	11,381,772	10,784,505	10,755,327	10,190,096
Nedbank	2,553,757	2,450,810	-	-
	<b>22,889,455</b>	<b>13,803,797</b>	<b>19,709,253</b>	<b>10,758,578</b>
<b>Current assets</b>				
Loans and receivables	22,889,455	13,803,797	19,709,253	10,758,578

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

## 6. Trade and Other Receivables

	Combined		Council	
	2013 R	2012 R	2013 R	2012 R
Trade receivables	5,569,096	4,799,648	5,563,096	4,793,648
Unallocated receipts	(1,341,072)	(1,053,734)	(1,341,072)	(1,053,734)
Allowance for credit losses	(4,162,820)	(3,709,641)	(4,162,820)	(3,709,641)
Other receivables	412,076	538,024	412,076	538,024
VAT	380,000	164,887	380,000	164,887
SACAP Education Fund	-	-	70,798	70,798
	<b>857,281</b>	<b>739,184</b>	<b>922,078</b>	<b>803,982</b>

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

### Other Receivables

SACAP overpaid on provident fund contribution on behalf of employees, to the value of R455,986. During the current period an amount of R125,947 has been recovered from employees. An amount of R330,038 remains included in other receivables at year-end. The remaining balances will be recovered when employees leave the employment of SACAP.

### 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 60 days, will be removed as registered professionals.

As at 31 March 2013, trade and other receivables (inclusive of VAT) of R4,162,820 (2012: R3,709,641) were impaired and provided for.

### Reconciliation of Allowance for Credit Losses of Trade and Other Receivables

	Combined		Council	
	2013 R	2012 R	2013 R	2012 R
Opening balance	3,709,641	3,623,953	3,709,641	3,623,953
Provision for impairment – debtors	397,525	75,166	397,525	75,166
Provision for impairment – VAT portion	55,654	10,522	55,654	10,522
	<b>4,162,820</b>	<b>3,709,641</b>	<b>4,162,820</b>	<b>3,709,641</b>

# Notes to the Combined Annual Financial Statements (continued)

## 7. Cash and Cash Equivalents

Cash and cash equivalents consist of:

	Combined		Council	
	2013 R	2012 R	2013 R	2012 R
Cash on hand	4,275	4,579	4,275	4,579
Bank balances	1,236,331	1,867,122	1,161,354	1,745,928
	<b>1,240,606</b>	<b>1,871,701</b>	<b>1,165,629</b>	<b>1,750,507</b>

Cash and bank earns interest at floating rate based on a daily bank deposit rate.

## 8. Finance Lease Obligation

	Combined		Council	
	2013 R	2012 R	2013 R	2012 R
<b>Minimum lease payments due</b>				
Within one year	173,988	235,264	173,988	235,264
In second to fifth year inclusive	304,380	478,468	304,380	478,468
	478,368	713,732	478,368	713,732
Less: future finance charges	(61,658)	(114,593)	(61,658)	(114,593)
<b>Present value of minimum lease payments</b>	<b>416,710</b>	<b>599,139</b>	<b>416,710</b>	<b>599,139</b>
<b>Present value of minimum lease payments due</b>				
Within one year	138,543	182,330	138,543	182,330
In second to fifth year inclusive	278,167	416,809	278,167	416,809
	<b>416,710</b>	<b>599,139</b>	<b>416,710</b>	<b>599,139</b>
Non-current liabilities	278,167	416,809	278,167	416,809
Current liabilities	138,543	182,330	138,543	182,330
	<b>416,710</b>	<b>599,139</b>	<b>416,710</b>	<b>599,139</b>

The liabilities are secured over certain items of property, plant and equipment disclosed in note 3.

### NEFCO

SACAP entered into an agreement with NEFCO for a copier (Canon 2880i). The rental agreement is for a period of 60 months with average monthly instalments of R4,295 (escalation of 15% per annum). The monthly instalments, payable in advance, commenced on 28 February 2008. The contract ended on 28 February 2013.

### Canon Business Centre

SACAP entered into an agreement with Canon Business Centre for two copiers (Canon 5051i). The rental agreement is for a period of 60 months beginning on 01 January 2011 and the total monthly instalments, payable in advance, are R14,499 with a 0% escalation per annum.



## 9. Trade and Other Payables

	Combined		Council	
	2013 R	2012 R	2013 R	2012 R
Trade payables	358,324	379,533	358,324	379,533
Accruals	162,735	192,160	162,735	185,160
Accrued leave pay	228,297	676,055	228,297	676,055
SACAP Education Fund	-	-	172,403	172,703
Amounts received in advance	2,743,837	2,822,411	2,743,837	2,822,411
	<b>3,493,193</b>	<b>4,070,159</b>	<b>3,665,595</b>	<b>4,235,862</b>

## 10. Financial Assets by Category

The accounting policies for financial instruments have been applied to the line items below:

	Loans and receivables	Fair value through profit and loss held for trading	Fair value through profit and loss designated	Held to maturity investments	Available for sale	Total
	R	R	R	R	R	R
<b>Combined 2013</b>						
Investments	22,889,455	-	-	-	-	22,889,455
Trade and other receivables	857,281	-	-	-	-	857,281
Cash and cash equivalents	1,240,606	-	-	-	-	1,240,606
	<b>24,987,342</b>	-	-	-	-	<b>24,987,342</b>
<b>Combined 2012</b>						
Investments	13,803,797	-	-	-	-	13,803,797
Trade and other receivables	739,184	-	-	-	-	739,184
Cash and cash equivalents	1,871,701	-	-	-	-	1,871,701
	<b>16,414,682</b>	-	-	-	-	<b>16,414,682</b>
<b>Council 2013</b>						
Investments	19,709,253	-	-	-	-	19,709,253
Trade and other receivables	922,078	-	-	-	-	922,078
Cash and cash equivalents	1,165,629	-	-	-	-	1,165,629
	<b>21,796,960</b>	-	-	-	-	<b>21,796,960</b>
<b>Council 2012</b>						
Investments	10,758,578	-	-	-	-	10,758,578
Trade and other receivables	803,982	-	-	-	-	803,982
Cash and cash equivalents	1,750,507	-	-	-	-	1,750,507
	<b>13,313,067</b>	-	-	-	-	<b>13,313,067</b>

# Notes to the Combined Annual Financial Statements (continued)

## 11. Financial Liabilities by Category

The accounting policies for financial instruments have been applied to the line items below:

	Financial liabilities at amortised cost	Fair value through profit and loss held for trading	Fair value through profit and loss designated	Total
	R	R	R	R
<b>Combined 2013</b>				
Finance lease obligation	416,710	-	-	416,710
Trade and other payables	3,493,193	-	-	3,493,193
	<b>3,909,903</b>	-	-	<b>3,909,903</b>
<b>Combined 2012</b>				
Finance lease obligation	599,139	-	-	599,139
Trade and other payables	4,070,158	-	-	4,070,158
	<b>4,669,297</b>	-	-	<b>4,669,297</b>
<b>Council 2013</b>				
Finance lease obligation	416,710	-	-	416,710
Trade and other payables	3,665,595	-	-	3,665,595
	<b>4,082,305</b>	-	-	<b>4,082,305</b>
<b>Council 2012</b>				
Finance lease obligation	599,139	-	-	599,139
Trade and other payables	4,235,562	-	-	4,235,562
	<b>4,834,701</b>	-	-	<b>4,834,701</b>

## 12. Revenue

	Combined		Council	
	2013 R	2012 R	2013 R	2012 R
Annual fees	18,003,452	17,496,657	18,003,452	17,496,657
Administration fees	409,660	368,201	409,660	368,201
Exam fees	923,279	658,515	923,279	658,515
Registration and re-registrations	1,670,807	924,800	1,670,807	924,800
Renewals	356,464	459,584	356,464	459,584
	<b>21,363,662</b>	<b>19,907,757</b>	<b>21,363,662</b>	<b>19,907,757</b>

Registrations are cancelled when 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.

### 13. Operating Surplus

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

	Combined		Council	
	2013 R	2012 R	2013 R	2012 R
<b>Operating lease charges</b>				
Premises				
- Contractual amounts	98,000	715,883	98,000	715,883
Lease rentals on equipment				
- Contractual amounts	-	(27,484)	-	(27,484)
	<b>98,000</b>	<b>688,399</b>	<b>98,000</b>	<b>688,399</b>
Depreciation on property, plant and equipment	660,527	422,020	660,527	422,020
Employee costs	6,146,526	6,390,268	6,146,526	6,390,268

### 14. Investment Revenue

	Combined		Council	
	2013 R	2012 R	2013 R	2012 R
<b>Interest revenue</b>				
Bank	984,228	631,527	849,266	496,922

The following is an analysis of investment revenue earned per financial asset category:

	Combined		Council	
	2013 R	2012 R	2013 R	2012 R
Available for sale financial assets	-	-	-	-
Loans and receivables	984,228	631,527	849,266	631,527
Held-to-maturity investments	-	-	-	-
Total interest income for financial asset not designated as at fair value through profit or loss	984,228	631,527	849,266	631,527
Investment income earned on non-financial assets	-	-	-	-
	<b>984,228</b>	<b>631,527</b>	<b>849,266</b>	<b>631,527</b>

### 15. Finance Costs

	Combined		Council	
	2013 R	2012 R	2013 R	2012 R
Finance leases	53,617	80,516	53,617	80,516
Suppliers	-	7,211	-	7,211
	<b>53,617</b>	<b>87,727</b>	<b>53,617</b>	<b>87,727</b>

Total interest expense, calculated using the effective interest rate, on financial instruments not at fair value through profit or loss amounted to R53,617 (2012: R87,727).

# Notes to the Combined Annual Financial Statements (continued)

## 16. Taxation

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

## 17. Auditors' Remuneration

	Combined		Council	
	2013 R	2012 R	2013 R	2012 R
External audit fees	229,300	210,730	191,110	172,180

## 18. Cash Utilised in Operations

	Combined		Council	
	2013 R	2012 R	2013 R	2012 R
Surplus before taxation	9,514,061	6,170,596	9,418,317	6,066,073
Adjustments for:				
Depreciation and amortisation	660,527	422,020	660,527	422,020
Interest received	(984,228)	(631,527)	(849,266)	(496,922)
Finance costs	53,617	87,727	53,617	87,727
Changes in working capital				
Trade and other receivables	(118,097)	(409,126)	(118,096)	(399,217)
Trade and other payables	(576,965)	705,286	(569,967)	759,737
	<b>8,548,915</b>	<b>6,344,976</b>	<b>8,595,132</b>	<b>6,439,418</b>

## 19. Commitments

### Operating leases – as lessee

	Combined		Council	
	2013 R	2012 R	2013 R	2012 R
Minimum lease payments due				
- Within one year	98,000	637,799	98,000	637,799
- In second to fifth year inclusive	-	49,573	-	49,573
	<b>98,000</b>	<b>687,372</b>	<b>98,000</b>	<b>687,372</b>

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

## 20. Related Parties

### Relationships

Members of key management	Mr PC Smit – Acting Registrar (16 January 2012 to 30 April 2012) Ms C Chinga – Acting Registrar (Resigned March 2012) Mr E Lekota – Registrar (Appointed 01 April 2012) Mr S Moyo – Chief Financial Officer (Resigned November 2011) Mr T Tshilane – Financial Manager
Executive authority	Department of Public Works
Governing body	Refer to the Registrar's report for Council member names
Fund under control of the Council	Education Fund of SACAP
Relationship governed by law	Council for the Built Environment

### Related party balances

	Combined		Council	
	2013 R	2012 R	2013 R	2012 R
<b>Amounts included in trade receivables</b>				
Council for the Built Environment	-	42,756	-	42,756
Education Fund of SACAP	-	-	70,798	70,798
<b>Amounts included in trade payables</b>				
Council for the Built Environment	10,458	34,503	10,458	34,503
Education Fund of SACAP	-	-	172,403	172,403

### Provision for doubtful debts related to the amount of outstanding balances

None

### Related party transactions

	Combined		Council	
	2013 R	2012 R	2013 R	2012 R
<b>Included in operating expenses</b>				
Council for the Built Environment	346,962	341,460	346,962	341,460
<b>Compensation to Council members and Executive Management</b>				
Basic salaries and allowances	1,055,309	2,567,789	1,055,309	2,567,789
Council contributions	624,841	801,285	624,841	801,285
Council and other meetings	870,138	715,035	870,138	715,035

Included in the above are the remuneration for the following executive and Non-executive Management:

# Notes to the Combined Annual Financial Statements (continued)

## 20. Related Parties (continued)

Executive	2013			2012		
	Basic salary R	Travel R	Total R	Basic salary R	Travel R	Total R
<b>Registrars</b>						
C Chinga	-	-	-	628,149	158,235	786,384
PC Smit	60,000	3,578	63,578	180,000	-	180,000
E Lekota	999,996	3,735	1,003,731	-	-	-
<b>CFO/Finance Manager</b>						
S Moyo	-	-	-	454,000	49,152	503,152
T Tshilane	776,800	24,000	800,800	-	-	-
	<b>1,836,796</b>	<b>31,313</b>	<b>1,868,109</b>	<b>1,262,149</b>	<b>207,387</b>	<b>1,469,536</b>

Non-executive	2013			2012		
	Honorarium R	Travel R	Total R	Honorarium R	Travel R	Total R
P Mashabane – President	84,240	81,811	166,051	73,956	157,545	231,501
L Scott – Vice-President	97,823	3,579	101,402	119,382	4,273	123,655
A Houston – Treasurer	64,092	48,770	112,862	89,684	80,402	170,086
D Basdew	39,676	55,251	94,927	56,462	139,984	196,446
F Motsepe	24,416	6,928	31,344	35,098	2,580	37,678
G Steyn	62,184	65,828	128,012	36,624	11,564	48,188
P Crafford	-	5,069	5,069	21,364	4,888	26,252
R Ruiters	28,994	65,108	94,102	33,572	77,195	110,767
V Mthimunye – Resigned	-	921	921	16,786	10,101	26,887
M Gerrans	59,566	98,460	158,026	65,618	98,930	164,548
M Nienaber	8,595	2,440	11,035	18,312	68,266	86,578
	<b>469,586</b>	<b>434,165</b>	<b>903,750</b>	<b>566,858</b>	<b>655,728</b>	<b>1,222,586</b>

## 21. Change in Estimate

The useful life of assets as at 31 March 2013 was reassessed in accordance with IAS 16. The effect of such change is regarded as a change in estimate and is disclosed in accordance with IAS 8 Accounting Policies, Estimates, and Errors.

The change in estimated useful life of property, plant, and equipment resulted in assets which were fully depreciated being written back in the current year as well as a revision of depreciation charged in the current year.

### Effect of the change in the current year:

	Combined		Council	
	2013 R	2012 R	2013 R	2012 R
(Gain) on write back of depreciation				
Computer equipment	(166,554)	-	(166,554)	-
Office equipment	(11,504)	-	(11,504)	-
Intangible assets	(68,207)	-	(68,207)	-
Furniture and fittings	(227)	-	(227)	-
(Decrease)/Increase in depreciation expense				
Computer equipment	212	-	212	-
Office equipment	(5,306)	-	(5,306)	-
Intangible assets	(1,118)	-	(1,118)	-
Furniture and Fittings	(493)	-	(493)	-

### The effect of these changes on total comprehensive income in the next financial period will be:

	Combined		Council	
	2013 R	2012 R	2013 R	2012 R
Increase/(Decrease) in depreciation charge				
Computer equipment	82,932	-	82,932	-
Leasehold improvements	18,690	-	18,690	-
Intangible assets	31,285	-	31,285	-
Motor vehicles	13,130	-	13,130	-
Furniture and fittings	(1,193)	-	(1,193)	-
Office equipment	7,802	-	7,802	-

# Notes to the Combined Annual Financial Statements (continued)

## 22. Risk Management

### Capital Risk Management

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

The capital structure of the 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 liquidity risk and cash flow interest rate 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 on-going review of the future commitments and credit facilities.

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

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

Combined	Less than 1 year R	Between 1 and 2 years R	Between 2 and 5 years R	Over 5 years R
<b>At 31 March 2013</b>				
Finance lease obligation	173,988	173,988	130,391	-
Trade and other payables	3,493,193	-	-	-
<b>At 31 March 2012</b>				
Finance lease obligation	235,264	173,988	173,988	-
Trade and other payables	4,070,158	-	-	-
Council	Less than 1 year R	Between 1 and 2 years R	Between 2 and 5 years R	Over 5 years R
<b>At 31 March 2013</b>				
Finance lease obligation	173,988	173,988	130,391	-
Trade and other payables	3,665,595	-	-	-
<b>At 31 March 2012</b>				
Finance lease obligation	235,264	173,988	173,988	-
Trade and other payables	4,235,562	-	-	-



#### Interest Rate Risk

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

Effect on profit before tax	Increase/decrease in base points	Combined R	Council R
South African Rand	1%	95,677	94,719
South African Rand	-1%	(95,677)	(94,719)

#### Credit Risk

Credit risk consists mainly of cash deposits, investments, trade receivables and other receivables. 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 on-going basis. Non-payment by registered persons results in deregistration, in which event outstanding fees are provided for as bad debt.

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

	Combined 2013 R	Combined 2012 R	Council 2013 R	Council 2012 R
Investments	22,889,455	13,803,797	19,709,253	10,758,578
Trade and other receivables	857,281	739,184	922,078	803,982
Cash and cash equivalents	1,240,606	1,871,701	1,165,629	1,750,507

# Detailed Income Statement

	Notes	Combined		Council	
		2013 R	2012 R	2013 R	2012 R
<b>Revenue</b>					
Annual fees		18,003,452	17,496,657	18,003,452	17,496,657
Administration fees		409,660	368,201	409,660	368,201
Exam fees		923,279	658,515	923,279	658,515
Registrations and re-registrations		1,670,807	924,800	1,670,807	924,800
Renewals		356,464	459,584	356,464	459,584
		<b>21,363,662</b>	<b>19,907,757</b>	<b>21,363,662</b>	<b>19,907,757</b>
<b>Other income</b>					
Other income		116,596	75,867	116,596	-
Interest received		984,228	631,527	849,266	496,922
Sundry income	3	318,223	-	318,223	-
		<b>1,419,047</b>	<b>707,394</b>	<b>1,284,085</b>	<b>496,922</b>
<b>Expenses (Refer to page 97)</b>					
		<b>(13,215,031)</b>	<b>(14,356,828)</b>	<b>(13,175,813)</b>	<b>(14,250,879)</b>
<b>Operating surplus</b>		<b>9,567,678</b>	<b>6,258,323</b>	<b>9,471,934</b>	<b>6,153,800</b>
Finance costs		(53,617)	(87,727)	(53,617)	(87,727)
<b>Surplus for the year</b>		<b>9,514,061</b>	<b>6,170,596</b>	<b>9,418,317</b>	<b>6,066,073</b>

The supplementary information presented does not form part of the combined annual financial statements and is unaudited.

	Notes	Combined		Council	
		2013 R	2012 R	2013 R	2012 R
<b>Operating expenses</b>					
Administration fees		(5,938)	(16,971)	(5,938)	(16,971)
Advertising		(101,000)	(55,679)	(101,000)	(55,679)
Annual report		(100,875)	-	(100,875)	-
Asset expenses		(2,200)	(13,136)	(2,200)	(13,136)
Audit Committee fees		(129,072)	(39,388)	(129,072)	(39,388)
Auditors' remuneration	17	(229,300)	(210,370)	(191,110)	(172,180)
Bad debts		(397,525)	(84,360)	(397,525)	(84,360)
Bank charges		(90,708)	(90,167)	(89,680)	(89,408)
CBE levies		(346,962)	(341,460)	(346,962)	(341,460)
Computer expenses		(43,718)	(36,999)	(43,718)	(36,999)
Consulting fees		(1,005,253)	(793,577)	(1,005,253)	(793,577)
Depreciation, amortisation and impairments		(660,527)	(422,020)	(660,527)	(422,020)
Document management and strategic review		(15,592)	(4,652)	(15,592)	(4,652)
Employee costs		(5,726,410)	(6,390,268)	(5,726,410)	(6,390,268)
Entertainment		(637)	(1,259)	(637)	(1,259)
Fines and penalties		-	(23,258)	-	(23,258)
Forensic audit fees		-	(661,047)	-	(661,047)
General office expense		(71,447)	(105,838)	(71,447)	(105,838)
Grants		-	(17,000)	-	-
Honorariums		(744,864)	(881,858)	(744,864)	(881,858)
Impairment – VAT		-	(248,587)	-	(248,587)
Insurance		(29,440)	(37,082)	(29,440)	(37,082)
Internal audit fees		(28,459)	(276,126)	(28,459)	(276,126)
Lease rentals on operating lease		(871,247)	(688,399)	(871,247)	(688,399)
Legal expenses		(139,486)	(320,734)	(139,486)	(320,734)
Loss on disposal of assets		(64,532)	-	(64,532)	-
Motor vehicle expenses		(22,439)	(29,441)	(22,439)	(29,441)
Outreach, roadshows and exhibitions		(21,967)	(18,036)	(21,967)	(18,036)
Policy development and research		(88,723)	(165,366)	(88,723)	(165,366)
Postage		(121,340)	(129,439)	(121,340)	(129,439)
Printing and stationery		(135,730)	(180,741)	(135,730)	(180,741)
Recruitment and team building		(291,705)	(215,343)	(291,705)	(215,343)
Repairs and maintenance		(101,226)	(30,930)	(101,226)	(30,930)
Sponsorships		-	(50,000)	-	-
Subscriptions		(16,990)	(153,504)	(16,990)	(153,504)
Telephone		(353,094)	(293,340)	(353,094)	(293,340)
Training		(5,670)	(13,925)	(5,670)	(13,925)
Travel and accommodation		(908,893)	(1,052,145)	(908,893)	(1,052,145)
Utilities		(180,971)	(131,004)	(180,971)	(131,004)
Venue costs and catering		(62,478)	(44,813)	(62,478)	(44,813)
Website development costs		(98,613)	(88,566)	(98,613)	(88,566)
		<b>(13,215,031)</b>	<b>(14,356,828)</b>	<b>(13,175,813)</b>	<b>(14,250,879)</b>

The supplementary information presented does not form part of the combined annual financial statements and is unaudited.

The image features a low-angle, upward-looking perspective of several modern skyscrapers with glass facades. The buildings are set against a clear, light blue sky. A large, stylized orange graphic, resembling a thick, branching structure or a large letter 'X', is superimposed over the scene, extending from the top corners towards the center. The bottom portion of the image is dominated by a solid orange triangle that serves as a background for the text.

SECTION 7  
EDUCATION FUND  
OF THE SACAP ANNUAL  
FINANCIAL STATEMENTS

# Index

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

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The following supplementary information does not form part of the annual financial statements and is unaudited

Detailed Income Statement	117
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# General Information

Country of incorporation	Republic of South Africa
Nature of business and principle activities	An education fund for the South African Council for the Architectural Profession
Council members	Mr P Mashabane – President Ms P Scott – Vice-President Ms A Houston – Treasurer Mr F Motsepe Mr D Basdew Mr R Ruiters Ms M Gerrans Ms M Nienaber Prof. G Steyn Mr P Crafford
Registered office address	First Floor, Lakeside Place Cnr Ernest Oppenheimer and Queen Street Bruma 2026
Business address	First Floor, Lakeside Place Cnr Ernest Oppenheimer and Queen Street Bruma 2026
Postal address	PO Box 408 Bruma 2026
Bankers	First National Bank
Auditors	SizweNtsalubaGobodo Inc. Registered Auditors
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Architectural Profession Act, No. 44 of 2000
Preparer	The annual financial statements were independently compiled by: Dipuo Sello – Finance Officer: SACAP
Published	06 August 2013

# Report of the Independent Auditors

SECTION 7:  
EDUCATION FUND OF  
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## To the Persons Registered with the South African Council for the Architectural Profession (Established under the Architectural Profession Act)

We have audited the annual financial statements of the Education Fund of the South African Council for the Architectural Profession, set out on pages 104 to 116, which comprise the Statement of Financial Position as at 31 March 2013, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### Auditors' Responsibility

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

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

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

### Opinion

In our opinion, the annual financial statements present fairly, in all material aspects, the financial position of The Education Fund of the South African Council for the Architectural Profession at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Architectural Profession Act, No. 44 of 2000.

### Other Reports

As part of our audit of the financial statements for the year ended 31 March 2013, we have read the Registrar's report for the purpose of identifying whether there are any material inconsistencies between this information and the audited financial statements. The report is the responsibility of the respective preparers. Based on the reading of the report, we have not identified material inconsistencies between the report and the audited financial statements. However, we have not audited the report and accordingly, do not express a conclusion on the report.

### Supplementary Information

Without qualifying our opinion, we draw your attention to the fact that the supplementary information set out on page 117 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

*Sizwe Ntsaluba Gobodo Inc.*

**Sizwe Ntsaluba Gobodo Inc**

Registered Auditors

Per: JPC van Zyl

Pretoria

06 August 2013

# Councils' Responsibilities and Approval

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

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

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

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

The Council has reviewed the entity's cash flow forecast for the year to 31 March 2014 and, in the light of this review and the current financial position, it is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on page 101.

The annual financial statements set out on pages 104 to 116, which have been prepared on a going concern basis, were approved by the Council on the 06 August 2013 and were signed on its behalf by:



**Mr P Mashabane**  
President



**Ms A Houston**  
Treasurer



# Registrar's Report

The Registrar submits his report for the year ended 31 March 2013.

## 1. Review of Activities

### Main Business and Operations

The Education Fund of the South African Council for the Architectural Profession ("the entity") is an educational fund of the South African Council for the Architectural Profession, which is a statutory body that regulates the architectural profession in South Africa.

The entity is a regulatory body that was established by the Architectural Profession Act, No.44 of 2000, which was published on 01 December 2000 and came into effect on 26 January 2001.

The mission is to make a positive impact on the built environment by ensuring excellence in performance and service delivery by fostering collaborative relationships with the 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; and
- Create a legacy of humane and sustainable architecture.

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

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

Net profit was R95,745 (2012: R104,521).

## 2. Going Concern

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

## 3. Events Subsequent to Year-end

The Council members are not aware of any matter or circumstance arising since the end of the financial year.

## 4. Council Members

The members of the Council during the year and to 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 D Basdew	South African
Mr F Motsepe	South African
Prof. G Steyn	South African
Mr P Crafford	South African
Mr R Ruiters	South African
Ms M Gerrans	South African
Ms M Nienaber	South African

## 5. Auditors

SizweNtsalubaGobodo Inc. will continue in office for the next financial period.

# Statement of Financial Position

	Notes	2013 R	2012 R
<b>Assets</b>			
<b>Current assets</b>			
Other financial assets	3	3,180,202	3,045,219
Trade and other receivables	4	178,403	178,403
Cash and cash equivalents	5	74,977	121,194
		<b>3,433,582</b>	<b>3,344,816</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Retained income		3,362,783	3,267,018
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	6	70,798	77,798
<b>Total equity and liabilities</b>		<b>3,433,582</b>	<b>3,344,816</b>

# Statement of Comprehensive Income

SECTION 7:  
EDUCATION FUND OF  
THE SACAP ANNUAL  
FINANCIAL STATEMENTS

	Notes	2013 R	2012 R
Other income		-	75,867
Operating expenses		(39,217)	(105,951)
<b>Operating shortfall</b>		<b>(39,217)</b>	<b>(30,084)</b>
Investment revenue	9	134,962	134,605
<b>Surplus for the year</b>		<b>95,745</b>	<b>104,521</b>

# Statement of Changes in Funds

	Retained earnings R	Total Equity R
<b>Balance at 01 April 2011</b>	<b>3,162,497</b>	<b>3,162,497</b>
Profit for the period	104,521	104,521
Total changes	104,521	104,521
<b>Balance at 01 April 2012</b>	<b>3,267,018</b>	<b>3,267,018</b>
Total comprehensive income for the period	95,745	95,745
Total changes	95,745	95,745
<b>Balance at 31 March 2013</b>	<b>3,362,783</b>	<b>3,362,783</b>

# Statement of Cash Flows

	Notes	2013 R	2012 R
<b>Cash flows from operating activities</b>			
Cash used in operations	12	(46,217)	(94,442)
Interest income		134,962	134,605
<b>Net cash from operating activities</b>		<b>88,745</b>	<b>40,163</b>
<b>Cash flows from investing activities</b>			
Sale of financial assets		(134,962)	(134,799)
<b>Net cash from investing activities</b>		<b>(134,962)</b>	<b>(134,799)</b>
Total cash movement for the year		(46,217)	(94,636)
Cash at the beginning of the year		121,194	215,830
<b>Total cash at end of year</b>	5	<b>74,977</b>	<b>121,194</b>

# Accounting Policies

## 1. Presentation of the Annual Financial Statements

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

### 1.1 Financial Instruments

#### Definitions

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial asset is any asset that is:

- Cash;
- An equity instrument of another entity;
- A contractual right to receive cash or another financial asset from another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or a derivative that will or may be settled other than by the exchange of a fixed amount of cash, or another financial asset for a fixed amount of cash, or another financial asset for a fixed number of the entity's own equity instruments.

A financial liability is any liability that is:

- A contractual obligation to deliver cash or another financial asset to another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- A contract that will or may be settled in the entity's own equity instruments and is non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

#### Initial Recognition and Measurement

Financial instruments are recognised initially when the entity becomes 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 instruments for which a fair value is not determinable, which 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.

#### Subsequent Measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment loss.

Held to maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment loss.

Available for sale financial assets are subsequently measured at fair value.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

#### Trade and Other Receivables

Trade and other receivables are classified as loans and receivables.

#### Trade and Other Payables

Trade and other payables are classified as financial liabilities 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 loans and receivables.

### 1.2 Impairment of Assets

The entity assesses, at the end of the reporting period, 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.

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

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

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

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.

An 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.

### 1.3 Revenue

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

# Notes to the Annual Financial Statements

## 2. New Accounting 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 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 01 April 2013 or later periods:

Standard/Interpretation	Effective date: Years beginning on or after	Expected impact
IFRS 9 Financial Instruments	01 January 2015	Being assessed
IFRS 13 Fair Value Measurement	01 January 2013	Being assessed
Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IAS32)	01 January 2013	Being assessed
Offsetting Financial Assets and Financial Liabilities (Amendments to IAS32)	01 January 2014	Being assessed
IFRS 1 First Time Adoption of IFRS – Annual Improvements for 2009–2011 Cycle	01 January 2013	Being assessed
IAS 1 Presentation of Financial Statements – Annual Improvements for 2009–2011 Cycle	01 January 2013	Being assessed
IAS 16 Property, Plant and Equipment – Annual Improvements for 2009–2011 Cycle	01 January 2013	Being assessed
IAS 32 Financial Instruments – Presentation – Annual Improvements for 2009–2011 Cycle	01 January 2013	Being assessed

### 2.4 Standards and Interpretations not yet Effective or Relevant

The following standards and interpretations have been published and are mandatory for the entity's accounting periods beginning on or after April 2013 or later periods but are not necessarily relevant to its operation:

Standard/Interpretation	Effective date: Years beginning on or after	Expected impact
IFRS 10 Consolidated Financial Statements	01 January 2013	None
IAS 27 Separate Financial Statements	01 January 2013	None
IFRS 11 Joint Arrangements	01 January 2013	None
IFRS 12 Disclosures of Interest in Other Entities	01 January 2013	None
IAS 19 Employee Benefits Revised	01 January 2013	None
IFRS 13 Fair Value Measurement	01 January 2013	None
Government Loans (Amendment to IFRS 1)	01 January 2013	None
Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance	01 January 2013	None
IAS 34 Interim Financial Reporting – Annual Improvements for 2009–2011 Cycle	01 January 2013	None



### 3. Other Financial Assets

	2013 R	2012 R
<b>Loans and receivables</b>		
Nedbank	2,553,757	2,450,810
Investec	626,445	594,409
	<b>3,180,202</b>	<b>3,045,219</b>
<b>Current assets</b>		
Loans and receivables	3,180,202	3,045,219

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

### 4. Trade and Other Receivables

	2013 R	2012 R
Trade receivables	6,000	6,000
South African Council for the Architectural Profession grant	172,403	172,403
	<b>178,403</b>	<b>178,403</b>

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

### 5. Cash And Cash Equivalents

Cash and cash equivalents consist of:

	2013 R	2012 R
Bank balances	74,977	121,194

Cash and bank earns interest at floating rate based on a daily bank deposit rate.

### 6. Trade and Other Payables

	2013 R	2012 R
Accrued expenses	-	7,000
South African Council for the Architectural Profession	70,798	70,798
	<b>70,798</b>	<b>77,798</b>

# Notes to the Annual Financial Statements (continued)

## 7. Financial Assets by Category

The accounting policies for financial instruments have been applied to the line items below:

	Loans and receivables	Fair value through profit and loss held for trading	Fair value through profit and loss designated	Held to maturity investments	Available for sale	Total
	R	R	R	R	R	R
<b>2013</b>						
Other financial assets	3,180,202	-	-	-	-	3,180,202
Trade and other receivables	178,403	-	-	-	-	178,403
Cash and cash equivalents	74,977	-	-	-	-	74,977
	<b>3,433,582</b>	-	-	-	-	<b>3,433,582</b>
<b>2012</b>						
Other financial assets	3,045,219	-	-	-	-	3,045,219
Trade and other receivables	178,403	-	-	-	-	178,403
Cash and cash equivalents	121,194	-	-	-	-	121,194
	<b>3,344,816</b>	-	-	-	-	<b>3,344,816</b>

## 8. Financial Liabilities by Category

The accounting policies for financial instruments have been applied to the line items below:

	Financial liabilities at ammortised cost	Fair value through profit and loss held for trading	Fair value through profit and loss designated	Total
	R	R	R	R
<b>2013</b>				
Trade and other payables	<b>70,798</b>	-	-	<b>70,798</b>
<b>2012</b>				
Trade and other payables	77,798	-	-	77,798

## 9. Investment Revenue

	2013 R	2012 R
Interest revenue		
Bank	134,962	134,605

The following is an analysis of investment revenue earned per financial asset category:

	2013 R	2012 R
Available for sale financial assets	-	-
Loans and receivables	134,962	134,605
Held-to-maturity investments	-	-
Total interest income for financial assets not designated as at fair value through profit or loss	134,962	134,605
Investment income earned on non-financial assets	-	-
	<b>134,962</b>	<b>134,605</b>

## 10. Taxation

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

## 11. Auditors' Remuneration

	2013 R	2012 R
Fees	38,910	38,910

## 12. Cash Used in Operations

	2013 R	2012 R
Surplus before taxation	95,745	104,521
Adjustments for:		
Interest received	(134,962)	(134,605)
Changes in working capital	-	-
Trade and other receivables	-	(9,909)
Trade and other payables	(7,000)	(54,449)
	<b>(46,217)</b>	<b>(94,442)</b>

# Notes to the Annual Financial Statements (continued)

## 13. Related Parties

### Relationships

Members of key management	Mr PC Smit – Acting Registrar (16 January 2012 to 30 April 2012) Ms C Chinga – Acting Registrar (Resigned March 2012) Mr E Lekota – Registrar (Appointed 01 April 2012) Mr S Moyo – Chief Financial Officer (Resigned November 2011) Mr T Tshilane – Financial Manager
Executive authority	Department of Public Works
Governing body	Refer to the Registrar’s report for Council member names
Controlling entity	The South African Council for the Architectural Profession
Relationship governed by law	Council for the Built Environment

### Related Party Balances

	2013 R	2012 R
<b>Amounts included in trade payables</b>		
South African Council for the Architectural Profession	70,798	70,798
<b>Amounts included in trade receivables</b>		
South African Council for the Architectural Profession	172,403	157,985
<b>Provision for doubtful debts related to the amount of outstanding balances</b>		
None		

## 14. Risk Management

### Capital Risk Management

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

The capital structure of the entity consists of cash and cash equivalents disclosed in note 5 and accumulated funds disclosed in the Statement of Financial Position.

### Financial Risk Management

The entity's activities expose it to liquidity risk and cash flow interest rate 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 on-going review of future commitments and credit facilities.

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

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

	Less than 1 year R	Between 1 and 2 years R	Between 2 and 5 years R	Over 5 years R
<b>At 31 March 2013</b>				
Trade and other payables	77,798	-	-	-
<b>At 31 March 2012</b>				
Trade and other payables	77,798	-	-	-

# Notes to the Annual Financial Statements (continued)

## 14. Risk Management (continued)

### Interest Rate Risk

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

	Increase/decrease in base points	Effect on profit before tax R	Effect on equity R
South African Rand	1%	957	957
South African Rand	-1%	(957)	(957)

### Credit Risk

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

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

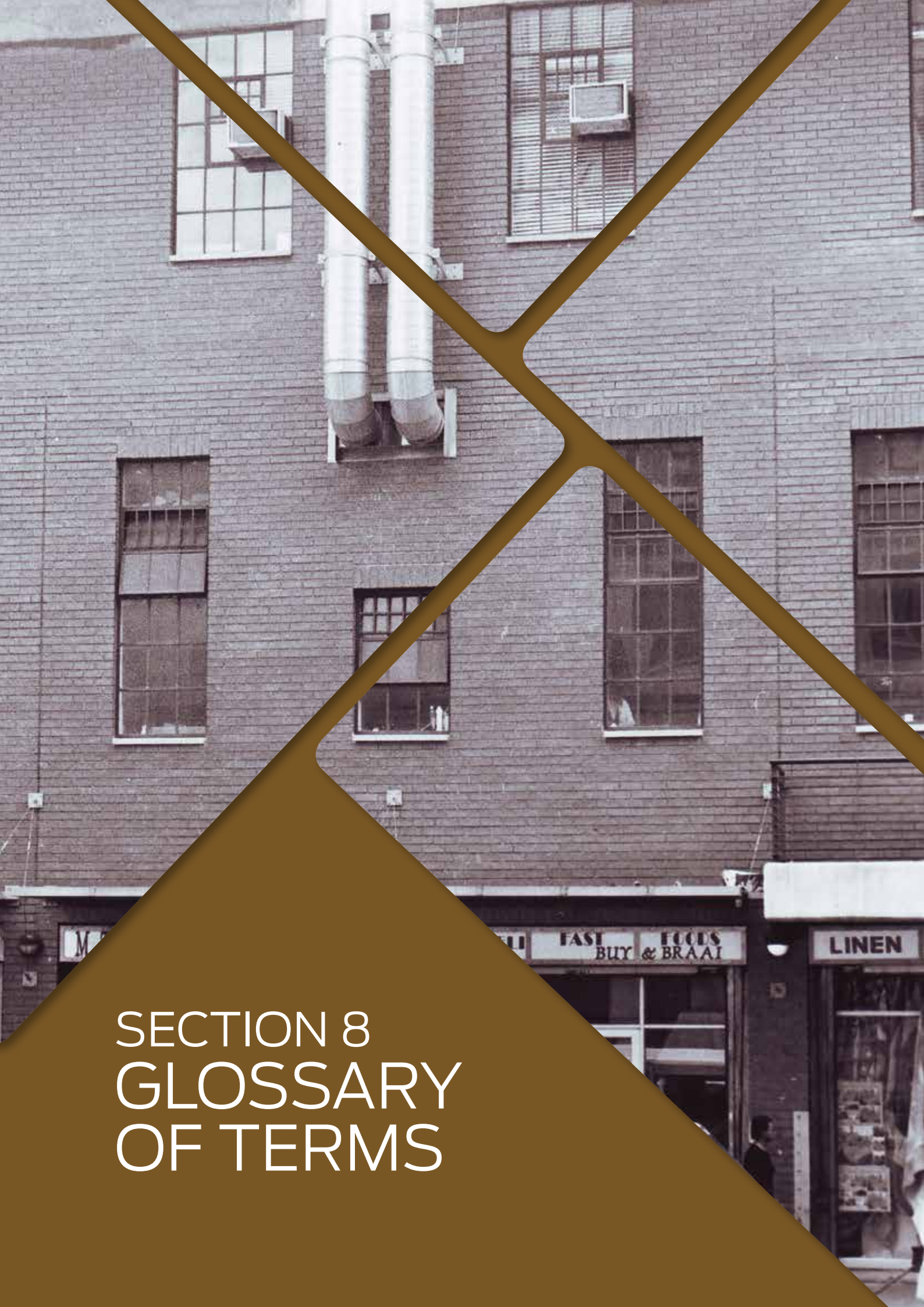
### Financial Instrument

	2013 R	2012 R
Investments	3,180,202	3,045,219
Trade and other receivables	178,403	178,403
Cash and cash equivalents	74,977	121,194

# Detailed Income Statement

	Notes	2013 R	2012 R
<b>Other income</b>			
Grants received		-	-
Other income		-	75,867
Interest received		134,962	134,605
		134,962	210,472
<b>Operating expenses</b>			
Auditor's remuneration		(38,190)	(38,190)
Bank charges		(1,027)	(761)
Donations		-	-
Grants		-	(17,000)
Other expenses		-	-
Sponsorships		-	(50,000)
		(39,217)	(105,951)
<b>Surplus for the year</b>		<b>95,745</b>	<b>104,521</b>

The supplementary information presented does not form part of the annual financial statements and is unaudited.



SECTION 8  
GLOSSARY  
OF TERMS

FAST BUY & BRAAI

LINEN



### Stakeholders (National)

CBE	Council for the Built Environment
CHE	Council for Higher Education
CIDB	Construction Industry Development Board
DAC	Department of Arts and Culture
DEAT	Department of Environmental Affairs and Tourism
DLA	Department of Land Affairs
DOE	Department of Education
DPW	Department of Public Works
the dti	Department of Trade and Industry
ECSA	Engineering Council of South Africa
NHBRC	National Home Builders Regulators Council
SACAP	South African Council for the Architectural Profession
SACPCMP	South African Council for Project and Construction Management Profession
SAQA	South African Qualifications Authority
SACQSP	South African Council for Quantity Surveyors Profession

### Stakeholders (International)

ARB	Architectural Regulations Board
AUA	African Union of Architects
CAA	Commonwealth Association of Architects
RIBA	Royal Institute for British Architects
UIA	Union of International Architects

### Stakeholders (Accredited Architectural Learning Sites)

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

### Stakeholders (Voluntary Associations)

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

### SACAP Categories of Registration


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

### Other – Generic

AAFF	Architect Africa Film Festival
Act	Architectural Profession Act, No. 44 of 2000
ALS	Architectural Learning Sites
CPD	Continuing Professional Development
HR	Human Resources
ICT	Information, Communication and Technology
MCS	Management Control System
PFMA	Public Finance Management Act, No. 1 of 1999
PPE	Professional Practice Examination
QMS	Quality Management System
RP	Registered Person
RPL	Recognition of Prior Learning
SCM	Supply Chain Management
VA	Voluntary Association







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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