

Annual Report

2017 | 2018



South African Council
for the Architectural Profession

| CONTENTS

PART A General Information	2
General Information	3
List of Abbreviations	4
Foreword by the President	6
Registrar Overview	8
Statement of Responsibility and Confirmation of Accuracy for the Annual Report	11
Strategic Overview	12
Legislative and other Mandates	13
Organogram	14
Executive Management	15
Senior Management	15

PART B Performance Information	16
Situational Analysis	17
Performance Information by Programme	21
Registrations 2017/2018	30
Accreditation and Validations of Architectural Learning Sites	39
Identification of Work	41
Professional Fees Guideline	41
Voluntary Associations	41
Recognition of Prior Learning	43
PART C Governance	44
Introduction	45
Executive Authority	45
The Accounting Authority/Board	45
Risk Management	50
Internal Control	50
Legal, Compliance and Complaints	50
Fraud and Corruption	52
Minimising Conflict of Interest	52
Code of Conduct	52
Health, Safety and Environmental Issues	52
Social Responsibility	53
Audit and Risk Committee Report	54
PART D Human Resource Management	56
Introduction	56
Human Resource Oversight Statistics	58
PART E Financial Information	61
SACAP Financial Statements	62
SACAP Education Fund Financial Statements	100



A | GENERAL INFORMATION

General Information

Registered name	South African Council for the Architectural Profession (SACAP)
Physical address	51 Wessel Road, Right Wing Rivonia, Sandton 2128 South Africa
Postal address	P0 Box 1500 Rivonia 2128
Telephone number	+ 27 11 479 5000
Fax number	+ 27 11 479 5100
External auditors	PricewaterhouseCoopers Inc
Bankers	First National Bank Nedbank Investec Bank

List of Abbreviations

Stakeholders (National)

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

Acts of Parliament and Policy Frameworks

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

Stakeholders (International)

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

Stakeholders (Architectural Learning Sites)

CPUT	Cape Peninsula University of Technology
DUT	Durban University of Technology
NMU	Nelson Mandela University
UCT	University of Cape Town
UFS	University of the Free State
UJ	University of Johannesburg
UKZN	University of Kwa-Zulu Natal
UP	University of Pretoria
TUT	Tshwane University of Technology
WITS	University of the Witwatersrand

Recognised Stakeholders (Voluntary Association)

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

SACAP Programmes

RPL	Recognition of Prior Learning
NASF	National Architecture Student Forum
WiASA	Women in Architecture South Africa

SACAP's Registered Persons

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

Other

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



FOREWORD

by the President

The South African Council for the Architectural Profession (SACAP) has broadly set its strategic objectives in line with the mandates of the Architectural Profession Act 2000, (Act No 44 of 2000) (the Act). Furthermore, through Annual Performance Plans, SACAP has identified performance indicators and target that it seeks to achieve in order to fulfil its statutory mandate.

Collaboration with Local Municipalities and South African Police Services

During the period under review, SACAP Council successfully improved awareness that only professionally registered persons are eligible to submit building plan applications to the Municipality for approval. This was achieved through extensive engagement with Local Municipalities and Building Control Officers. In addition, posters were distributed to various Municipalities to alert the public that only persons who are professionally registered with SACAP can submit building plan applications. Local Municipalities will not accept and approve plans submitted by unregistered persons.

Furthermore, SACAP continues to work with the South African Police Service (SAPS) during the period under review to prosecute persons who pass themselves as registered persons while they are not. Although the SAPS detectives do not speedily deal with the cases, SACAP is committed to working with the SAPS to ensure that persons who perform architectural work without being registered, are prosecuted. Strides experienced this year, have been on a matter reported to SAPS by a public member in Gauteng on an unregistered architectural person. This matter is currently in the court process.

Registration

Registrations have slightly increased across all categories of registration, which is a positive move towards growing the architectural profession. In contrast, the number of persons deregistered due to failure to pay prescribed annual fees has increased. SACAP has embarked on campaigns to ensure that only registered persons are permitted to submit building plan applications. This will assist to reduce the numbers of deregistration. The value of maintaining ones registration is paramount. When I began practice, I enlisted the service of an attorney, who told me that they had a matter where an architectural professional lost a case due to a loophole used by the opposing client's lawyer. His registration had lapsed and was found wanting. I knew then, that it is valuable to fortify ones base by remaining registered. As we advance further as an informed society, Colleagues our clients are "lawyering up", it is prudent that we maintain our professional statuses, "study up" so we retain our clients from a confident armed position that delivers great products.

Education Fund

In the period under review, SACAP offered Education Fund grants to architectural students studying at SACAP recognised Architectural Learning Sites (ALS). We acknowledge that the funds available are not sufficiently adequate to make a substantive difference in growing the quantum of the profession from grass roots up. The grant was allocated to previously disadvantaged individuals. In years to come, towards the study grants, we hope to also issue smaller parcels of grants to enable support matters like travel, stationery, annual conference attendance or architectural study books. When we help in such, SACAP gets to have a greater reach.

Transformation

To SACAP, transformation is not seen as a pinned standalone activity, but rather a pertinent agenda that is placed indelibly to all our mandates and committees thereof. Transformation is an opportunity. I feel that when we tap into our diversity, our results could yield rich creative outcomes. True transformation, lies in good doses of gender representation and ethnicity across all job tiers, until then, we have hardly begun to make a change. Transformation is unavoidable.

Women in Architecture

Women are the first architects I could deem, following the 'Master Designer' of all our beliefs, our crafting wombs are the first shelter. I encourage that women should take their place at the tables of leadership and occupy it from their unique approach. Woman are valid and they should run with swords. I expect nothing less. I was elected as SACAP's first female President, I am protective about the profession and service to the public. Serving council with deeply insightful male councillors is not only a privilege but also an honour. Our collective fortitude is a testament to men and women having the ability to lead with immense mutual respect.

Code of Professional Conduct and Discipline

All registered person are required to comply with the Gazetted Code of Professional Conduct. We have discovered that most of the breaches of the Code of Professional Conduct arise due to lack of knowledge of the Code of Professional Conduct. To that end, the Professional Practice Examinations will include questions on the Code of Professional Conduct to all candidates sitting for the examination.

Disciplinary Tribunals are conducted in major cities. SACAP's disciplinary process plays a crucial role in maintaining the integrity and professionalism of the profession and protecting public interest. These Disciplinary Tribunals are a barometer meant to protect the public to uphold standards and good practice expected from architectural professions.

Recognition of Prior Learning (RPL)

Recognition of Prior Learning (RPL) was launched 8 May 2017. Through this program, registered Professional Architectural Draughtspersons, Professional Architectural Technologists and Professional Senior Architectural Technologists can gain access to elevated professional registration. Articulating within the profession will uplift the professional status of successful applicants and is expected to help them unlock more lucrative work opportunities, deepen their knowledge and thoroughness when dispensing architectural services. The Recognition of Prior Learning agenda is SACAP's attempt to address the social imbalances of history that created the divide in self-advancement through education and the opportunities that it presented.

Strategic Partnerships

Recognised Voluntary Associations (VAs) play a pivotal role in the architectural professional. During the period under review, SACAP has collaborated with the South African Institute for Architectural Technologist among others to educate professionals about the Code of Professional Conduct. Furthermore, our valuable VAs continue to offer Continuing Professional Development courses focusing on National Building Regulations, South African National Standard 10400 and Town Planning Schemes.

Challenges

The Identification of Work and the Fees Guidelines remain a challenge at this stage. SACAP withdrew its application for exemption of the Identification of Work Policy with the Competition Commission due to alleged competition issues. The 4th Term Council is therefore currently engaging in a public participation process and hopes to Gazette a new IDoW Policy after the participation is completed.

The Professional Guideline Fees for 2016/17 and 2017/18 financial years were not published. Council together with the Professional Fees Committee is working on alternative fee guidelines to ensure that they are in line with legislation relating to the promotion of competition.

The Year Ahead

SACAP is committed to working with all stakeholders to regulate the architectural profession. Furthermore, SACAP intends to register Building Control Officers in the architectural profession in a specified category of registration. The year ahead should see the launch of The SACAP President's Awards which take a naming leaf from Royal British Institute of Architects (RIBA) Presidents awards. This should be the beginning of a forever annual event. This Award is targeted at practicing professionals. The objective is to encourage ongoing excellence and enthusiasm about good architectural output.

Architectural Expression

We are practicing in tough but exciting times. We are seeing public and private commissioners of architecture bravely moving away from Eurocentric design solutions. Good architecture is a basic human right. I have observed, through my colleagues and in practice, that the public is becoming enthused by a newer South African expression of built solutions that are responding to our climate, progressive technology and our way of life. They are realising that well designed poetic buildings are worth the fees being levied by the professional appointed.

Acknowledgment and Appreciation

In conclusion I would like to express my gratitude to all SACAP Councillors that I serve with, Council committee members and the staff of SACAP for their commitment to raising higher architectural standards. I thank all stakeholders who contribute to the development of the architectural profession at large. My gratitude extends to members of the Allied Profession, with whom we seamlessly orchestrate built products with. As we move into the next year it remain with me that, we have One Architectural Lifetime, every enlightened contribution helps.

At our core are our Registered Professionals, the Ministry of Public Works and the public that continues to contract with our professionals. I stand firm on fairness, ethical business conduct, ongoing self-development, protecting the profession and teaching about its value to the public client. I stand for brave architectural endeavours in built form and in philosophy, advancement of my professional colleagues, education of our youth in the work place and campaigning a progressive Africa.

SACAP for us All.

Mrs Letsabisa R Shongwe née Lerotholi
President of the Council



Registrar OVERVIEW

The mandate of SACAP

The South African Council for the Architectural Profession was established in terms of Section 2 of the Architectural Profession Act (APA), 44 of 2000. The APA gives the Council powers to regulate the profession through the registration of persons eligible for registration; development of rules; policies; standards; and procedures; as well as accreditation; professional conduct management and the management of Continuing Professional Development (CPD). Furthermore, SACAP is mandated to develop the Identification of Work (IDoW) framework for Registered Persons, together with related professional fees guidelines. During the 2017/18 period, SACAP worked hard to fulfil its statutory mandate.

Financial Performance of SACAP

During the 2017/18 Financial Year SACAP received revenue of R30 839 650. The Council also received an unqualified Audit Report from the auditors for the 2017/18 Financial Year. This achievement is despite the fact that all revenue comes from subscriptions of Registered Persons, including a challenge of defaulters who constitute 6.24% of all Registered Persons. SACAP is not a State entity, and it is not registered as a Public Finance Management Act (PFMA) organisation in accordance with Treasury. However, we continue to make efforts to follow the PFMA and King Code principles.

Protection of the Public

In terms of Section 13 (h) of APA, the Council may, in addition to other powers, take any steps it considers necessary for the improvement of the standards of services rendered by Registered Persons.

During 2017/18, SACAP has directly engaged with a number of local municipalities to enter into a Memorandum of Understanding to enable the effective exchange of information in relation to the submission of building plan applications by Registered Professionals. This is to ensure that only persons who are registered and in good standing with SACAP submit building plan applications; improve the standard of the building plan applications submitted to the municipality; ensure consistent interpretation of the National Building Regulations and Standards Act, 1997 (Act No. 103 of 1997), National Building Regulations (GN R2378/1990) and SANS 10400 on all building plan applications submitted by registered Architectural Professionals.

Furthermore, collaboration between SACAP and local municipalities is meant to co-ordinate public campaigns to raise awareness of the public that only Registered Professionals can be appointed by the public to prepare building plans. A number of posters were distributed to various local municipalities educating the public that only Registered Professionals are eligible to submit building plans.

In collaboration with the South African Institute of Architectural Technologists (SAIAT), SACAP also provided lectures on the Code of Professional Conduct in the period under review. The objective of the lectures was to make Registered Professionals cognisant that the Code of Professional Conduct prescribes the ethical principles and rules of conduct that all registered persons are expected to uphold and be measured against. SACAP takes a great interest in the professional conduct and integrity of Registered Persons.

Accreditation and Validations of Architectural Learning Sites

In terms of Section 13 (a) of the APA, the Council may, subject to sections 5 and 7 of the Higher Education Act, 1997 (Act No. 101 of 1997), conduct accreditation visits to any educational institution which has a department of Architecture.

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

There are currently 11 (eleven) SACAP-accredited Architectural Learning Sites (ALS's) around the country. In terms of the APA, SACAP is mandated to assess the quality and relevance of each of the architectural qualifications offered by each ALS, on a rotating basis, within a 5 (five) year cycle. Such qualifications enable architectural candidacy, and eventual professional registration and practice. This five-year cycle was completed at the end of April 2018.

Annual Performance Plan

Annual Performance Plans identify the performance indicators and targets that SACAP seeks to achieve in order to fulfil its statutory mandate. It is important that these performance indicators and targets be aligned across budgets. Performance information is important for effective management, planning, budgeting, implementation, reporting, monitoring and evaluation. This report reflects on SACAP's annual targets and performance indicators for the 2017/18 period.

Information Technology

During 2017/18 SACAP's website was redesigned to align with our new Corporate Identity brand strategy with a clean, elegant, user-centric design. The updating of our website has improved the experience of our users, better serves their needs, makes the site more up-to-date and visually appealing, improves the display or surfacing of content, and has made it easy for navigating and accessing the Monthly Training Record and Continuing Professional Development portals.

New Corporate Identity

SACAP has developed a new brand image that resonates with the Architectural Profession and gives the profession a solid sense of identity. The website, letterhead and social media platforms have all been adapted to conform to our new Corporate Identity brand.

Human Resources

SACAP has 8 (eight) positions that need to be filled as per the approved organogram. We anticipate having all the positions filled in the 2018/2019 Financial Year. The Education and Accreditation Manager position was filled in the 2017/2018 Financial Year. This position will assist SACAP in fulfilling the mandate of Validating and Accrediting the Architectural Learning Sites.

Challenges

Identification of Work

In terms of section 26 (1) of the APA, the Council must consult with all Voluntary Associations; any person; anybody; or any industry, that may be affected by any laws regulating the built environment professions regarding the identification of the type of architectural work which may be performed by persons registered in any of the categories referred to in Section 18. This includes work, which may fall within the scope of any other profession regulated by the Professions' Acts referred to in the Council for the Built Environment Act, 2000.

The Competition Commission deemed SACAP's previous Identification of Work (IDoW) Policy anti-competitive. SACAP withdrew its application for exemption of this Policy with the Competition Commission during the year under report review, in favour of reworking the Policy. The 4th Term Council resolved to consider the Protection of Titles and Scope of Profession of each category, in relation to the Act. A new IDoW framework will be developed accordingly for approval by the Competition Commission. The 4th Term Council, therefore, is currently

engaging in a public participation process and hopes to gazette a new IDoW Policy after the participation is completed.

Notwithstanding the absence of the IDoW, Registered Persons are required only to undertake Architectural work they are qualified for and competent to perform.

Professional Fees

In terms of Section 34 (1) of APA, the Council must, in consultation with the Voluntary Associations, formulate recommendations with regard to the principles referred to in Section 4(k)(v) of the Council for the Built Environment Act, 2000 (CBE Act). Section 4 (k) (v) of the CBE Act provides that the CBE may ensure the consistent application of policy by the councils for the professions with regard to the principles upon which these councils must base the determination of fees which registered persons are entitled to charge in terms of any of the professions' Acts, and in accordance with any legislation relating to the promotion of competition.

To that end, the Council formulated professional fees guidelines. The Competition Commission, however, rejected the fees guidelines on the basis that they were anti-competitive.

As a result, the Professional Fees Guidelines for the 2016/17 and 2017/18 Financial Years were not published. The Council, together with the Professional Fees Committee, are working on alternative fee guidelines to ensure that they are in line with legislation relating to the promotion of competition.

Acknowledgment or Appreciation

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

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



Advocate Toto Fiduli
Acting Registrar

Statement of Responsibility and Confirmation of Accuracy for the Annual Report

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

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

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

The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the standards applicable to the public entity.

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

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

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year that ended 31 March 2018

Yours faithfully



Advocate Toto Fiduli
Acting Registrar
27 September 2018



Mrs Letsabisa R Shongwe née Lerotholi
Council President
27 September 2018

Strategic OVERVIEW

VISION

People-centred Architecture for South Africa

MISSION

SACAP will **transform**, promote and regulate the Architectural Profession through collaborative engagement in the Pursuit of Excellence.

VALUES

Responsibility: being accountable for our decisions and actions

Excellence: promoting high standards

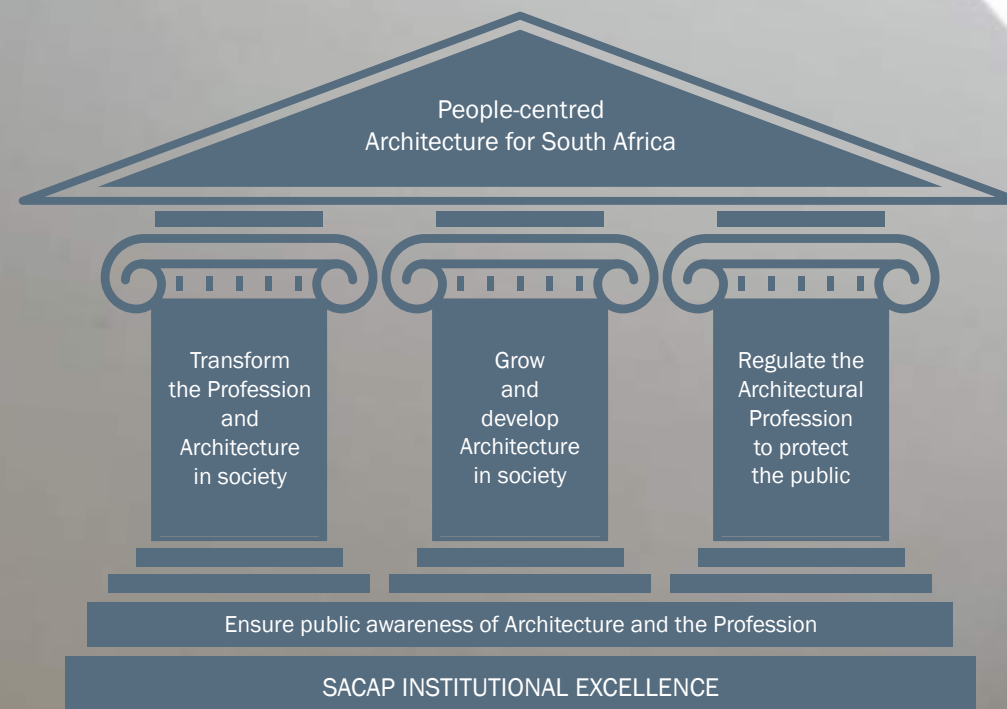
Integrity: ethical behaviour, honesty and trustworthiness

Respect: ethos of dignity, tolerance and consideration

Transparency: appropriate disclosure of information and open debate

Cohesiveness: shared, coherent values and aspirations

STRATEGIC OBJECTIVES



Legislative and Other Mandates

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

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

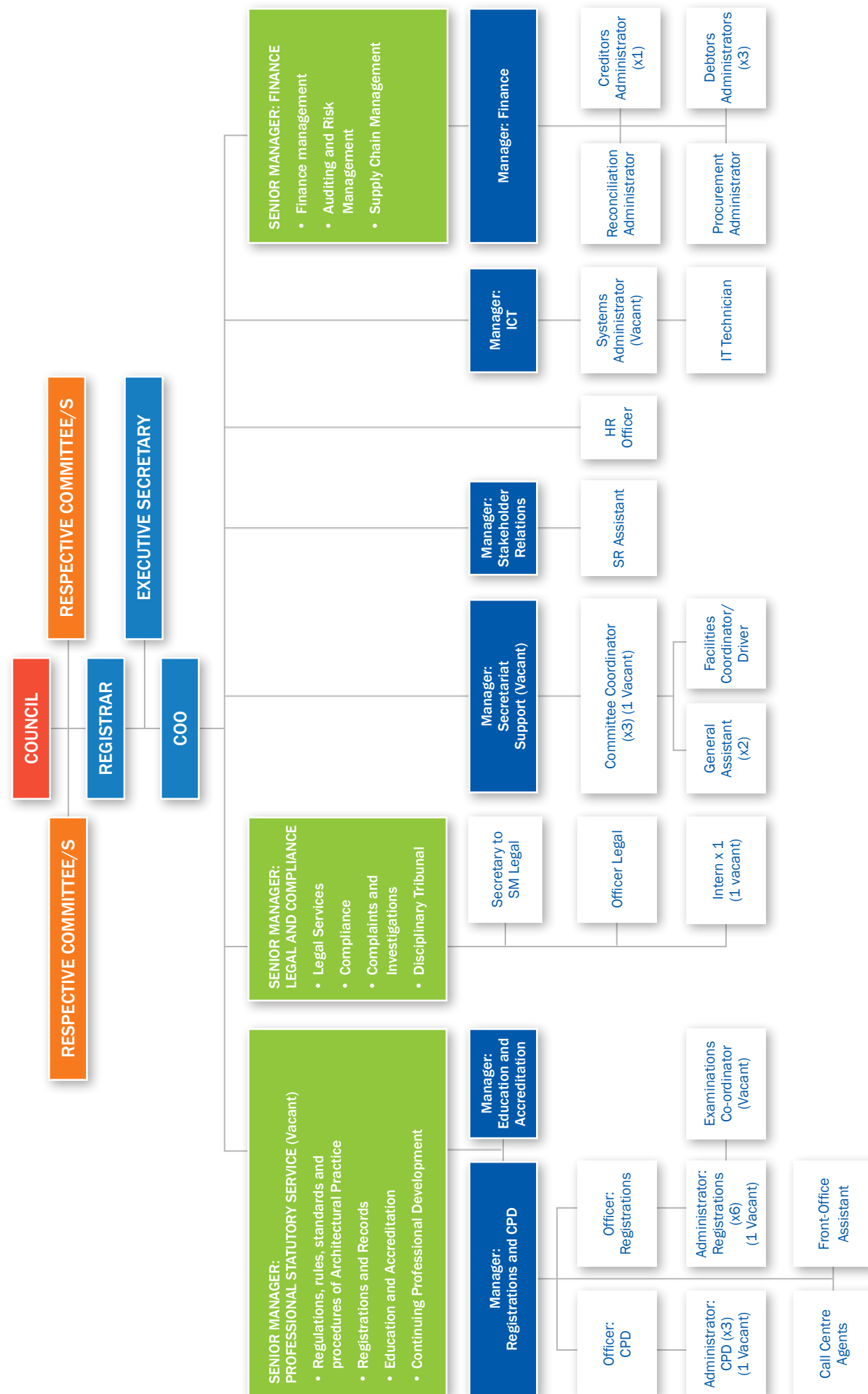
The new Act includes all the Architectural Professionals – which are as follows:

- Professional Architects, Professional Senior Architectural Technologists; Professional Architectural Technologists and Professional Architectural Draughts-persons, whereas the previous professional legislation had only allowed for the registration of architects.

The protection of the public is intrinsic to this new Act. Inasmuch as the rules of the Act are appropriately instituted, applied and administered and therefore succeed in protecting the public, they equally protect registered persons. Furthermore, these rules reinforce the development and sustainability of the Architectural Profession as a whole, and enhance the integrity and status of SACAP's Registered Persons.

SACAP's mandates

- Education, including:
 - Accreditation and validation of ALSs
 - Research
- International Recognition
- Continuing Professional Development
- Professional Practice Examination
- Recognition of Prior Learning
- Recognition of Voluntary Associations
- Professional Registration
- Identification of Work
- Professional Code of Conduct
- Investigations and Disciplinary Tribunals
- Professional Fees



Executive Management



Ms Marella O'Reilly
Registrar/CEO



Ms Barbara van Stade
Chief Operations Officer (COO)

Senior Management

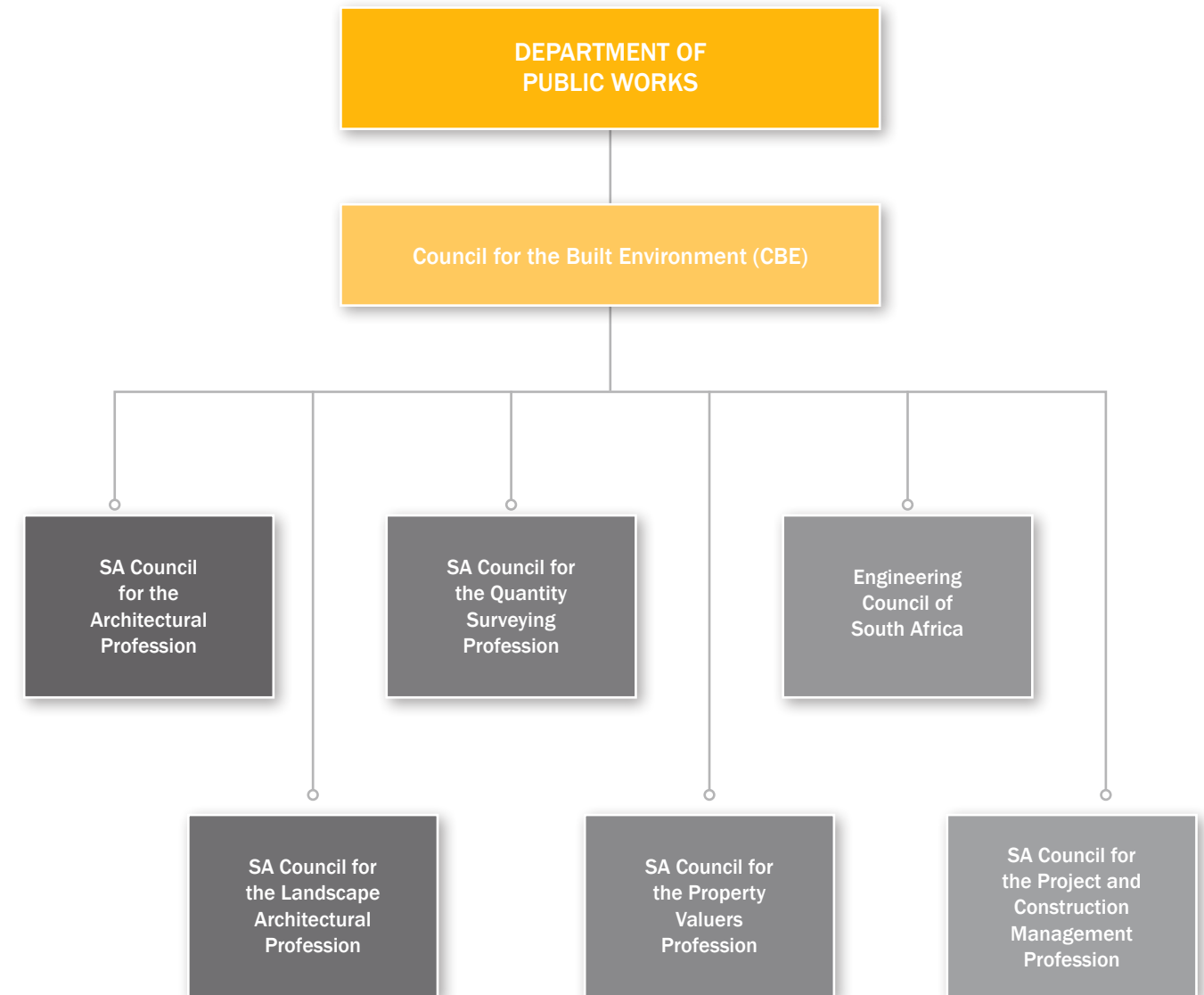


Mr Tshepo Tefo
Senior Manager: Finance



Adv. Toto Fiduli
Senior Manager: Legal and Compliance

Situational Analysis



Service delivery environment

In the year 2017/18, all the units in SACAP have continued to make great strides in ensuring that the Service Delivery environment remains a key objective to the organization. This has been largely driven by SACAP’s adoption and implementation of the Annual Performance Plan, to manage its Performance, mitigate against risk and ensure compliance.

SACAP’s Council and Executive Management are satisfied that by utilising the APP methodology, SACAP has enhanced the operationalisation of its strategic Organizational Plan for the period 2014 – 2019. This is due to its ability to respond to a number of priorities from the CBE, DPW and the NDP.

At the end of 2017/18 year, each strategic obligation of the 4th term Council five programmes has performance targets and indicators set to ensure consultative transformation, regulations and development of standards. These indicators have been set by SACAP Executive Management and were refined in the current year.

The following initiatives were put in place to ensure that the service delivery needed for the RP’s and the public are well taken care of:

- Implementation of the firewall in the IT server to ensure that information is protected.
- Creation of an online system for MTR submissions.
- Implementation the procurement function in order to mitigate the risk of segregation of duties.
- Review of all the policies for well-informed decisions.
- Implementation of the new Corporate Identity and Media Relations programmes, which communicate a People-centred architecture.

Organisational environment

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

Five additional Council Members were appointed on 5 December 2017, to assist the remaining Council Members.

An important issue affecting both RPs and the public is SACAP’s publication of an IDoW Policy. In the reported period, SACAP withdrew its IDoW application for exemption with the Competition Commission in favour of relooking at the IDoW. Council resolved to consider Protection of Titles and Scope of Professional Competence of each category. This new IDoW framework is still to be developed for approval by the CC and will be gazetted thereafter.

Meanwhile, due to the existing Professional Fees Guideline Framework being deemed anti-competitive by the CC, research for a new framework has begun. This relies on a thorough consultative process with all affected stakeholders and SACAP looks forward to making significant progress in this regard next year.

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

Key policy developments and legislative changes

This year, there have been no legislative changes that affect SACAP’s mandate.

Meanwhile, the development of SACAP’s transformational policies remains an ongoing process and of great importance to the 4th Term Council. Its RPL programme is Council’s key transformation strategy, which will significantly change the complexion of the Architectural Profession landscape and aims to increase the representation of PDIs by race and gender on the register. Other transformational programmes include Women in Architecture South Africa (WiASA) and the National Architectural Student Forum (NASF), which actively addresses decolonisation of education calls. SACAP’s established RPL policy gave rise this year to the development and announcement of the online RPL self-assessment platform.

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

Strategic outcome-orientated goals of the Council

STRATEGIC GOAL 1	Transform the Profession and Architecture in society (collaboration)
Goal statement	Increase demographic representation of historically disadvantaged groups and that of women in the architectural profession
Link to national outcome(s)	<ul style="list-style-type: none">• Decent employment through inclusive growth• An efficient, competitive and responsive economic infrastructure network• Responsive, accountable, effective and efficient local government• Protect and enhance our environmental assets and natural resources• Quality based education• A skilled and capable workforce to support an inclusive growth path• A diverse, socially cohesive society with a common national identity

STRATEGIC GOAL 2	Grow and develop Architecture and the Profession
Goal statement	Increase membership, determine and publish the IDoW, publish the fees schedule.
Link to national outcome(s)	<ul style="list-style-type: none">• Decent employment through inclusive growth• An efficient, competitive and responsive economic infrastructure network• Responsive, accountable, effective and efficient local government• Protect and enhance our environmental assets and natural resources• Quality based education• A skilled and capable workforce to support an inclusive growth path• A diverse, socially cohesive society with a common national identity

STRATEGIC GOAL 3	Regulate the Architectural Profession to protect the public
Goal statement	Regulate the profession to protect the public. Protecting the public is an objective derived directly from SACAP’s mandate.
Link to national outcome(s)	<ul style="list-style-type: none">• Protect and enhance our environmental assets and natural resources• A comprehensive, responsive and sustainable social protection

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

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

Performance Information by Programme

PROGRAMME 1: TRANSFORMATION

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

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

Purpose of the programme

The aim of this programme is collaborating with other stakeholders in order to transform the profession and architecture in society.

Through a number of transformation programmes such as RPL, WiASA and NASF, SACAP strives to collaborate with ALSs, VAs and Registered Professionals in order to achieve these goals and will assist the profession to transform the local and global built environment.

The programme, namely Institutional Excellence addresses SACAP's own transformation in all spheres.

SACAP's Stakeholder Engagements programmes enable all of the above.

Key performance indicators, planned targets and actual achievements

	Programme performance indicator	Actual achievement 2017/18	Planned target 2017/18	Deviation from planned target to actual achievement for 2017/18	Long-term strategic plan target 2019/20	Comment on deviation
1.1	Increased representation on the level of registration within the PDI, including race and gender	Of total register: 17% is Black 6% is Coloured 8% is Asian 6% of the register are PDI women	Grow representation on the register in the historically disadvantaged groups, including race and gender	No accurate benchmarks from CBE initially available. SACAP does not have a research unit.	CBE to provide baseline study from which to set targets SACAP to undertake research to identify research targets	Phase 1 of the RPL online self-assessment system was implemented in this financial year
1.2	Availability of an integrated transformation strategy and implementation plan	Developed cornerstone components of this strategy (WiASA and NASF programmes). RPL program implemented Implementation plans for remainder of these strategies are in progress	Implementation of RPL program. Continuous development of the strategy and implementation plan	Strategies designed and implemented through stepped implementation	Implementation of devised approved programmes	Updates in online RPL programme identified and receiving attention. Realistic strategy and implementation of the remaining programmes rely on collaborative engagement from stakeholder groups



Career Expo Ekurhuleni 2017



Key performance indicators, planned targets and actual achievements (cont.)

	Programme performance indicator	Actual achievement 2017/18	Planned target 2017/18	Deviation from planned target to actual achievement for 2017/18	Long-term strategic plan target 2019/20	Comment on deviation
1.3	Implementation of RPL programme enabling SACAP registered professionals from HD groups (specifically women) to upgrade their registration designation	RPL online self-assessment implemented. Further developments to online system.	RPL Online self-assessment implementation	RPL launched. Amendments to online system identified.	50 upgrades through RPL	Gaps online self-assessment identified. System is being updated to address these gaps.
1.4	Development of an architectural student register	First NASF workshop convened in March 2017 to determine terms of reference Bursary Fund allocated to ALSs for distribution to HDIs Public talks by Registrar at ALSs and industry Expos	EduCom to establish a NASF with terms of reference Distribute bursary funds to ALSs Raise awareness amongst student base on The Act and architecture	None	Development of a special architectural student register	Achieved
1.5	Development of a special programme to encourage the re-entry and rise of women in Architecture	WiASA Programme to enhance awareness by women regarding RPL	WiASA Programme established to ensure that SACAP has an entity to advocate for interests of female architectural RPs	Dissolved Task Team and creation of a special national WiASA programme.	WiASA programme advocating for women in architecture	In progress.

Strategy to overcome areas of underperformance:

- SACAP is revising the gaps identified on the RPL online self-assessment platform for RPL.
- Finalisation will inform the way forward with regards to Phase 2: Authentication.
- SR unit is establishing a specific framework to engage high-level stakeholders who are at the centre of collaborative transformational efforts including DPW, CBE and other identifying stakeholders.
- Partner with school initiatives to raise awareness and interest among school learners from previously disadvantaged groups.
- The SR unit to encourage and collaborate with VAs to host activities that seek to raise the awareness of the architectural profession.

Change to planned targets

Lack of available research meant setting of realistic targets has been delayed.

Linking performance with budgets

The programme budget increased by 7 % from the previous Financial Year in order to invest in the delivery of transformation programme mechanism.

PROGRAMME 2: GROWTH

Strategic Goal: Grow and develop architecture and the profession

Goal Statement/Objective: Increase membership, determine and publish the IDoW, publish the fees schedule

Purpose of the programme

The strategic objective of this programme is to retain and grow the profession and to develop people-centred architecture.

The public's safety is ensured by development of professionals through activities such as CPD. In addition to the Architectural Act that prescribes various mandates, the Council strives to offer the profession further opportunities for growth by way of other relevant Act's (such as SAQA and the Higher Education Act).

Through the identification of clear areas of competencies and appropriate market related fee guidance for the public, SACAP can assist in the appointment of the correct architectural professional, at the correct fee. This is done through engagement with collaborating stakeholders in a way that does not contravene the Competitions Act.

Key performance indicators, planned targets and actual achievements

	Programme performance indicator	Actual achievement 2017/18	Planned target 2017/18	Deviation from planned target to actual achievement for 2017/18	Long-term strategic plan target 2019/20	Comment on deviation
2.1	Grow the register (candidates and professionals)	10 665 Registered Persons	11 200 Registered Persons	Registration of 665 RPs were cancelled in terms of Section 20 (1) (a)(iii) due to RPs not paying their Annual Fee	Grow the register to 11 500 members through combined initiatives in the up and downstream of the profession	Decrease in cancellations as a result of an effective communications plan, informing RPs of outstanding payments
2.2	Determination of the IDoW Policy following stakeholder engagement	SACAP withdrew IDoW application for exemption with the CC in favour of reviewing the IDoW. Council resolved to consider Protection of Titles and Scope of Profession of each category, in relation to the Act	Resolution of review of the IDoW Engagement with stakeholders	CC rejected IDoW Policy framework deeming it anticompetitive	Gazette a new IDoW Policy for implementation	New IDoW framework still to be developed for approval by CC
2.3	Determine the recommended Fees Guideline Framework	Research for the new fee structure started due to the existing published framework being deemed anti-competitive by CC	Fees Guideline to be published for 2016/17	CC rejected Fees Guideline, deeming it anticompetitive	Gazette a new Fees Guideline following research/consultation with target of publishing and for implementation	Research for new Fees Guideline still in process
2.4	Redress for HDI registered professionals	RPL Policy developed and implemented	RPL online self-assessment implemented	None	Online RPL self- assessment platform implemented	Gaps in online RPL self- assessment platform identified and are currently addressed.

Key performance indicators, planned targets and actual achievements (cont.)

	Programme performance indicator	Actual achievement 2017/18	Planned target 2017/18	Deviation from planned target to actual achievement for 2017/18	Long-term strategic plan target 2019/20	Comment on deviation
2.5	Validation of ALSs	100% compliance with validation protocols at 4 ALSs scheduled for 2017/18	Compliance by ALSs with competency outcomes as outlined in validation protocols	SACAP became a full signatory of the Canberra Accord (AC)	For SACAP to implement an African Outreach Programme	Achieved
2.6	Increase number of registration categories	Included all members of the IID that qualified to be registered in the category Draughtsperson on a once-off basis while reviewing academic qualifications for IID	Target of two additional specified categories	Registration of IID members still in progress. Once registered those can apply through RPL for upgrade to other categories if they meet the requirements	Finalise specified category for full registration	Qualifications of IID professionals to be reviewed and included in future Validation Board visits to ALSs
2.7	Increase number of first time registrations	1 198 new candidate registrations	Target of 1 200 new registrations	Increase from baseline of 682 in 2016/17	Grow to at least 1 300	Target figure exceeded.
2.8	Upgrade Candidates to Professionals	Council resolved to provide for 3 examinations per annum, instead of the 2 per annum that was previously written.	Allow more Candidates to write the PPE, in order to upgrade to Profession status.	229 Candidates upgraded after passing the PPE.	Candidates to apply for upgrades directly after completing their two/three-year Candidacy	Council to consider amending the conditions for eligibility to write the PPE, in that candidates will in future only qualify to write the PPE once they have completed their internship and met all the requirements for upgrading.

Strategy to overcome areas of underperformance:

- Increased involvement with students as ALS'
- Ensuring that only registered professionals' practice in the architectural field
- Legal and Compliance Unit to audit architectural practices and their architectural employees to ensure that all are registered with SACAP
- Motivate and create awareness amongst Candidates to upgrade to Professionals directly after completion and meeting the requirements of their Candidacy period.

Change to planned targets

More rigorous activities aimed at growing the register.

Public awareness of using only registered professionals for their own protection.

Linking performance with budgets

This programme aims at:

- Growing the Profession,
- Registration of Candidates and upgrading them to Professional status, and
- Creating awareness of Architecture.

PROGRAMME 3: REGULATION AND OVERSIGHT OF ARCHITECTURAL PROFESSION

Strategic Goal: Regulate the Architectural Profession to protect the public

Goal Statement/Objective: *Regulate the Profession to protect the public.
Protecting the public is an objective derived directly from SACAP's mandate.*

Purpose of the programme

SACAP's mandate is clearly stated in the Act, as regulating the Architectural Profession and protecting the public. Responsible architectural professionals will in turn ensure a safer built environment. It will also restore public confidence in SACAP.

Key performance indicators, planned targets and actual achievements

	Programme performance indicator	Actual achievement 2017/18	Planned target 2017/18	Deviation from planned target to actual achievement for 2017/18	Long-term strategic plan target 2019/20	Comment on deviation
3.1	Investigate all complaints received from the public against registered persons. Report all complaints against persons who are not registered to the South African Police.	Attended to 80% of all complaints received from the public against registered persons. Submitted all complainant against persons who are not registered to SAPS for investigation.	Enforce compliance with the Act and the rules of professional conduct.	None	Compliance with the Architectural Profession Act. Ensure architectural professionals comply with the Act, and the Rules. Collaboration with SAPS, Municipalities, Voluntary Association and NPA. Reduce number of complaints received from the public.	Achieved
3.2	Engage with Law Enforcement agencies and Municipalities to ensure that only persons who are registered and in good standing with SACAP submit building application for approval at all Municipalities.	Engagements with SAPS, Local Municipalities and NPA to enforce compliance with the Act.	Engage at least two law enforcement authorities, in particular Building Control Functionaries and SAPS.	None	Ensure that Registered persons comply with the Act and the Rules of the profession. Ensure that the public is protected through enforcement of the rules Protection of the reputation of the Architectural Profession through enforcing good practice standard.	Achieved
3.3	Refine investigative process and procedures	Implemented electronic case management system and investigation plans.	Implementation of Case Management software and investigation tools to gather reliable evidence.	None	An integrated database to manage complaints received against Registered Persons.	Achieved
3.4	Publication of practice notes to alert registered persons about the Code of Professional Conduct	Practice notes were published on the website to guide and enlighten RP's about the Code of Professional Conduct..	Guide and advise registered persons	None	Educate registered professionals about the rules of the profession and the standards expected from them when performing architectural work.	Achieved

Key performance indicators, planned targets and actual achievements (cont.)

	Programme performance indicator	Actual achievement 2017/18	Planned target 2017/18	Deviation from planned target to actual achievement for 2017/18	Long-term strategic plan target 2019/20	Comment on deviation
3.5	Publication of a 'Terms of appointment' document	Terms of Appointment have been completed by the Fees Committee.	Terms of appointment available for free on the website for use.	None	Ensure that the registered persons use the terms of appointment to protect their clients and themselves.	Achieved
3.6	Revision of The Rules of Inquiry into alleged improper conduct (BN 127 of 2005)	BN 64 of 2017 Published.	Revise BN on Rules of Inquiry	None	Implementation of the rules and ensure smooth running of Disciplinary Tribunal.	Achieved
3.7	Review Code of Professional Conduct for RPs (BN 154 of 2009)	Consulted extensively with RPs, VAs and CBE	Publish revised BN	To be published	Enforcement of the Code of Professional Conduct to ensure that the public is protected and the reputation of the profession.	Waiting for Council approval.
3.8	Collaboration with Municipalities to ensure that Building Control Officers are adequately qualified and competent, and are aware of their roles and responsibilities in terms of enforcing compliance with the National Building Regulations.	Entered into Memorandum of Understanding with Municipalities to ensure that persons who submit building applications are registered and encourage all registered persons to submit applications that comply with the building regulations.	Ensure that all Municipalities have signed the Memorandum of Understanding	Partly achieved. Some Municipalities are still considering the proposed Memorandum of Understanding.	Collaboration with Municipalities to protect the public and the reputation of the architectural profession.	None

Strategy to overcome areas of underperformance

Continuing engagement with the South African Police services to improve the successful finalisation of matters referred to them.

Change to planned targets

Legal and compliance unit not adequately capacitated to investigate all complaints and prosecute registered persons charged with improper conduct.

Linking performance with budgets

Investigating complaints and undertaking Disciplinary Tribunals constitute the biggest budget drivers within SACAP, as the protection of the public is one of the key mandates of SACAP. More resources are required to employ investigators and also constitute Disciplinary Tribunals.

PROGRAMME 4: STAKEHOLDER ENGAGEMENT

Strategic Goal: Ensure public awareness of Architecture and the Profession

Goal Statement/Objective: Promote the Architectural Profession

Purpose of the programme

The strategic objective of the Stakeholder Engagement Programme is to create positively engaged, well-informed architectural profession stakeholder base that collaborates for the realisation of SACAP's vision, mission and regulatory mandates.

Positive engagement rests on the SR Unit's regular contact and constructive consultation with SACAP's entire stakeholder base, using various identified and selected platforms. Collaboration rests on the spirit of inclusion with all those who can influence holistic transformation and the realisation of people-centred architecture. Informing all those who could potentially access the inherent value offered by the Architectural Profession is achieved through creating awareness amongst the public in need of appointing SACAP registered professionals. It also includes informing them of the necessity to sign terms of appointment contracts and the availability of the Legal and Compliance Unit to investigate any SACAP RP who has failed to uphold the Code of Conduct. This Stakeholder engagement programme also aims to educate school leavers and students about the profession and SACAP's mandates and thereby ensure the profession attracts excellence and transforms in terms of race, youth and age. The programme also safeguards SACAP's integrity in the public domain by defending its reputation where need be.

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

Performance Indicators and their corresponding long-term targets

	Programme performance indicator	Actual achievement 2017/18	Planned target 2017/18	Deviation from planned target to actual achievement for 2017/18	Long-term strategic plan target 2019/20	Comment on deviation
4.1	A comprehensive SR strategy and communication plan for the public entity in alignment with the 4th Term Council's Transformation objective	Development of an interim communications and media relations strategy and SR activity plan – which reached stakeholders across 9 platforms – and which was implemented by SR Unit, in consultation with communication specialists	Implement an interim communications and media relations strategy and SR activity plan, using relevant platforms	None	Development and implementation of SR strategy and annual communication plans, including policies and procedures	Internal processes underway for Council resolution
4.2	Open and active communication platforms that reach key stakeholders and deliver SACAP's regulatory information and news of the 4th Term Council's activities	Ongoing regular communication activities via the following platforms: 1. Website updates 2. Social media updates 3. Editorials in traditional media (print, online, radio and television) 4. Newsletters from Registrar 5. VA Forums	Implementation of a PR strategy and SR Unit's Activity plan to raise awareness about the Architectural Profession and promote SACAP's regulatory mandates amongst external stakeholders	None	SACAP's SR Unit works collaboratively with all internal Units to enable the realisation of the SR and communication plan's objectives	Achieved, developed strategic partnerships (incl. media) to raise public awareness of SACAP's regulatory requirements

Performance Indicators and their corresponding long term targets (cont.)

	Programme performance indicator	Actual achievement 2017/18	Planned target 2017/18	Deviation from planned target to actual achievement for 2017/18	Long-term strategic plan target 2019/20	Comment on deviation
4.3	Stakeholder Engagements as per SR Strategy and Activity plan	Sponsorship of special events attended by Built Environment candidates and professionals with emphasis on architecture. Presence at Career and industry expos Participation at CSI events Direct engagements with VAs Secured various public speaking opportunities for SACAP spokespeople. Direct engagement with BCOs	Directly engage stakeholders in the Built Environment to maintain and further build constructive relationships in order to achieve SACAP's strategic objectives	None	Stakeholder Engagements as envisaged by SR strategy and communication plan	The revised completed SR and communication strategic plan will provide targets for additional specific outcomes
4.4	Upgraded CI implemented across all platforms, in line with vision for People-centred Architecture	Roll out of CI elements across all brand touch points to reposition SACAP in line with its vision, mission and values	Completion of rolling out the new CI to reposition SACAP amongst its stakeholders	None	All relevant stakeholders should be able to identify SACAP with the new CI	In progress
4.5	SACAP's Annual Report published in accordance with CBE's template including the APP for CBEPs	Publication of SACAP's Annual Report	Publish SACAP's Annual Report	None	Annual publication for presentation to Portfolio Committee and DPW Minister	Achieved

Strategy to overcome areas of underperformance

- Stakeholder and communication strategy to address the targeted market
- Impactful activities to realise increased awareness of the architectural profession.

Change to planned targets

Under-resourced and budget constraints – notwithstanding the 7% increase in the budget, the public awareness mandate is hampered by ever increasing market-related costs. Achieving penetration in a dynamic market is challenging with resource and budget constraints.

Linking performance with budgets

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



Stakeholder engagement, Johannesburg 2017

PROGRAMME 5: INSTITUTIONAL EXCELLENCE

Strategic Goal: SACAP Institutional excellence

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

Purpose of the programme

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

Performance indicators and their corresponding long-term targets

	Programme performance indicator	Actual achievement 2017/18	Planned target 2017/18	Deviation from planned target to actual achievement for 2017/18	Long-term strategic plan target 2019/20	Comment on deviation
5.1	Staff performance appraised	100% of staff's performance appraised	100% appraisal of staff's performance	None	100% of staff's appraisal to be achieved on an annual basis	Achieved
5.2	A clean audit report	An unqualified audit	An unqualified audit report	None		
5.3	Improvement in service delivery	Improve the quality of services offered to registered persons.	Address all queries within a reasonable time Promptly answer all telephone calls from registered persons and the public.	None	Increased levels of service delivery	On going
5.4	Website Revamp	Website redesigned to align with our new corporate identity brand strategy with a clean, elegant, user-centric design.	Improve site navigation and usability	None	Effective use of the site by all RP's	Achieved
5.5	An online RPL web portal system application systems, was implemented	Implementation of the online RPL self-assessment web portal accessible anywhere anytime with responsiveness design	Implement online self-assessment RPL web portal	None	Maintenance and enhancement on the self-assessment calculation matrix	Achieved

Performance indicators and their corresponding long-term targets (cont.)

	Programme performance indicator	Actual achievement 2017/18	Planned target 2017/18	Deviation from planned target to actual achievement for 2017/18	Long-term strategic plan target 2019/20	Comment on deviation
5.6	Secure Network system	Implementation and installation of the firewall to secure the domain network anywhere"	Implement firewall upgrade	None	Maintenance and support of the firewall	Achieved
5.7	YM Offline Sync Backup	Implementation of API YM Offline Sync system that continuously backup council data local from the cloud	Implement of an API YM Offline backup system	None	Continuously maintenance and support	Achieved
5.8	Implementation of PDP and WSP	Staff went on training. Work Skills Plan (WSP) submitted on time to Department of Labour – first time in history of SACAP	Staff training target met WSP submitted	None	Registration with Services SETA. Staff benefitting from Training	Achieved

Strategy to overcome areas of underperformance

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

Change to planned targets

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

Linking performance with budgets

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

Registrations 2017/2018

All applicants are registered in a Candidate Registrations Category (CRC).

This category is determined by the NQF level of the applicant's recognised architectural qualification.

A registered candidate must complete a pre-determined period of internship.

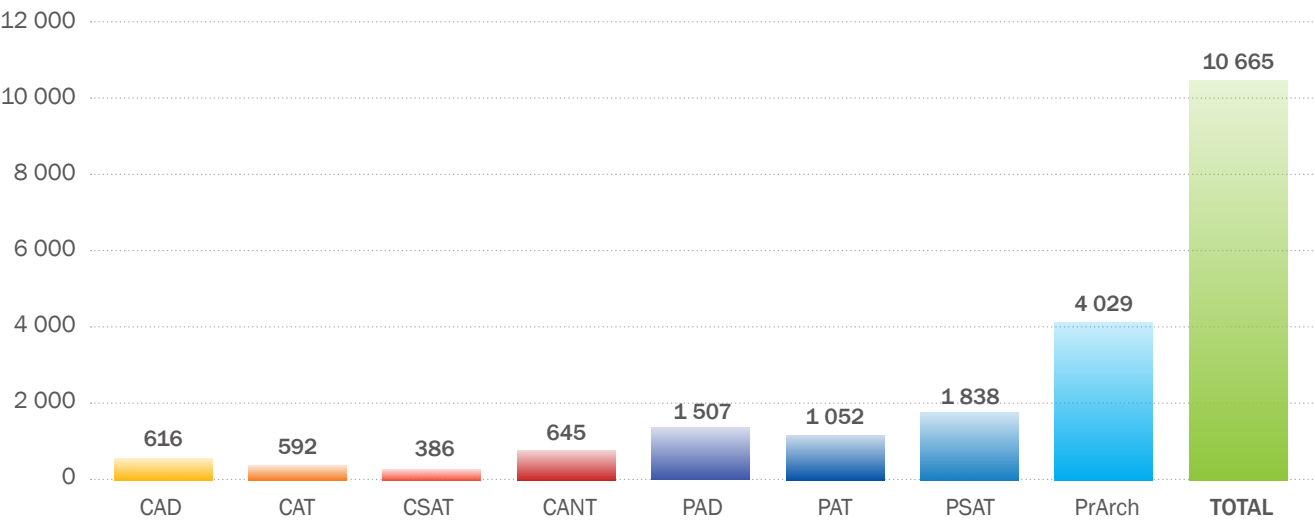
During the period of internship, candidates are required to submit Monthly Training Records (MTRs).

These records must be verified and signed off by the candidate's mentor.

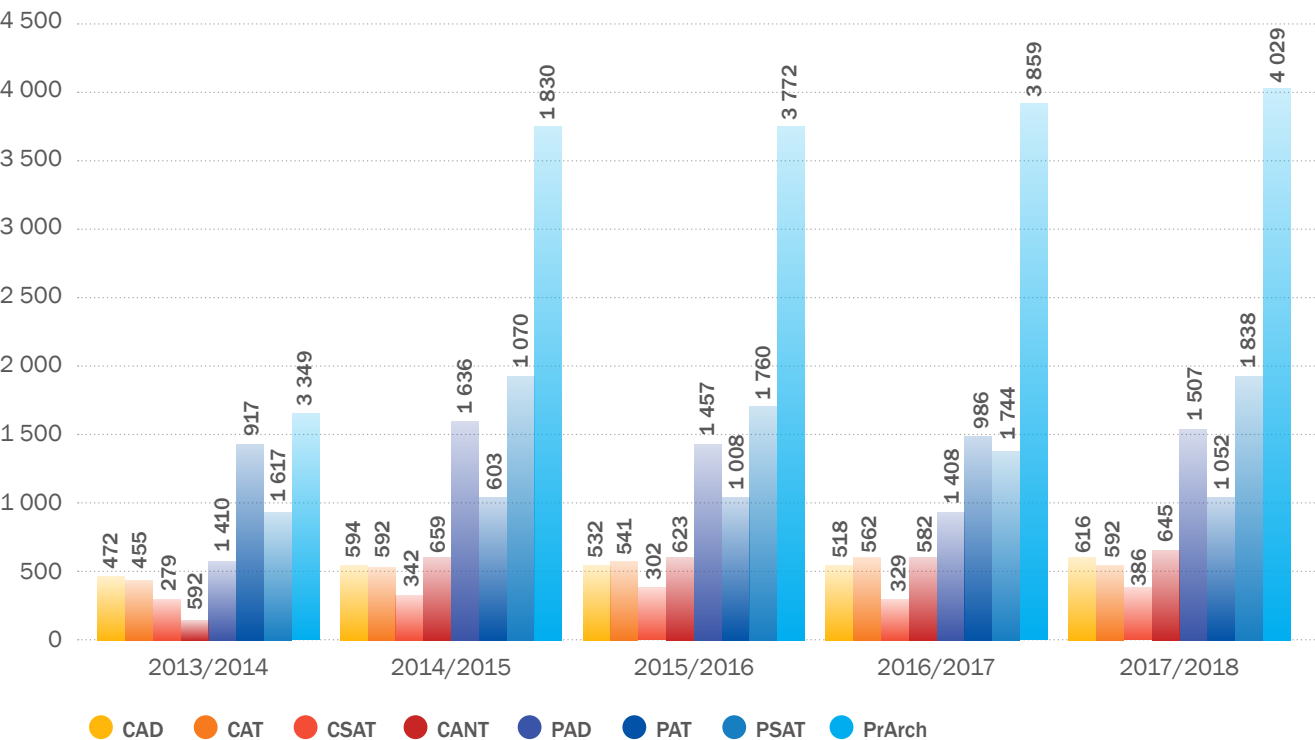
Before applying to upgrade to a professional registration category, candidates are also required to write and pass the Professional Practice Examination.

The registrations for the 2017/18 Financial Year are broken down in the below tables and graphs.

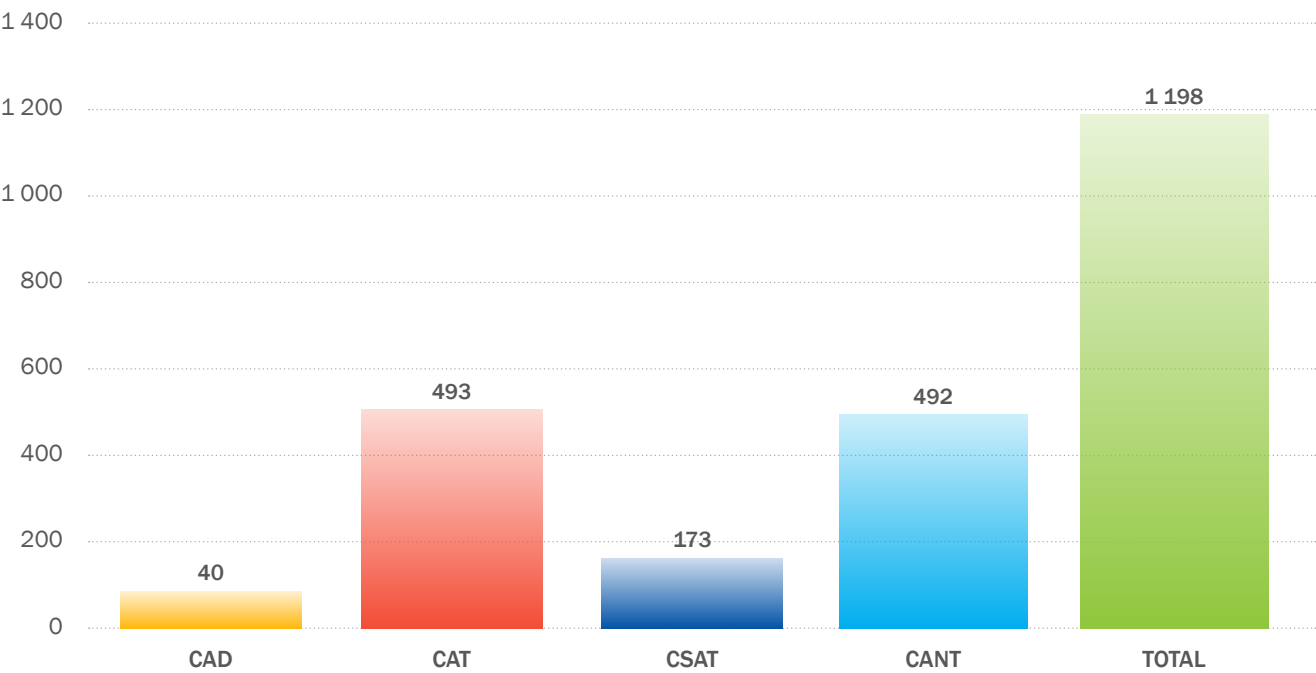
Cumulative total of registered persons as at the end of the 2017/18 Financial Year



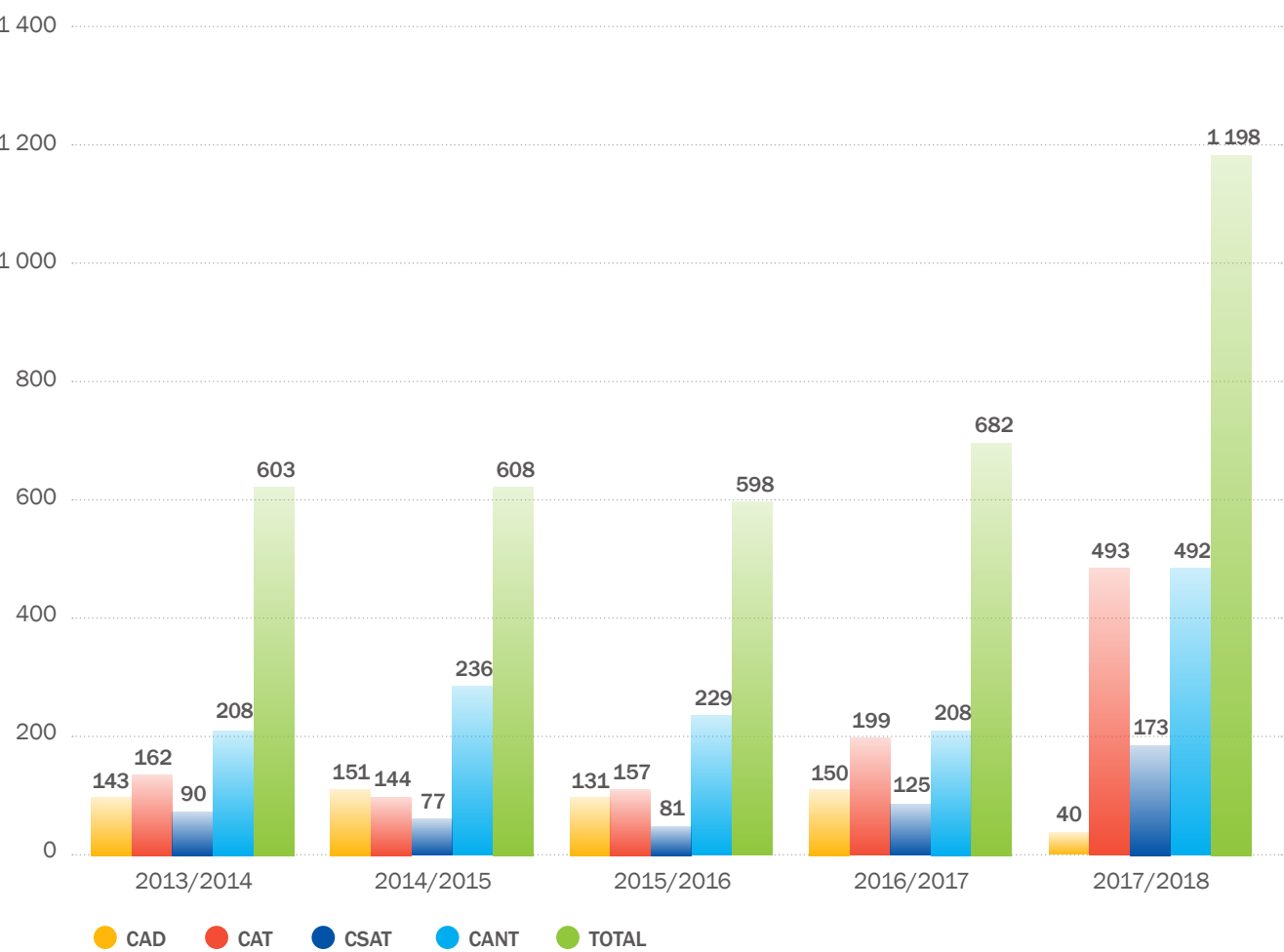
Cumulative total of registered persons over the last five years



New Candidate registrations per category in 2017/18

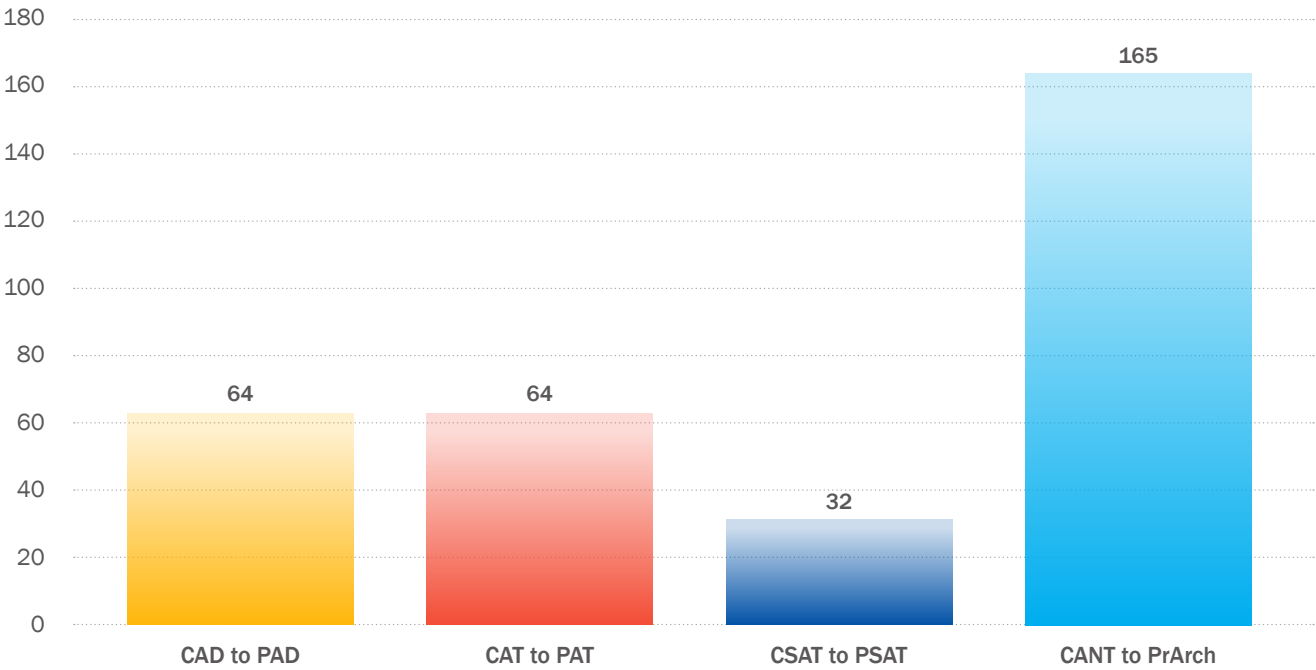


New Candidate registrations by category for the last five years

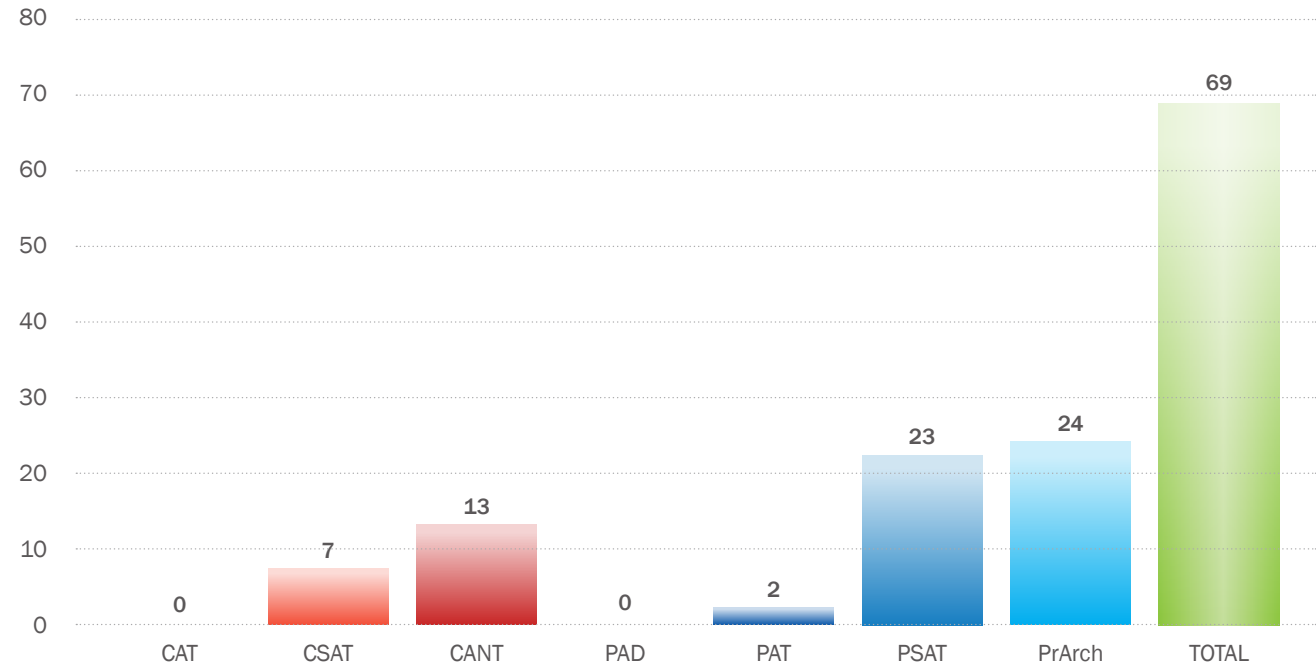


Upgrades

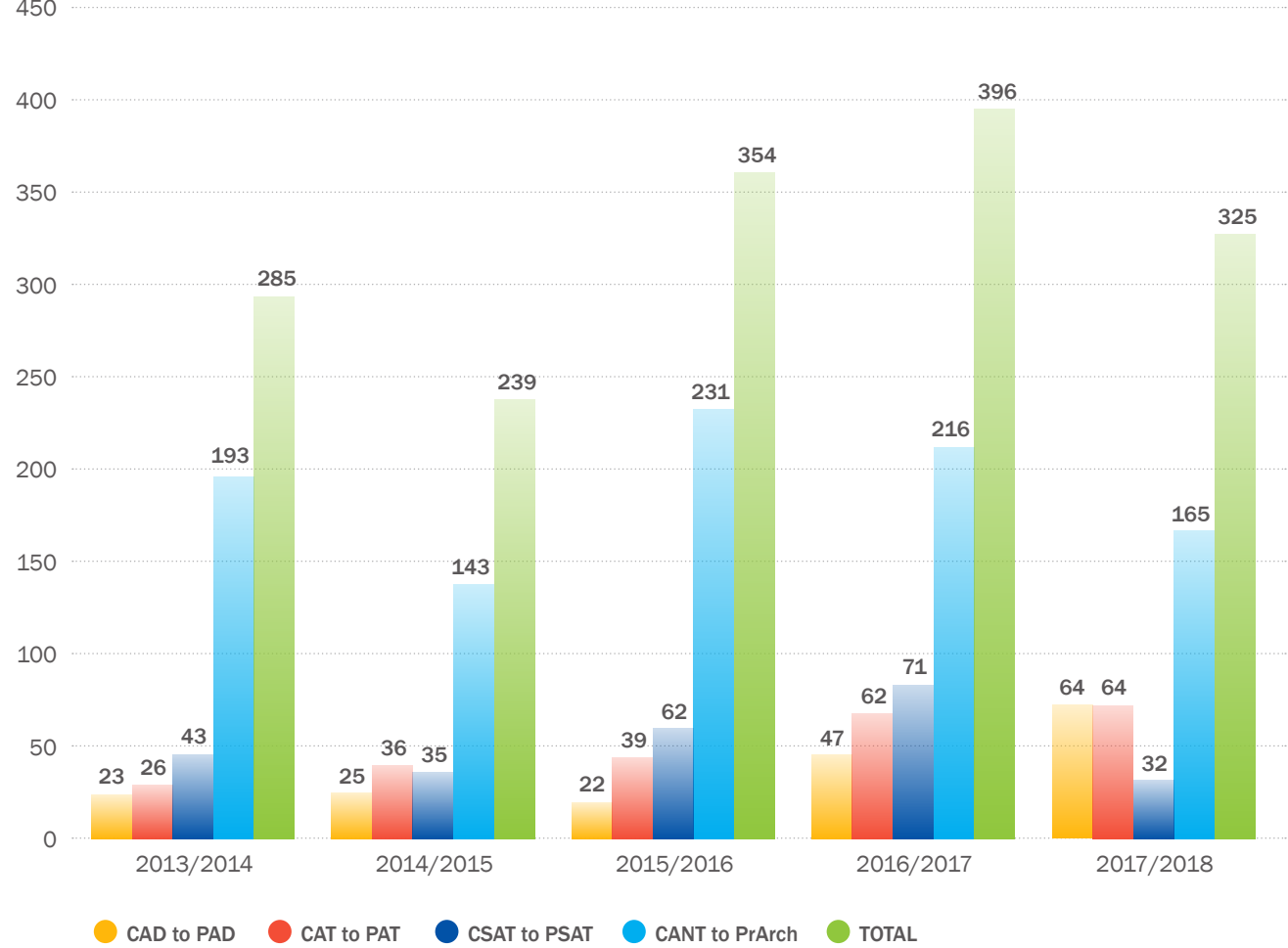
Upgrades done after the applicant completed Candidacy and passed the PPE in 2017/18



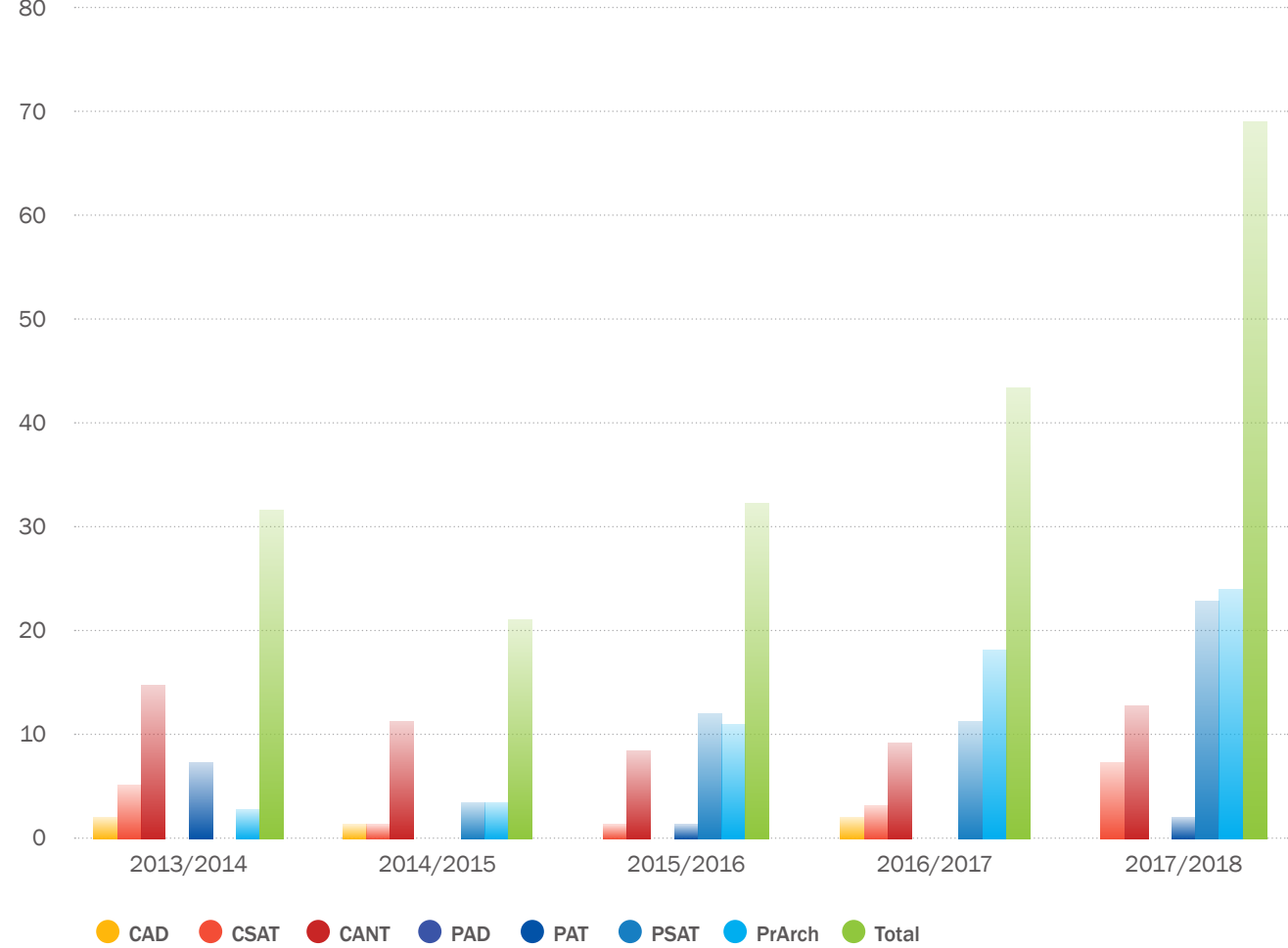
Upgrades done after applicant obtained a further architectural qualification in 2017/18



Upgrades done after the applicant completed Candidacy and passed the PPE (in the last five years)

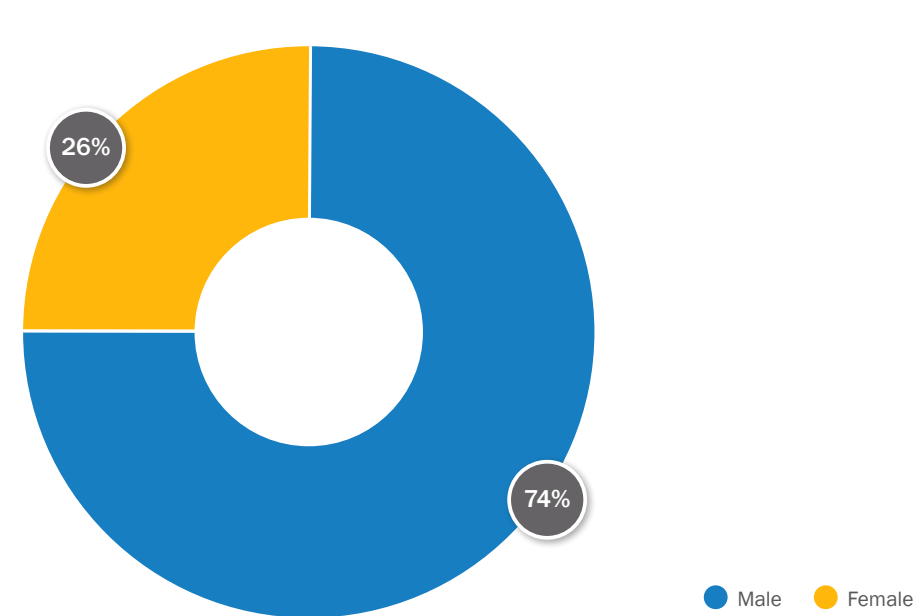


Upgrades done after the applicant obtained a further architectural qualification (in the last five years)



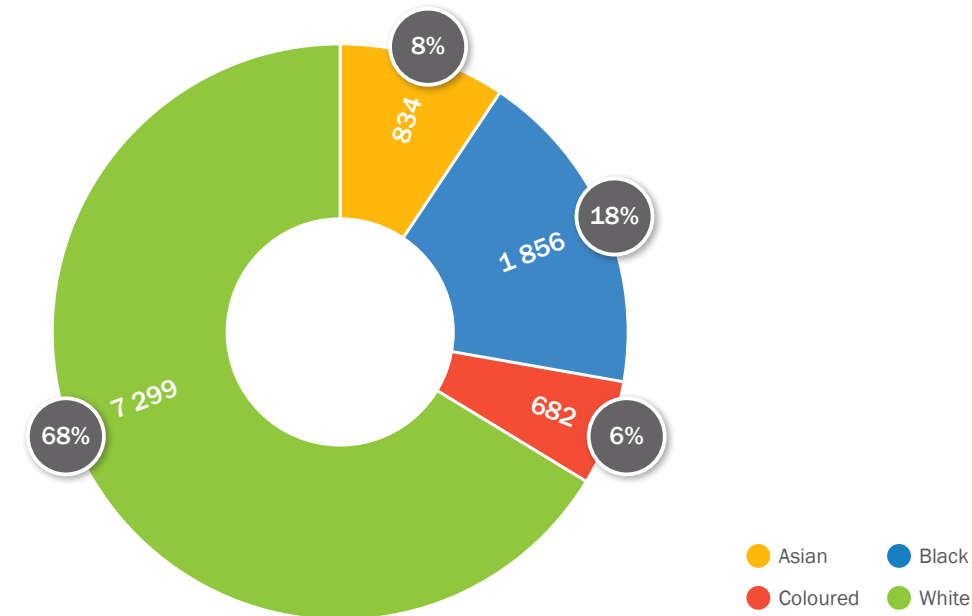
Gender

Gender split of SACAP’s register for 2017/18

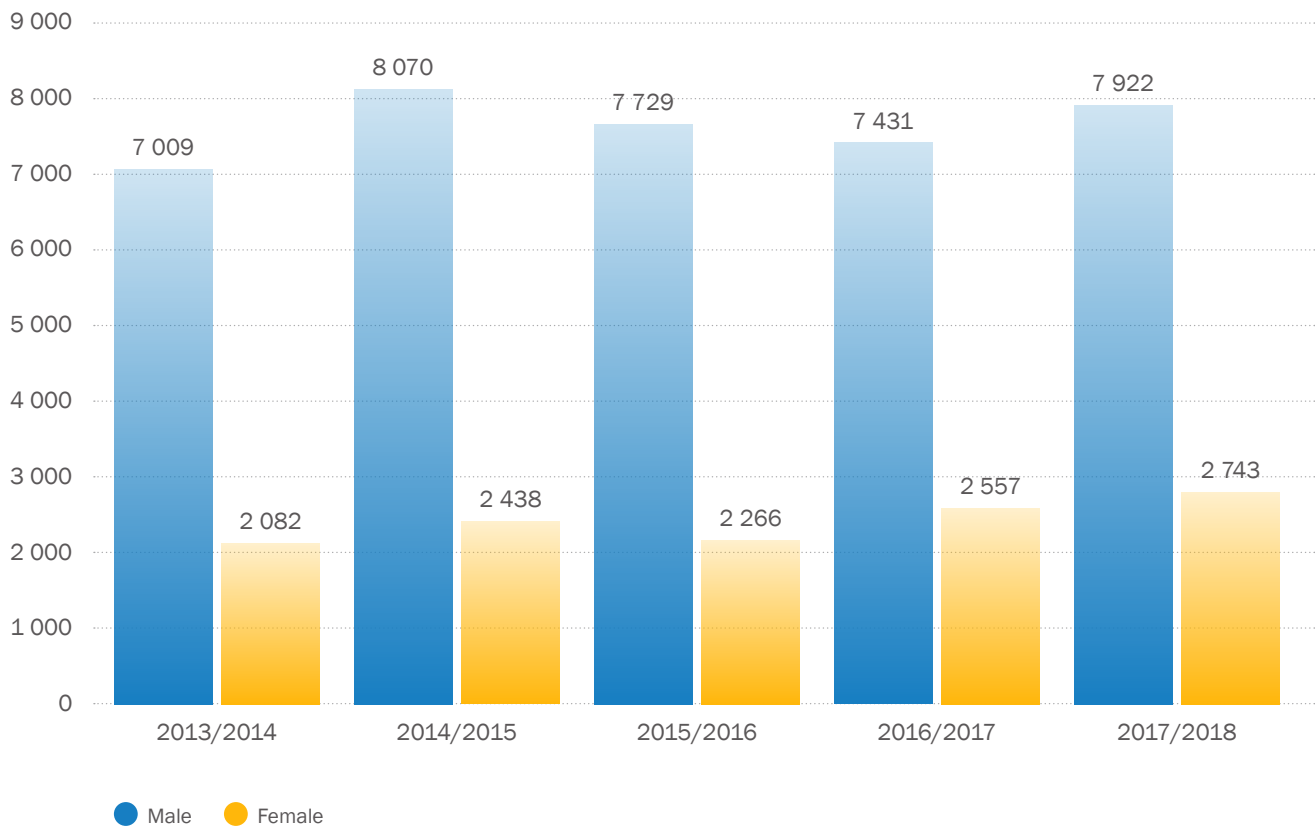


Race

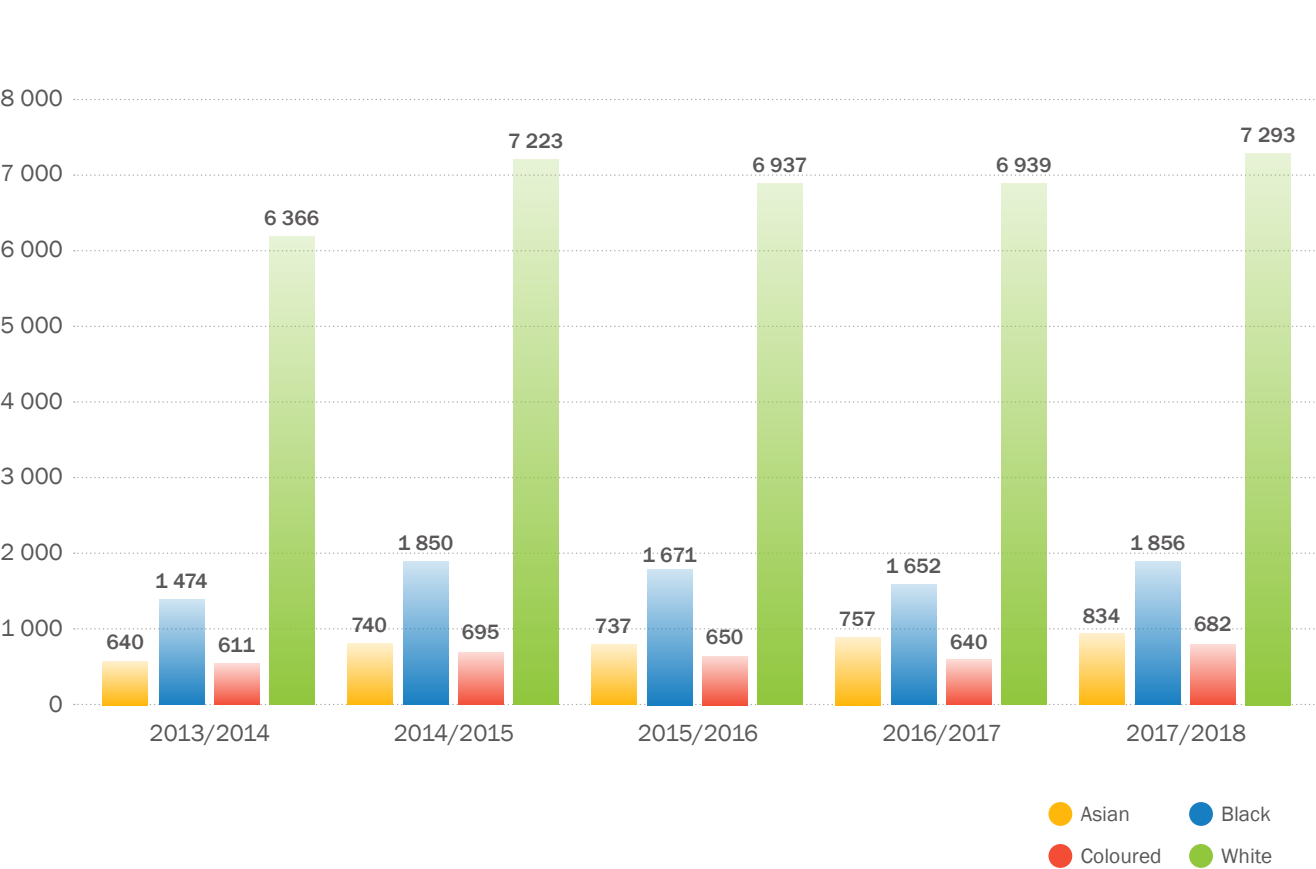
Racial split of all on register in 2017/18



Gender split of all on the register over the last five years



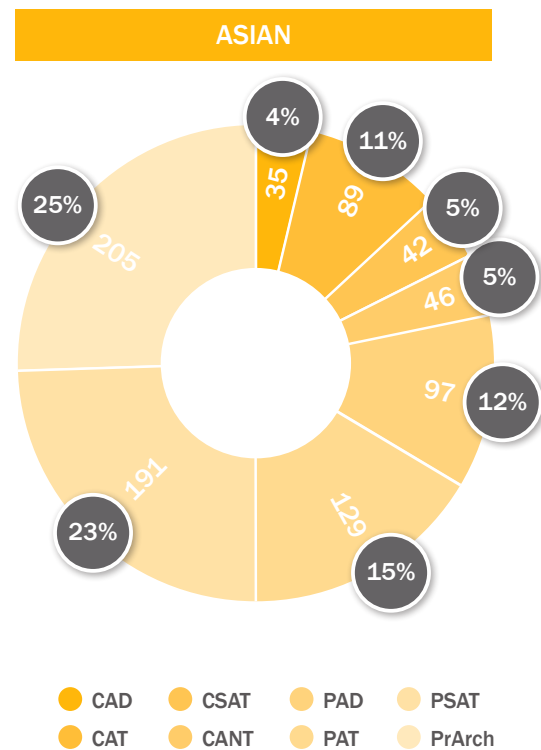
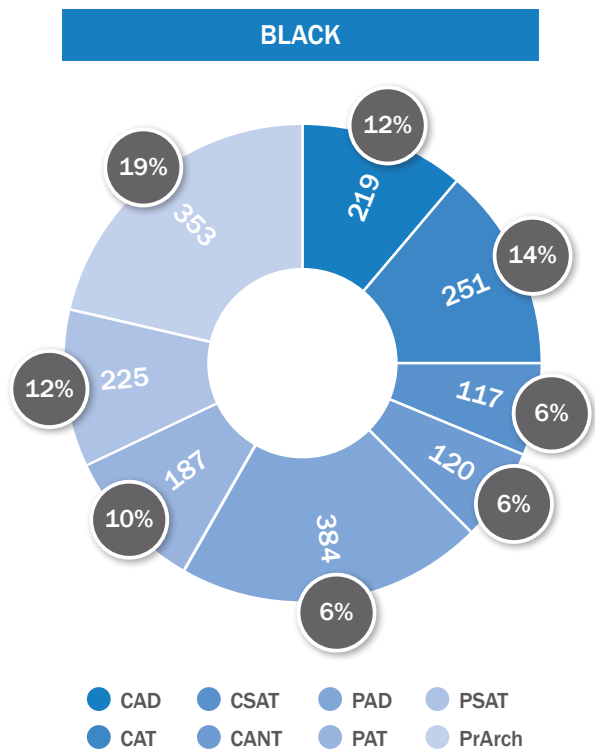
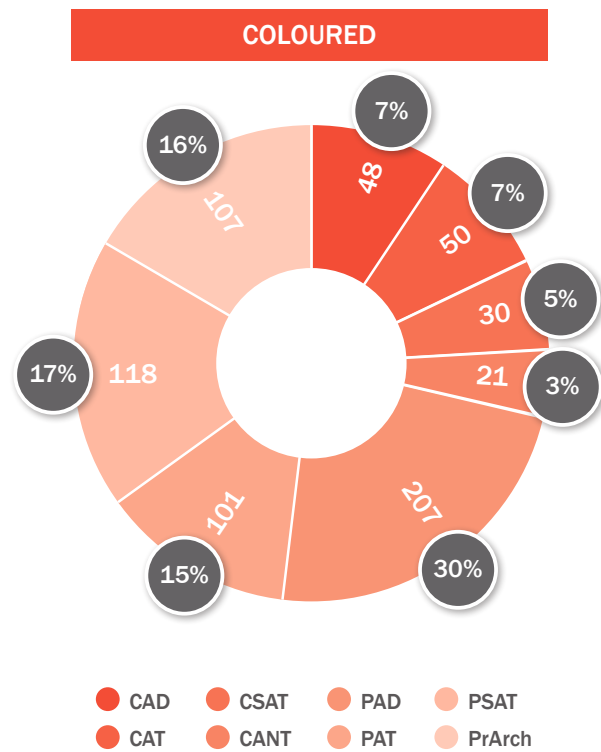
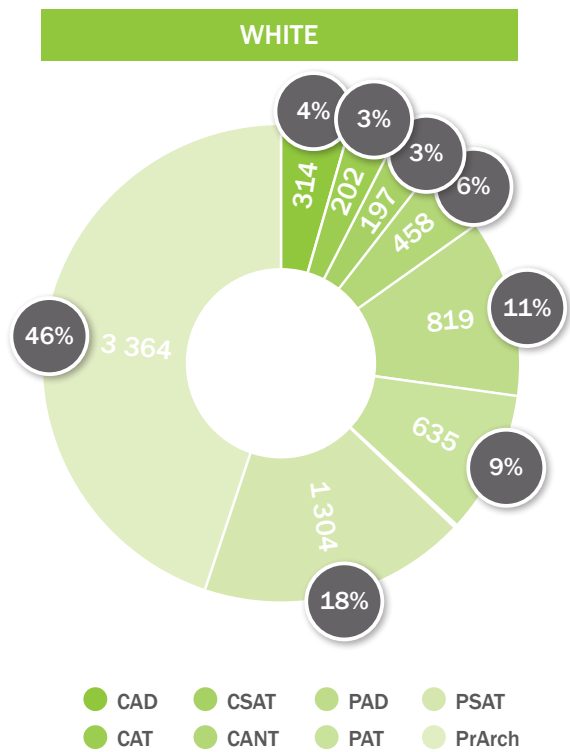
Race split of total register over the last five years



Percentage PDIs by gender against total register over the last five years

A report cannot be drawn to show this. If we have to insert this, it will have to be calculated from the CBE report, by grouping different stats together.

Race by registration category 2017/18

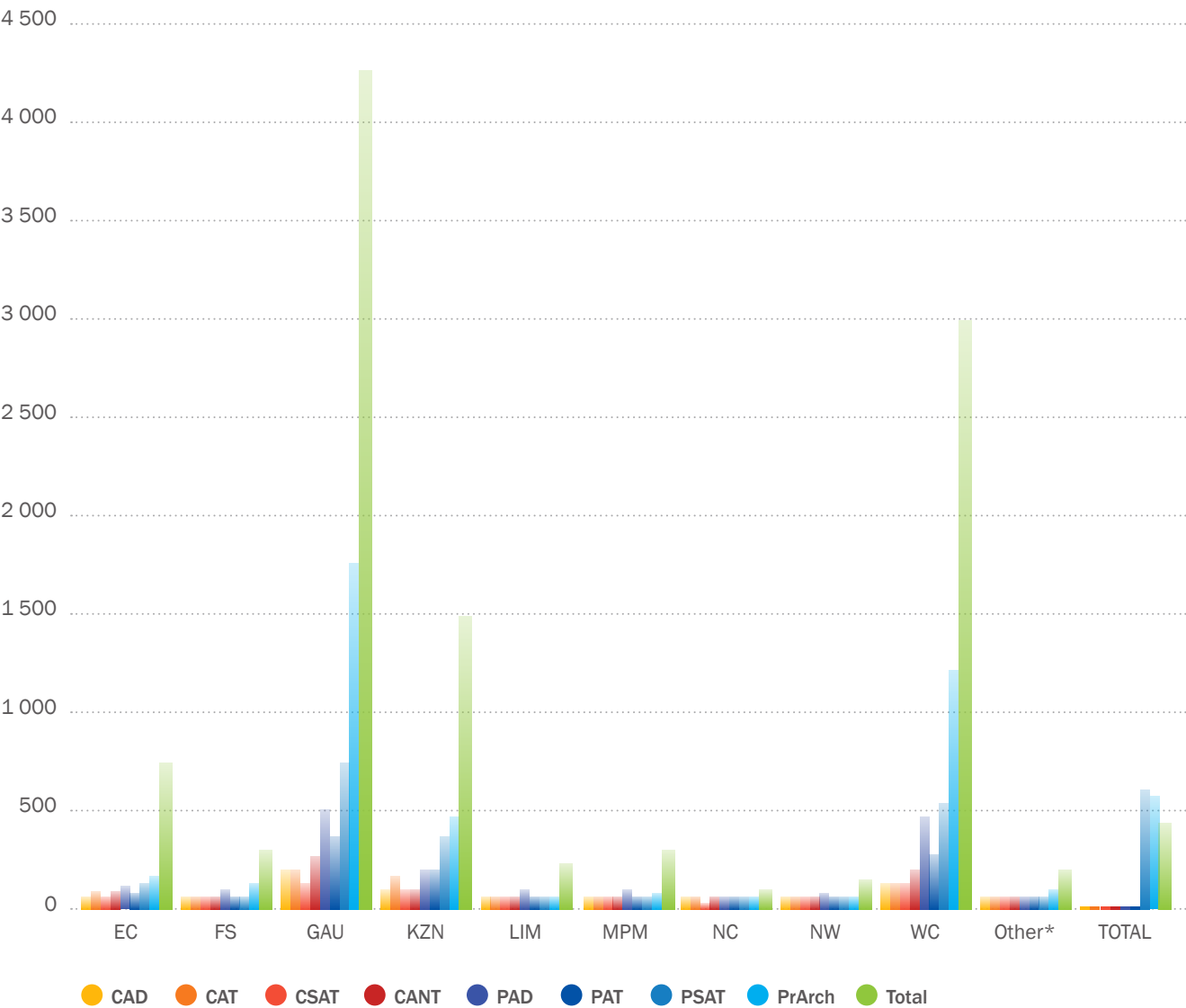


Province

Registered persons by province in 2017/18

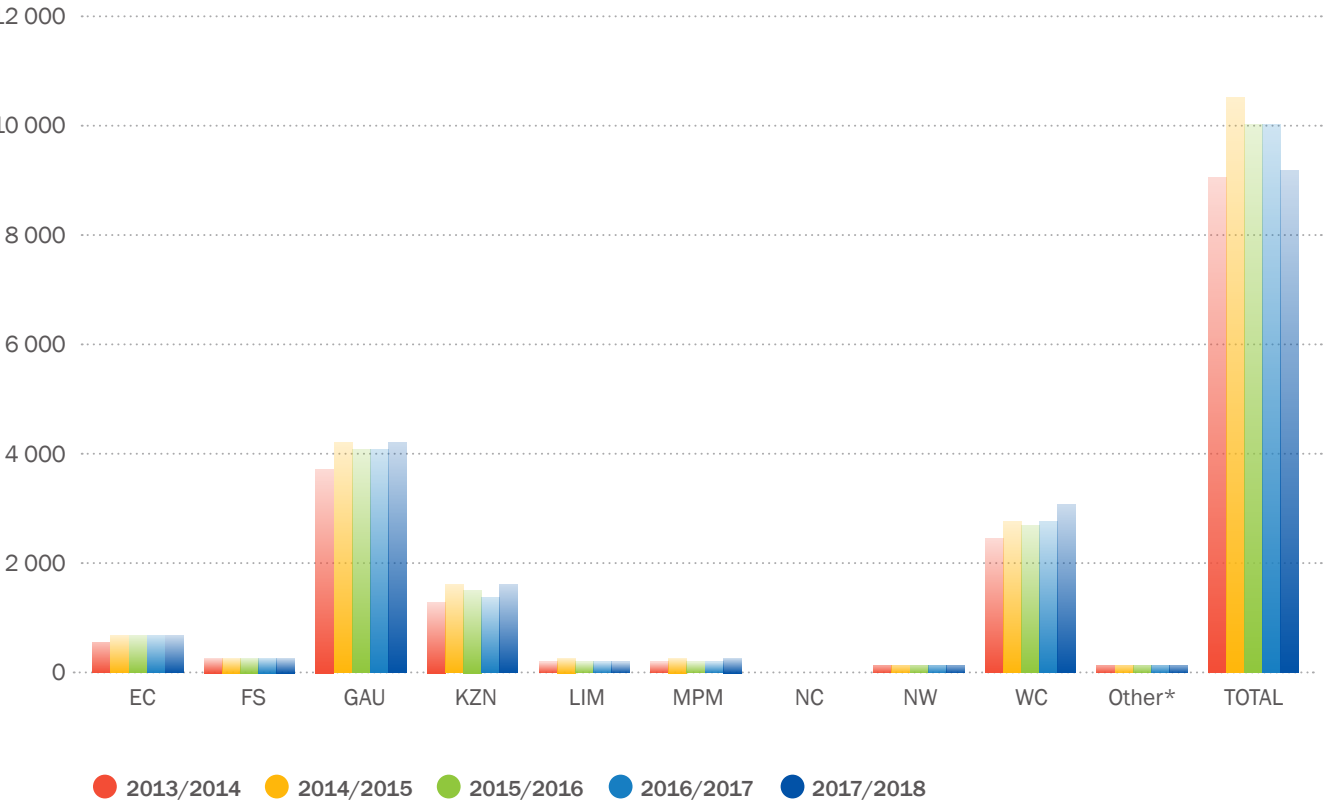
Category	EC	FS	GAU	KZN	LIM	MPM	NC	NW	WC	Other*	TOTAL
CAD	40	33	233	74	41	35	7	26	124	3	616
CAT	56	15	228	156	7	14	2	6	104	4	592
CSAT	22	6	156	72	5	8	0	5	106	6	386
CANT	50	20	278	60	3	13	3	4	186	28	645
PAD	115	62	509	170	65	84	30	50	415	7	1 507
PAT	79	22	274	182	29	22	12	17	309	6	1 052
PSAT	139	17	748	310	41	37	9	23	509	5	1 838
PrArch	232	135	1 722	447	36	59	25	33	1 223	117	4 029
TOTAL	733	310	4 248	1 471	227	272	88	164	2 976	176	10 665

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



Registered persons by province over the last five years

Year	EC	FS	GAU	KZN	LIM	MPM	NC	NW	WC	Other*	TOTAL
2013/2014	631	288	3 603	1 300	241	257	93	159	2 397	122	9 091
2014/2015	710	316	4 211	1 469	284	293	104	177	2 771	173	10 508
2015/2016	697	283	4 044	1 376	232	268	89	151	2 698	157	9 995
2016/2017	682	281	4 044	1 346	205	266	86	149	2 769	160	9 988
2017/2018	733	310	4 248	1 471	227	272	88	164	2 976	176	10 665



Accreditation and Validations of Architectural Learning Sites

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

11 ALSs' are assessed by a Validation Board every Five Years

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

2017/18 Accreditation Visits by the Validation Board

Sections 5 and 7 of the Higher Education Act enjoins Council to undertake educational Visits to ALS's and either conditionally or unconditionally grant, refuse or withdrawn previous SACAP accreditation to such Institutions.

SACAP's Validation Board was satisfied that it could validate three of these ALSs' programmes in the reported year. Please see the full list of ALS's below. Two of the ALSs' assessed received unconditional continued validation and one received initial unconditional validation; namely the architectural faculties of UFS, TUT and NUST respectively.

The Validation Board

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

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

SACAP receives full signatory to the Canberra Accord

In May 2017, SACAP was proud to announce the full signatory status of the Canberra Accord. This means that the development and alignment of the National Qualifications Framework (NQF) of the 11 ALSs is internationally aligned with Canberra Accord. This allows opportunities for SACAP to extend the Canberra Accord footprint to the African continent. The full signatory to the Canberra Accord also allows SACAP to further address the process of RPL (Recognition of Prior Learning).

Transformation within ALSs

Council's Education Committee is encouraged to see the way in which its ALSs' transformational programmes are meeting objectives, and further impressed by the new programmes, which are in place to meet the needs of previously disadvantaged students. Some of the ALS's offer a bridging year to support learners who have demonstrated potential but do not have the requisite skills. The academic support programme is aimed at significantly curbing the number of first year dropouts to meet the challenges faced by students entering university from disadvantaged backgrounds who are ill prepared for the rigours academic life and need the bridging year to skill for requirements of university life. Students for this bridging year are chosen from the regular intake of applicants after being identified as being at-risk of failing, based on their final school results or on other types of testing or portfolios submissions.

By undertaking the bridging year, these students skill themselves with what it takes to perform in the following year. The Education Committee noticed that those who completed such a bridging programme and who continue to the second year of their Degree are then excelling. As the validating body, SACAP is encouraged to see that the foundation is addressing the needs of the disadvantaged students.

Validation Board accreditation visits 2017/18

These ALSs were validated in the reported year.

Date of Validation Board	Institution	Qualification accredited	Type of validation
05–07 April 2017	University of the Free State (UFS)	1. Bachelor of Architectural Studies (BAS) 2. Bachelor of Architectural Studies (BAS) (Hons) 3. Master of Architecture (Professional) (M.Arch)	Unconditional continued validation
22–24 May 2017	Namibian University of Science & Technology (NUST)	1. Bachelor of Architecture 2. Bachelor of Architecture (Hons)	Initial unconditional validation
12–14 August 2017	Tshwane University of Technology (TUT)	1. Bachelor of Architectural Studies (BAS) 2. Bachelor of Architectural Studies (BAS) (Hons) 3. Master of Architecture (Professional) (M.Arch)	Unconditional continued validation
24–27 May 2015	Nelson Mandela University (NMU)	1. Bachelor of Architectural Studies (BAS) 2. Master of Architecture (M.Arch)	Unconditional continued validation
28–30 September 2015 and 15–16 August 2016	Cape Peninsula University of Technology (CPUT)	5. National Diploma: Architectural Technology 6. Bachelor of Technology: Architectural Technology	Conditional continued validation (in 2015) Unconditional continued validation (in 2016)
16–18 November 2015	University of KwaZulu-Natal (UKZN)	1. Bachelor of Architectural Studies (BAS) 2. Master of Architecture (M.Arch)	Unconditional continued validation
17–20 April 2016	Durban University of Technology (DUT)	1. National Diploma: Architectural Technology (ND: Architectural Technology) 2. Bachelor of Technology: Architectural Technology (B.Tech: Architectural Technology)	Unconditional continued validation
07–09 September 2016	University of Cape Town (UCT)	1. Bachelor of Architectural Studies (BAS) 2. Bachelor of Architectural Studies (BAS) (Hons) 3. Master of Architecture (Professional) (M.Arch)	Unconditional continued validation
12–14 September 2016	University of the Witwatersrand	1. Bachelor of Architectural Studies (BAS) 3. Bachelor of Architectural Studies (BAS) (Hons) 4. Master of Architecture (Professional) (M.Arch)	Unconditional continued validation
27 February 2017 – 01 March 2017	University of Pretoria (UP)	1. Bachelor of Architectural Studies (BAS) 2. Bachelor of Architectural Studies (BAS) (Hons) 3. Master of Architecture (Professional) (M.Arch)	Unconditional continued validation
Scheduled for April 2018	University of Johannesburg (UJ)	1. National Diploma: Architectural Technology 2. B.Tech: Architectural Technology 3. M.Tech: Architectural Technology	Scheduled for April 2018

Identification of Work (IDoW)

Clients of architectural professionals have the right to go to any registered person who offers architectural services.

The role of educating the public as to the different skills, qualifications and expected performance levels between the categories of professionals lies with the professionals, the recognised Voluntary Associations and the Council.

By delineating clear areas of competencies and appropriate market-related fee guidance for the public, SACAP can assist the public to appoint the right registration category of architectural professional, at the appropriate price, for each stage of their project work.

To achieve this, SACAP must ensure it thoroughly engages collaborating stakeholders and formulates a policy in a way that does not contravene the Competition Commission Act No. 89 of 1998 which exists in order to provide all South Africans with equal opportunity to participate fairly in the national economy

and to freely select the quality and variety of goods and services they desire.

The Competition Commission deemed SACAP’s Identification of Work (IDoW) previous policy anti-competitive and within the reported year, SACAP withdrew its application for exemption in favour of reworking the policy.

The 4th Term Council resolved to consider the Protection of Titles and Scope of Profession of each category, in relation to the Act, and a new IDoW framework will be developed accordingly, for approval by the Competition Commission.

The 4th Term Council therefore is currently engaging in a public participation process and hopes to gazette a new IDoW Policy after the participation is completed.

The IDoW Committee has established the task team to compile the scope of practice and reservation of title.

Professional Fees Guideline

Professional Fees are charged by registered professionals providing architectural services and are thus negotiable between professionals and their clients.

Important milestones in policy implementation

The Guideline Professional Fees were published in the Government Gazette in 2015.

As a result of the rejection of the previous Professional Guidelines Fees by the Competition Commission, the new Professional Guideline Fees for 2016/17 were not published.

Council has decided to introduce an alternative fee guideline.

What is the basis of calculation of fees?

A total recalculation (in comparison with the 2011 Guideline Fees) was used to determine the Guidelines Fees for 2015/16 and for the 2016/17 Financial Year, the Consumer Price Index (CPI) was used. However, the Guideline Fees had not been

published because of the rejection of the Guideline Fees by the Competition Commission.

The rate of escalation of the proposed 2016/17 fees was compiled and attended to by the Professional Fees Committee.

The Committee took into consideration the inflation rate of the last four years.

The CPI was taken as an appropriate increase and the Committee compiled the draft Guideline Fees for 2016/17, but those could not be published in the reported year.

The Fees Committee is working hard to solve the impasse with the Competition Commission to enable the SACAP to publish the latest fees guideline to enable members to charge market-related fees.

Voluntary Associations (VAs)

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

Recognised Voluntary Associations (VAS)

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

Continuing Professional Development

The revised CPD conditions for the renewal of registration were published in the Government Gazette on 17 March 2017, as Board Notice 43 of 2017. Prior to that, SACAP had engaged the profession through a specially convened Stakeholders Forum (10 March 2016) that was the result of a lengthy consultative process during which CPD and the amended CPD conditions were amongst the subjects discussed.

The purpose of CPD is to continuously develop the skills of a registered professional in the best interest of People-centred Architecture. CPD is compulsory for all architectural Professionals in all categories of professional registration. This differs to Candidates registered with SACAP who submit MTRs.

The implementation of a new online system whereby RPs may perform all their transactions, including the submission of CPD credits, and the renewal of their registration in terms of CPD, has proved successful and SACAP has received a large number of online submissions.

However, the main challenges experienced are:

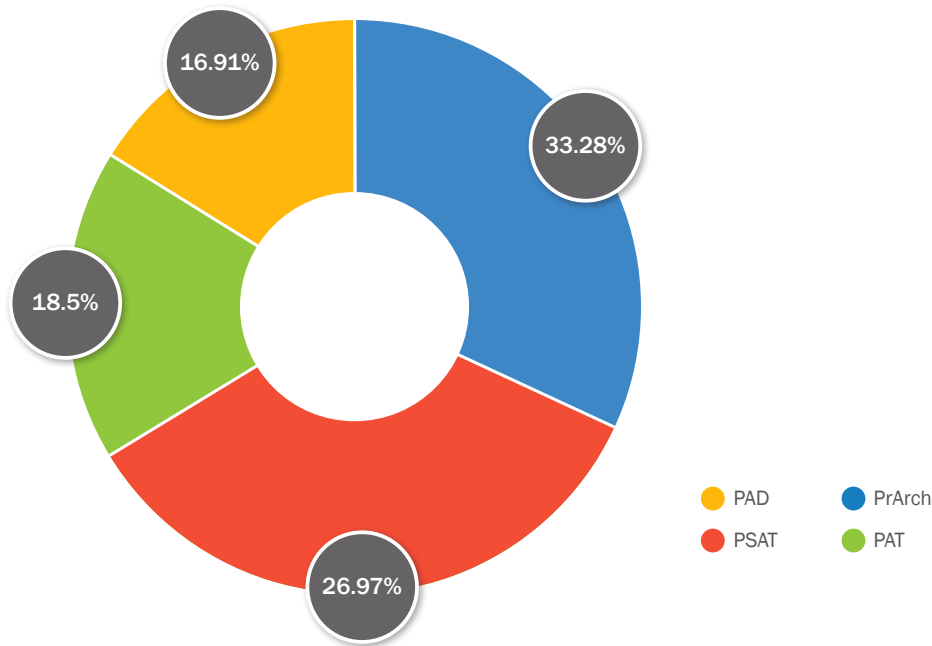
- Registered Persons not adhering to deadlines.
- Not complying with the requirements of Category One of the CPD requirements.
- Despite the implementation of an online system, SACAP still receives a number of CPD submissions that are not logged online.
- The professionals are then requested to capture the credits directly on their YM Profile on the SACAP website.

A total of 1 358 RPs were due for renewal of their registration by January 2017, in terms of the CPD conditions. This figure went slightly down from the initial figure, after the removals and re-in statements were effected.

Renewal of registration applications received

Category	Compiled	Renewed	Extension	Exemptions
PrArch	215	204	11	0
PSAT	72	65	7	0
PAT	32	27	5	0
PAD	46	35	10	1
Total	365	331	33	1

Percentage of registered professionals who complied with CPD requirements as at 31 March 2017



SACAP is endeavouring to make free online CPD activities available to all professionals, which is expected to increase the CPD compliance rate.

Non-compliance can be broken down into two main categories:

- 1. Failure to submit annual CPD claim form**
Although registration is only renewed once every five years, RPs are required to submit their CPD credits on an annual basis.
- 2. Failure to apply for renewal of registration**
At the end of the five-year cycle, professionals are required to apply for renewal of registration with the accumulation of stipulated minimum CPD points.

Recognition of Prior Learning (RPL)

1. Purpose of Recognition of Prior Learning (RPL)

The South African Council for the Architectural Profession (SACAP) launched its RPL programme on 8 May 2017.

Through this programme, registered Professional Architectural Draughtspersons, Professional Architectural Technologists and Professional Senior Architectural Technologists can gain access to elevated professional registration.

Articulating within the profession will uplift the professional status of successful applicants and is expected to help them unlock more lucrative work opportunities.

It must be emphasised that RPL will award successful applicants with a designation and not a qualification.

2. Applications for Phase 1 – Self Assessment

Since the initial launch of the RPL programme, 131 applicants were given access to the online, self-assessment phase.

Of this, 15 applicants have already completed Phase 1 – Self-assessment, and are awaiting the finalisation of Phase 2 – Authentication.

3. Amendments to the Online System

The RPL Sub-committee resolved to amend the online self-assessment phase of the RPL process.

In order to accommodate these amendments, the online platform for the self-assessment (Phase 1), is currently in being updated.

It is anticipated that these changes will be finalised towards the middle of August 2018.

As part of the changes, registered professionals applying for an RPL Assessment will have to sign a declaration, confirming that the projects included in the assessment are their own work and that these projects will form the basis of the Phase 2.

Although registered professionals can still apply for Phase 1 of the RPL Assessment, applicants will not be given access to the online system until such time that the amendments and updates have been completed.

The applicants that have already completed the self-assessment phase will be asked to sign the declaration and confirm each of the competency outcomes of the assessment.

4. The way forward

The amendments to the online system will directly impact on the finalisation of Phase 2, which is the Authentication Phase.

Applicants that have already completed Self-Assessment (before the implementation of the amendments) will be advised to prepare their A3 portfolios for the pre-screening and ultimate access to Phase 2.

During the pre-screening, any gaps in the assessment will be identified, and the applicant will be advised of these.

Once all gaps have been addressed, applicants will progress to Phase 2 – Authentication. This will include the attendance of an interview by the assessment panel.



C | GOVERNANCE

Introduction

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on the Architectural Professions Act, 2000 (Act No. 44 of 2000), corporate governance with regard to public entities is applied and run in tandem with the principles contained in the King Report on Corporate Governance. Governance is the system by which SACAP is controlled and directed through sustainability as a citizen creating value in the architectural environment.

This Annual Report focuses on qualitative and quantitative issues arising in 2017/18 that are material to SACAP's business operations and strategic objectives.

Materiality was determined through extensive consultation with stakeholders, and by taking into consideration, SACAP's core objectives and the way in which its value chain operates. The South African Council for the Architectural Profession (SACAP) reports to the Portfolio Committee on the Department of Public Works (DPW), through the coordination of the Council for the Built Environment (CBE).

Executive Authority

In terms of the Council for the Built Environment Act, 2000 (Act No. 43 of 2000) the CBE is the over-arching Accounting Authority for all six Built Environment Councils. The CBE acts as the coordinator for SACAP to advise the Portfolio Committee on issues relating to the operations of SACAP CBE reported to the Portfolio Committee in the second quarter of the year under review.

Accounting Authority Board

Composition of the Council

The 4th Term Council has been established in terms of Section 3 of The Act, and comprises of seven registered persons, excluding candidates, of which at least four must actively practise in the architectural profession, two professionals in the service of the State nominated by any sphere of government, of whom at least one must be nominated by the department; and two members of the public nominated through a public participation process.

The Role of the Council

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

Council Charter

In March 2014, the 3rd Term Council introduced the Council Charter which outlines the main corporate governance practices that are in place for the South African Council for the Architectural Profession and to which the Council, Committees and the Executive management are collectively committed. The Charter sets out the Code of Conduct for Council and Committee members.

COMPOSITION OF THE COUNCIL					
Name	Designation (in terms of the public entity Board Structure)	Date appointed	Qualifications	Other committees or task teams (e.g.: Audit Committee/ Ministerial Task Team)	Number of meetings attended
Dr Yashaen Luckan	President	15 April 2014	PhD, M.Arch, B.Tech Arch, N.Dip Arch	IDoW Committee, RPL Committee, Education Committee	17
Ms Maureen Gerrans	Vice President	15 April 2014 until 18 April 2017	N3	Finance Committee, SR Committee, Investigating Committee, Audit and Risk Committee, IDoW Committee and CPD Committee	0
Ms Gillian Bolton	Treasurer (absent with leave of absence granted)	15 April 2014	BA of Arts, BA of Law, MBA	Finance Committee, SR Committee, Investigating Committee, Audit and Risk Committee, Remuneration Committee	0
Mr Rowen Ruiters	Chairperson: SR Committee since July 2016 until February 2018 and CPD Committee since July 2016, until February 2018	15 April 2014	B.Tech Arch, N.DArch, B.Tech Project Management	Finance Committee, CPD Committee	18
Ms Diane Arvanitakis		19 December 2014 until 3 April 2017	B.Arch, BAS, N.DArch Tech, N.Dip Arch Masters of Management		0
Mr Rakau Lekota	Chairperson: Education Committee and HoS	15 April 2014	M.Tech Arch, B.Tech Arch, N.DArch	IDoW Committee, RPL Committee, HoS Committee	11
Mr Krish Ranchod	Chairperson: Remuneration Committee	8 September 2014		Education Committee, RPL Committee, Heritage Subcommittee	13
Mrs Letsabisa Shongwe	Chairperson: SR Committee since 16 March 2018	5 December 2017	M.Arch, B.Tech Arch, N.Dip Arch	SR Committee	2
Mr Philasande Jolobe	Chairperson: CPD Committee since 16 March 2018	5 December 2017	M.Arch, B.Arch, BAS	CPD Committee	3
Mr Ntsindiso Charles Nduku	Chairperson: Professional Fees since 16 March 2018	5 December 2017	M.Arch, B.Arch, BAS	Professional Fees Committee	3
Mr Koena Samuel Manyathela		5 December 2017	BSc Arch (Hon) FA Arb, LLB	Audit and Risk Committee	3
Mr Vusi Phailane	Chairperson: IDoW Committee since 16 March 2018	5 December 2017	M.Arch, B.Arch, BAS	IDoW Committee	3

4th Term Council 2018



Mrs Letsabisa R Shongwe née Lerotholi
M.Arch, B.Tech Arch, N.Dip Arch
Chairperson: Stakeholder Relations
Active: (March 2018 -)



Mr Ntsindiso Charles Nduku
M.Arch, B.Arch, BAS
Chairperson: Professional Fees Committee



Mr Krish Ranchod
(Public Representative)
Chairperson: Remuneration Committee



Mr Philasande Jolobe
M.Arch, B.Arch, BAS
Chairperson: CPD Committee
Active: (March 2018 -)



Mr Rakau Lekota
M.Tech Arch, B.Tech Arch, N.DArch
(State Representative)
Chairperson: Education Committee



Mr Vusi Phailane
M.Arch, B.Arch, BAS
Chairperson: IDoW Committee



Mr Koena Samuel Manyathela
BSc Arch (Hon), FA Arb, LLB
Member:
Audit and Risk Committee



Mr Rowan Ruiters (PAT)
B.Tech Arch, N.DArch, B.Tech Project Management
Chairperson: Stakeholder Relations SR/CPD Committee
Active: (1 April 2017 - February 2018)
Chairperson: Investigation Committee
Active: (March 2018 -)



Dr Yashaen Luckan
PhD, M.Arch, B.Tech Arch, N.Dip Arch
President



Ms Maureen Gerrans (PSAT)
Vice President
(Resigned 18 April 2017)



Ms Gillian Bolton
BA of Arts, BA of Law, MBA
(Public Representative) (Treasurer)
(Absent with leave of absence granted)

COUNCIL MEETING ATTENDANCE			
Name	Number of Council and Committee Meetings attended	Number of special SR Events attended	Total Honoraria paid to each Councillor for each Council Meeting and SR Events Meetings
Dr Y Luckan (President)	17	7	R321 382
Mr R Ruiters	18	7	R58 440
Mr K Ranchod	13	8	R40 910
Mr R Lekota	11	5	R46 445
Mrs LR Shongwe née Lerotholi	2	0	R3 896
Mr V Phailane	3	0	R5 844
Mr P Jolobe	3	0	R5 844
Mr KS Manyathela	3	0	R5 844
Mr NC Nduku	3	0	R5 844

Remuneration of Council members

In terms of section 10 of the Act, the Council may determine the remuneration and allowances payable to its members or the members of any committee of the Council. All Council and committee members are remunerated by payment of Honoraria for attending meetings. Council members are fully reimbursed for travel expenses. Travel is paid at R3.61 per kilometre as per the SARS guidelines.

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

Honoraria paid to each Council member, per meeting

President of Council	R8 273.00
Vice President of Council	R3 896.00
Treasurer of Council	N/A
Chairperson of the Audit and Risk Committee	R8 273.00
Audit and Risk Committee Members	R6 894.00
Chairpersons of Committees	R3 896.00
Council and Committee Members	R1 948.00

COUNCIL PORTFOLIO COMMITTEES				
Committee	Number of meetings held	Dates of each meeting	Number of members per committee	Names of committee members
Executive	None	-	5	The Committee was discontinued
Remuneration Committee	2	0	3	Mr K Ranchod, Mr Ruiters, Ms M Gerrans, Mr P Mkhonza, Mr Anand Govendor, Ms Nonhlanhla Ncongwane
Audit and Risk Committee	5	7 June 2017 15 June 2017 22 June 2017 14 September 2017 1 December 2017	7	Mr P Serote, Ms G Bolton (absent with leave of absence granted), Adv F Mukaddam, Mr C Motau; Mr K Manyathela, Mr R Ruiters, Mr K Ranchod
Heads of Schools (HOS)	1	31 August 2017	16	Mr R Lekota, Dr Y Luckan, Mr H Pretorius, Dr A Janse van Rensburg, Prof C du Plessis, Mr L du Plessis, Mr L Ogunsanya, Ms C Edgar, Mr A Palframan, Prof T Berlanda, Mr D Hendricks, Prof J Laubscher, Mr N Jinka, Dr H Judin, Dr L Lokko, Prof S Umenne
Education	3	23 June 2017 31 August 2017 22 November 2017	6	Mr R Lekota, Mr Y Luckan, Mr K Ranchod, Prof. R Fisher, Ms H Dodd, Mr J Manning
Investigating			6	Ms G Bolton (Apologies), Ms S Patel, Ms M Gerrans, Prof. G Le Roux (Until June 2016), Ms K Mahlangu (until June 2016), Mr Pranash Ramanundh (until December 2016)
Identification of Work (IDoW)	1	29 November 2017	5	Dr Yashaen Luckan, Mr Dineshwar Basdew, Mr Denzell Fortuin, Mr Mohammed Mohidien, Mr Rakau Lekota
Professional Fees	1		4	Ms H Grimselh du Toit, Ms S Rawat, Dr Yashaen Luckan, Mr Sammy Peerutin, Mr Denzell Fortuin
Recognition of Prior Learning (RPL) Subcommittee of Education	1	22 November 2017	7	Dr Y Luckan, Mr R Lekota, Mr K Ranchod, Prof. R Fisher, Ms H Dodd, Mr J Manning, Mr R Ruiters
Stakeholder Relations	0		4	Mr R Ruiters, Ms M Gerrans, Ms G Bolton (absent with leave of absence granted), Ms O van der Haar
Continuing Professional Development (CPD)	1	30 November 2017	5	Mr R Ruiters, Ms s Rawat, Mr P Lategan, Mr T Maluleke, Mr E Barnard

Risk Management

As per SACAP’s governance protocols, an Audit and Risk Committee operated in this reporting period with an independent Chairperson and conducted its affairs in compliance with the adoption of its Charter.

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

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

Internal Control

SACAP’s Chief Operations Officer oversees SACAP’s various internal Units, which ensure SACAP fulfils its mandates and monitors them on a daily basis according to an internal Risk Register developed in consultation with the Internal Audit service provider.

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

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

Legal, Compliance and Complaints

Investigation of complaints

The Architectural Professions Act enjoins SACAP to take any steps it considers necessary for the protection of the public in their dealings with registered persons for the maintenance of the integrity and the enhancement of the status of the architectural profession.

To that end, complaints of improper conduct against registered persons are lodged by any aggrieved member of the public in an affidavit form, under oath or affirmation. The Investigating Committee (“InvCom”) is mandated to investigate all complaints of improper conduct and to obtain evidence to determine whether or not, in its opinion, a registered person may be charged with improper conduct for contravention of the Code of Professional Conduct and, if so, whether it seeks to lay a charge (or charges) of improper conduct against the registered person.

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

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

2017/2018 statistics

NUMBER OF COMPLAINTS	2017/2018
Complaints processed	147
Complaints Investigated by InvCom	109
Disciplinary hearings concluded	11
Pleas of Guilt secured	10
Cases opened with the SAPS against persons who are not registered	35
Persons who practice architecture during the period in which registration is cancelled.	4
Complaints currently under investigation.	38
Appeal currently pending Council’s resolution	0

Complaints received per category of registration in 2017/2018

PROFESSIONAL CATEGORY OF REGISTRATION	NUMBER OF COMPLAINTS
Professional Architect	21
Candidate Architect	0
Professional Senior Architectural Technologist	22
Candidate Senior Architectural Technologist	3
Professional Architectural Technologist	16
Candidate Architectural Technologists	3
Professional Architectural Draughtsperson	34
Candidate Architectural Draughtsperson	12
Complaints against persons who are not registered	40
Total	147

Amendment of the Code of Professional Conduct

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

Engagement with Local Municipalities

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

As a result of the above concerns, SACAP undertook an extensive stakeholder engagement with Local Authorities. Following extensive engagements, the following Local Municipalities have agreed in principle to work with SACAP to ensure that only persons who are registered submit building plan applications for approval: Matlosana; City of Cape Town; Steve Tshwete; Midvaal; City of Johannesburg; EThekweni; City of Tshwane; City of Ekurhuleni; Mafikeng Local Municipality, Ditsobotla Local Municipality; JB Marks Local Municipality; Knysna; Mossel Bay; Elias Motswaledi Merafong, Randfontein and Bitou Local Municipality.

Workshops on the Code of Professional Conduct

SACAP has collaborated with the South African Institute for Architectural Technologist to conduct workshops on the rules of professional conduct. The initiative by SACAP is well accepted by architectural professionals. These workshops will improve compliance with the rules of professional conduct by registered persons.

Fraud and Corruption

During the period under review a Fraud Prevention Policy has been developed. Management is responsible for the detection and prevention of fraud and corruption. The internal risk register monitors the possibilities of unpredictable risks of fraud and corruption.

Fraud awareness is promoted through direct line managers' sensitising their direct reports on a monthly basis. Specific mechanisms for staff to confidentially report their suspicions about fraud and corruption are within SACAP's operational management system.

Council and executive management encourages all their stakeholders to report any perceived threat of fraud and corruption through the legal and Compliance Unit.

Future improvements are a Fraud Hotline.

Minimising Conflict of Interest

The procurement policy is strictly adhered to when goods and services are procured for SACAP, as well as during tender processes. The following outlines the stipulated process:

A requisition is raised, accompanied by three quotations. The delegated person approves the requisition. Upon receipt of the requisition, the order is raised with the relevant identified and selected supplier. Upon delivery of the goods and services, the requester of goods and services signs off an invoice. Thereafter, the invoice is payable by the Finance Unit.

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

Code of Conduct

Council has developed a Code of Conduct, which purpose is to provide a framework to regulate the behaviour of members of Council and other persons appointed to SACAP Committees by the Council in a way, which supports SACAP, its vision, mission and objectives.

By accepting appointment as a SACAP Councillor or Committee member, a person will automatically be required to abide by this Code and SACAP's policies in general and to sign a copy of the Code in confirmation of his/her undertaking to be bound by the Code. The Code applies to all Councillors and Committee members and as such, all Councillors and Committee members sign this Code and relevant annexures on their appointment as a Councillor or as a member of a Committee.

A Council member will be in breach should they act in contradiction of the following behavioural areas noted and defined in the Code of Conduct:

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

Health Safety and Environmental Issues

Internal: SACAP staff

The South African Council for the Architectural Profession as an employer considers its employees to be its most valuable assets and undertakes to safeguard them through providing and maintaining a working environment that is safe and without risk to the health of its employees.

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

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

To this end, in the reporting period:

- An emergency evacuation plan was compiled and circulated to all staff members
- Two Health and Safety Representatives were appointed and went for training in April 2017
- When Council and committee meetings commence, members are taken through the evacuation procedure by the relevant Committee Coordinator

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

- No reported cases of accidents or incidents
- No reported cases of adverse health in accidents or incidents

Social Responsibility

Outside the scope of SACAP's responsibility to fulfil the mandates of the Act and realising the 4th Term Council's strategic objectives, the public entity's leadership is also committed to using its resources to benefit and uplift communities in need of assistance.

Cell C's Take a Girl Child to Work Day

SACAP participated in Cell C's Take a Girl Child to Work Day. This is both a national and annual corporate social investment movement in its 16th year. There are almost 650 companies participating, including government entities. All organisations involved arrange for female learners (school pupils), usually from disadvantaged backgrounds, to spend the day at their place of work. Last year the event took place on 24 May 2017. The Council visited Khora Group - which is a female-owned architectural practice - and took with them four selected female grade 12 learners.

These young female learners are from disadvantaged backgrounds and studying at the Rand Girls High, which is situated in Parktown. The learners were selected because of their aptitude in Maths and Science and their interest in the architectural profession. The architectural practice collaborated with SACAP in the Corporate Social Investment (CSI) initiative and offered the young learners the opportunity to job-shadow the different scopes of the Architectural Profession such as the Professional Architectural Draughts-persons, the Professional Architectural Technologists, the Professional Senior Technologists and the Professional Architects.



Mandela Day

In celebration of the life of the late, former South African President, Nelson Mandela, whose selfless contribution to the improvement of the lives of others is commemorated around the world on 18 July – his birthday – SACAP, in partnership with Khora Group, also participated in the Mandela Day 67 Minute Campaign by cleaning and painting the Kgothlang Primary School based in Wattville, Benoni.



SACAP's Education Fund

In 2014, SACAP's current 4th Term Council re-instated the Bursary Fund that had been discontinued by the previous Council. Every year since then, SACAP has been distributing a total of R440 000 to 11 Architectural Learning Sites (ALS) through the Education Fund (Please see the Education Fund Financial Statements on pages 112 to 123 of this report). These are the Universities and Universities of Technology that are validated by SACAP to offer architectural education. The ALSs distribute these funds to PDI students who meet the established criteria with the aim of advancing transformation. Being aware of the dire need that our country's aspiring architectural students have for funding, SACAP is, through collaboration with other stakeholders, looking to increase this contribution as much as possible.

Audit and Risk Committee Report

The Audit and Risk Committee is pleased to present our report for the Financial Year ended 31 March 2018.

Audit and Risk Committee attendance 2017/2018

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

Name	Internal or external	Date appointed	Number of meetings attended
Mr Paul Serote	Independent Member (External)	1 October 2014	5
Mr Charles Motau	Independent Member (External)	1 October 2014	5
Adv Fay Mukaddam	Independent Member (External)	1 October 2014	5

Audit and Risk Committee responsibility

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

The Committee executed its duties in terms of its terms of reference.

The Effectiveness of Internal Controls

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

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

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

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

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

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

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

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

Internal Audit

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

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

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

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

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

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

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

Evaluation of Annual Financial Statements

The Audit and Risk Committee has:

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

Auditor’s Report

The Committee has met with the auditors on various occasions.

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

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

The Committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the 2018 Financial Year.

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

Appreciation

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



Mr Paul Serote
Chairperson of the Audit Committee
SACAP



D | HUMAN RESOURCES MANAGEMENT

Introduction

HR Priorities under Review

It is an exciting time for Human Resources (HR) to unlock frontiers far beyond the back office. There is a need for a solid understanding of how the organisation works, especially how it cultivates relationships with Registered Persons and responds to changes in the socio-economic climate.

As the function most connected to the employee experience, HR needs to realise that employees are their 'customers'.

During the period under review, HR embarked on employee benefits research to find more cost-effective schemes. Employees' needs were also taken into consideration. As a result of the move, the vast gap between employees and managers was bridged.

In addition, the trust between managers and employees was strengthened.

Employees' needs and satisfaction inspired new approaches for addressing their well-being in the workplace.

Going forward, the future and relevance of HR will rely on SACAP taking a pro-active involvement in organisational challenges that can ultimately affect revenue and sustainable growth.

Workforce Planning Framework and Key Strategies

Workforce planning has been undertaken by the SACAP in various forms for a number of years.

Managers are provided with a tool to ensure the process become formalised and embedded within the service planning culture of the organisation along with the need to ensure succession planning and progression is in place.

Workforce planning and succession planning are essentially about meeting current and future demands on our workforce.

Managers have identified the future need and are upskilling the workforce to meet the requirements.

Employee performance management framework

Performance management is the setting and measurement of desired outcomes and activities of an organisation, its individual components and the staff who contribute to the achievement of its strategic vision.

Since the inception of performance management at SACAP, productivity increased tremendously as employees are accountable for their own performance.

Bi-annual performance reviews are done to ensure that individual employees' performance is tracked, and where there is a need, training is provided.

Employee Wellness Programmes

SACAP is reaping the benefit of having healthy employees.

Since the inception of a staff wellness committee, a correctly designed wellness programme was designed, which increased productivity, boosted morale and reduced stress.

These wellness programmes helped employees make smart and healthy choices that reduced health care costs, increased vitality and diminished absenteeism.

Employees are eager to engage in the wellness programmes and participate in team building exercises.

Policy Development

HR Workshops were conducted in the 2017/2018 Financial Year for all employees to be educated on policies.

The HR Manual was made available for ease of access to all employees to familiarise themselves and for transparency on HR Policies.

Policies are updated regularly as and when legislation changes.

Highlight Achievements

The Education and Accreditation Managers position was filled in 2017/2018 Financial Year. This position will assist SACAP in fulfilling their mandate of Validating and Accrediting the Architectural Learning Sites (ALS).

HR engaged the services of medical aid to provide monthly consultation with an accounts manager, which helped resolve queries employees have from time to time.

Future HR Plans and Goals

- Planning to broaden the staff wellness by engaging with the administrators of the Provident Fund, and thereby provide financial Wellbeing and Health Day consultations to individual employees.
- More teambuilding efforts among staff in continuing to create a pleasant and healthy working environment within SACAP.

The ability to direct individual accomplishments toward organisational objectives. This is the fuel that allows common people to attain uncommon results.

Human Resource Oversight Statistics

Personnel Cost by programme/Activity/Objective

Programme/activity/objective	Total expenditure for the entity	Personnel expenditure	Personnel expenditure as a % of total expenditure	Number of employees	Average personnel cost per employee
	R	R	%		R
Support Services	12 299 972	491 998	34.39	25	419 998
Operational Services	6 156 352	279 834	65.60	22	279 834

Personnel cost by salary band

Level	Total expenditure	% of personnel expenditure to total personnel cost	Number of employees	Average personnel cost per employee
	R	%		R
Top Management	2 646 335	14.33	1	2 646 335
Senior Management	3 770 143	20.43	3	1 256 714
Professional qualified	7 543 694	40.87	16	471 481
Skilled	4 211 835	22.82	24	175 493
Semi-skilled	284 316	1.54	3	94 772
Unskilled	0	0	0	0
Total	18 456 321	100	47	4 644 795

Training Costs

Programme/activity/objective	Personnel expenditure	Training expenditure	Training expenditure as a % of personnel cost	Number of employees trained	Average training cost per employee
	R	R	%		R
SLA Training	732 542	5 760	0.78	4	1 440
Other Training	0.00	0.00	0	0	0.00

Employment and vacancies

Programme/activity/objective	2017/2018 number of employees	2017/2018 approved posts	2018/2019 number of employees	2018/2019 vacancies	% of vacancies
					%
Top Management	1	1	1	0	0
Senior Management	3	4	3	1	2.13
Professional qualified	10	15	16	2	4.3
Skilled	29	25	24	5	10.6
Semi-skilled	2	2	2	0	0
Unskilled	0	0	0	0	0
Total	45	47	46	8	17.03

There are currently eight positions that need to be filled within SACAP as per the approved organogram. We anticipate having all the positions filled in the 2018/2019 financial year. The Education and Accreditation Manager position was filled in 2017/2018 financial year. This position will assist SACAP in fulfilling their mandate of Validating and Accrediting the ALS's.

Employment changes

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of period
Top Management	1			1
Senior Management	3	0	0	3
Professional qualified	12	4	4	12
Skilled	16	9	4	21
Semi-skilled	2	1	1	2
Unskilled	0	0	0	0
TOTAL	34	14	9	39

The following appointments were made in the Financial Year:

- Immaculate Sibiya – CPD Administrator
- Selina Sekhu – Secretary to Senior Manager: Legal & Compliance
- Thabo Semenya – Registrations Administrator
- Kgaogelo Mashile – Legal & Compliance Officer
- Seithati Mafologelo – General Office Assistant
- Kimberley Rowan – Education & Accreditation Manager
- Paul Leteane – Procurement Administrator
- Alpha Nkosi – Committee Coordinator
- Ntanga Makakavhule – Legal & Compliance Officer
- Bessie Hlophe – Legal Intern
- Cyril Machabele – Stakeholder Relations Assistant

Reasons for staff leaving

Reason	Number	% of total number of staff leaving
		%
Death	0	0
Resignation	3	6.52
Dismissal	2	4.34
Retirement	0	0
Ill health	0	0
Expiry of contract	2	4.34
Other (Retrenchment)	0	0
TOTAL	7	48.86

The following employees were terminated during the Financial Year:

- Gladwin Frazenburg – Registrations Administrator
- Cyril Machabele – Stakeholder Relations Assistant
- Oscar Nkosi – CPD Administrator
- Roelien van der Merwe – Committee Coordinator
- Kimberley Rowan – Education & Accreditation Manager
- Tshego Legodi – Legal & Compliance Officer
- Laura Sedibe – Legal & Compliance Officer
- Nadine Lewis – Temp: General Office Assistant
- Lerato Mogodi – Temp: Finance Administrator

Labour relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal warning	3
Written warning	2
Final written warning	2
Dismissal	2

Equity target and employment equity status

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	2	0	0	0	0	0	0	0
Professional qualified	2	1	1	0	0	1	0	0
Skilled	8	0	2	1	0	0	0	1
Semi-skilled	0	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	12	1	3	1	0	1	0	1

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	1	0	0	0	0	0
Senior Management	0	1	0	0	0	0	1	0
Professional qualified	8	1	0	1	1	0	4	0
Skilled	10	0	4	1	0	2	0	0
Semi-skilled	2	1	1	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	20	3	6	2	1	2	5	0

Levels	DISABLED STAFF			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	1
Professional qualified	0	0	1	1
Skilled	0	1	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	1	1	2

E | FINANCIAL
INFORMATION

SACAP Financial Statements

South African Council for the Architectural Profession

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

Consolidated Annual Financial Statements for the year ended 31 March 2018

Index

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

Index	
General Information	63
Independent Auditor's Report	64
Council Members' Responsibilities And Approval	67
Registrar's Report	68
Statement of Financial Position	69
Statement of Comprehensive Income	70
Statement of changes in Equity	71
Statement of Cash Flows	72
Accounting Policies	73
Notes to the Consolidated Annual Financial Statements	79
The supplementary information presented does not form part of the Annual Financial Statements and is unaudited	
Detailed Income Statement	98

General Information

COUNTRY OF INCORPORATION AND DOMICILE

South Africa

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

Architectural Profession in South Africa

Statutory body that regulates the registration of

COUNCIL

Y Luckan: President (Resigned 21 August 2018)
 R Lekota
 G Bolton: Treasurer
 (Leave of absence December 2015 to 19 September 2018)
 K Ranchod
 R Ruiters (Resigned 28 August 2018)
 P Jolobe: Vice President (Appointed 5 December 2017)
 K Manyathela (Appointed 5 December 2017)
 N Nduku (Appointed 5 December 2017)
 V Phailane (Appointed 5 December 2017)
 LR Shongwe née Lerotholi: President (Appointed 5 December 2017)
 M Gerrans: Vice President (Resigned 18 April 2017)

REGISTERED OFFICE

51 Wessel Road
 Right Wing
 Rivonia 2128

BUSINESS ADDRESS

51 Wessel Road
 Right Wing
 Rivonia 2128

BANKERS

First National Bank
 Nedbank
 Investec Bank

AUDITORS

PricewaterhouseCoopers Inc
 Registered Auditors

LEVEL OF ASSURANCE

These annual financial statements have been audited in compliance with the applicable requirements of the Architectural Profession Act, No 44 of 2000

PREPARER

The annual financial statements were independently compiled by:
 Ms Dipuo Sello: Finance Manager

PUBLISHED

27 September 2018

Independent Auditor’s Report

To the Council Members of the Education Fund of South Africa Council for the Architectural Profession

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of South African Council for the Architectural Profession (the Council) and its subsidiary as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

South African Council for the Architectural Profession’s financial statements set out on pages 69 to 97 comprise:

- the consolidated and separate statements of financial position as at 31 March 2018;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

Independence

We are independent of the Council in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

Other information

The council members are responsible for the other information. Other information does not include the financial statements and our auditor’s report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the council members for the financial statements

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

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

Auditor’s responsibilities for the audit of the financial statements

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

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

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

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



PricewaterhouseCoopers Inc.

Director: Raj Dhanlall
Registered Auditor

Waterfall, Johannesburg
29 September 2018



Council members' Responsibilities and Approval

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

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

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

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

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

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

The financial statements have been audited by the independent audit firm, PricewaterhouseCoopers, who have been given unrestricted access to all financial records and related data, including minutes to all meetings of the Council. The Council members believe that all representations made to the independent auditors during the audit were valid and appropriate. The external auditors' unqualified audit report is presented on page 64-66.

The consolidated and separate annual financial statements as set out on pages 69 to 97 were approved by the Council on 27 September 2018 and were signed on their behalf by:

Mrs Letsabisa R Shongwe née Lerotholi
President of the Council

Mr P Jolobe
Vice President

Registrar’s Report

The Registrar presents his report for the year ended 31 March 2018.

1. Review of activities

Main business and operations

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

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

Mission

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

Vision

People-centred architecture for South Africa.

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

2. Going concern

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

3. Events after reporting date

Subsequent to the reporting date the Registrar, Ms M O’Reilly, was suspended and the President of the Council, Mr Y Luckan, resigned. Adv. T Fiduli and Mrs LR Shongwe née Lerotholi have been elected as the interim registrar and president, respectively for the remainder of the term. These events did not result in any adjustments to the financial statements as they do not have any financial effect.

4. Operating Results

The operating results and consolidated Statement of Financial Position of the Council are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net Surplus/(Deficit) was R564 559 (2017: R-1 502 454)

The operating results for the 2017 financial year have been restated. Refer to Note 21 for details.

5. Council Members

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

- Y Luckan – President – (Resigned 21 August 2018)
- R Lekota
- G Bolton – Treasurer – (Leave of absence December 2015 to 19 September 2018)
- K Ranchod
- R Ruiters – (Resigned 28 August 2018)
- P Jolobe – Vice President – (Appointed 5 December 2017)
- K Manyathela – (Appointed 5 December 2017)
- N Nduku – (Appointed 5 December 2017)
- V Phailane – (Appointed 5 December 2017)
- LR Shongwe née Lerotholi – President – (Appointed 5 December 2017)
- M Gerrans – Vice President – (Resigned 18 April 2017)

6. Auditors

PricewaterhouseCoopers were the auditors for the year under review and will continue in office for the next financial period.

7. Annual Financial Statements

The Annual Financial Statements are classified as follows:

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

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

Statement of Financial Position

as at 31 March 2018

	Note(s)	CONSOLIDATED		COUNCIL	
		2018	2017 Restated	2018	2017 Restated
		R	R	R	R
Assets					
Property, plant and equipment	6	16 691 816	17 540 195	16 691 816	17 540 195
Intangible assets	7	123 200	209 157	123 200	209 157
		16 815 016	17 749 352	16 815 016	17 749 352
Current assets					
Other financial assets	8	13 556 484	10 271 471	11 160 819	7 615 903
Trade and other receivables	9	4 079 086	6 012 240	4 079 086	6 012 240
Cash and cash equivalents	10	3 761 573	2 111 906	3 278 319	2 070 740
		21 397 143	18 395 617	18 518 224	15 698 883
Total assets		38 212 159	36 144 969	35 333 240	33 448 235
Equity and liabilities					
Equity					
Retained earnings		25 956 381	25 391 822	23 517 463	22 695 089
Non-current liabilities					
Finance lease obligation	11	161 782	237 772	161 782	237 772
Current liabilities					
Trade and other payables	13	11 999 266	10 407 649	11 559 265	10 407 648
Current portion of finance lease obligation	11	75 990	68 447	75 990	68 447
Credit Cards	10	18 740	39 279	18 740	39 279
		12 093 996	10 515 375	11 653 995	10 515 374
Total equity and liabilities		38 212 159	36 144 969	35 333 240	33 448 235

Statement of Comprehensive Income

for the year ended 31 March 2018

	Note(s)	CONSOLIDATED		COUNCIL	
		2018	2017	2018	2017
		R	R	R	R
Revenue	12	30 839 650	24 524 332	30 839 650	24 524 332
Other income	15	948 124	472 075	948 124	472 075
Operating costs	16	(32 722 929)	(28 100 382)	(32 281 741)	(27 659 260)
Operating deficit		(935 155)	(3 103 975)	(493 967)	(2 662 853)
Finance income	17	1 528 864	1 639 516	1 345 491	1 437 632
Finance costs	18	(29 150)	(37 995)	(29 150)	(37 995)
Surplus/Deficit for the year		564 559	(1 502 454)	822 374	(1 263 216)

Statement of Changes in Equity

for the year ended 31 March 2018

	Retained earnings	Total
	R	R
Consolidated		
Balance at 1 April 2016	28 682 692	28 682 692
Adjustment due to error (note 21)	(1 788 416)	(1 788 416)
Total comprehensive income for the year		
Deficit for the year	(1 502 454)	(1 502 454)
Total comprehensive income for the year	(1 502 454)	(1 502 454)
Balance at 31 March 2017	25 391 822	25 391 822
Balance at 1 April 2017	25 391 822	25 391 822
Total comprehensive income for the year		
Surplus for the year	564 559	564 559
Total comprehensive income for the year	564 559	564 559
Balance at 31 March 2018	25 956 381	25 956 381
Council		
Balance at 1 April 2016	25 746 721	25 746 721
Adjustment due to error (note 21)	(1 788 416)	(1 788 416)
Total comprehensive income for the year		
Deficit for the year	(1 263 216)	(1 263 216)
Total comprehensive income for the year	(1 263 216)	(1 263 216)
Balance at 31 March 2017	22 695 089	22 695 089
Balance at 1 April 2017	22 695 089	22 695 089
Total comprehensive income for the year		
Surplus for the year	822 374	822 374
Total comprehensive income for the year	822 374	822 374
Balance at 31 March 2018	23 517 463	23 517 463

Statement of Cash Flows

for the year ended 31 March 2018

	Note(s)	CONSOLIDATED		COUNCIL	
		2018	2017	2018	2017
		R	R	R	R
Cash flows from operating activities					
Profit/(loss) for the year		564 559	(1 502 454)	822 374	(1,263 216)
Adjustments for:					
Finance costs		29 150	37 995	29 150	37 995
Depreciation of Tangible assets		995 488	530 348	995 488	530 348
Investment income		(1 528 864)	(1 639 516)	(1 345 491)	(1 437 632)
Profit on disposal of property, plant and equipment		-	159 299	-	159 299
Operating cash flow before working capital changes		60 333	(2 414 328)	501 521	(1 973 206)
Working capital changes					
Decrease/(increase) in trade and other receivables		1 933 154	(5 574 090)	1 933 154	(5 574 090)
Increase in trade and other payables		1 591 617	3 082 901	1 151 617	3 122 901
Cash generated by/(utilised in) operating activities	19	3 585 104	(4 905 517)	3 586 292	(4 424 395)
Investment income		1 528 864	1 639 516	1 345 491	1 437 632
Finance costs		(29 150)	(37 995)	(29 150)	(37 995)
Net cash from operating activities		5 084 818	(3 303 996)	4 902 633	(3 024 758)

Cash flows from investing activities

Property, plant and equipment acquired	6	(61 911)	(16 440 383)	(61 911)	(16 440 383)
Intangible assets acquired	7	-	(218 540)	-	(218 540)
Proceeds on disposals of property, plant and equipment		760	-	760	-
Increase in financial asset		(3 285 013)	18 335 105	(3 544 916)	18 226 539
Net cash (utilised in)/generated by investing activities		(3 346 164)	1 676 182	(3 606 067)	1 567 616

Cash flows from financing activities

Loans repaid		(68 447)	(168 334)	(68,447)	(168 334)
Net cash utilised in financing activities		(68 447)	(168 334)	(68,447)	(168 334)
Increase/(decrease) in cash and cash equivalents		1 670 207	(1 796 148)	1 228 119	(1 625 476)
Cash and cash equivalents at beginning of the year		2 072 627	3 868 775	2 031 461	3 656 937
Cash and cash equivalents at the end of the year	10	3 742 834	2 072 627	3 259 580	2 031 461

Accounting Policies

1. General information

The consolidated and separate annual financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (IFRS) and the Architectural Profession Act, 2000 (Act no 44 of 2000). A summary of significant accounting policies is set out in note 3.

2. Basis of preparation

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

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

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

3. Summary of significant accounting policies

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

New Standards and Interpretations

Standards and interpretations effective and adopted in the current year

At the date of authorisation of these financial statements for the year ended 31 March 2018, the following IFRSs were adopted:

IFRS/IFRIC	Title and details	Effective	Expected Impact
IFRS 10	Consolidated financial statements	Effective date postponed (initially 1 January 2016)	

Standards and interpretations not yet effective

The Council has not applied the following new, revised or amended pronouncements that have been issued by the IASB as they are not yet effective for the financial year beginning 1 April 2017 (the list does not include information about new requirements that affect interim financial reporting or first-time adopters of IFRS since they are not relevant to the Council). The Council anticipates that the new standards, amendments and interpretations will be adopted in the Council’s consolidated financial statements when they become effective. The Council has assessed, where practicable, the potential impact of all these new standards, amendments and interpretations that will be effective in future periods.

IFRS/IFRIC	Title and details	Effective	Expected Impact
IFRS 9 - Financial instruments	Financial Instruments - A final version of IFRS 9 which replaces IAS 39	Annual periods commencing on or after 1 January 2018	Unlikely there will be a material impact
Amendments to IFRS 15	Clarifications to IFRS 15 Revenue from Contracts from Customers	Annual periods commencing on or after 1 January 2018	Unlikely there will be a material impact
IFRS 16	Leases	Annual periods commencing on or after 1 January 2019	Unlikely there will be a material impact
IAS 7	Statement of Cash Flows	Annual periods commencing on or after 1 January 2017	Unlikely there will be a material impact
IAS 12	Uncertainty of Income Tax Treatments	Annual periods commencing on or after 1 January 2019	Unlikely there will be a material impact
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions	Annual periods commencing on or after 1 January 2018	Unlikely there will be a material impact
Amendments to IAS 28	Investments in Associates and Joint Ventures; Annual Improvements to IFRS 2014-2016 cycle	Annual periods commencing on or after 1 January 2018	Unlikely there will be a material impact
Amendments to IFRS 1	First-time Adoption of International Financial Reporting Standards; Annual Improvements to IFRS 2014-2016 cycle	Annual periods commencing on or after 1 January 2018	Unlikely there will be a material impact
Amendments to IAS 40	Investment Property Transfers	Annual periods commencing on or after 1 January 2018	Unlikely there will be a material impact
IFRIC 22	Foreign Currency Transactions and Advance Consideration	Annual periods commencing on or after 1 January 2018	Unlikely there will be a material impact
Amendments to IFRS 4	Insurance Contracts	Annual periods commencing on or after 1 January 2018	Unlikely there will be a material impact
Amendments to IFRS 4	Application of IFRS 9 with IFRS 4 Insurance Contracts	Annual periods commencing on or after 1 January 2018	Unlikely there will be a material impact

All applicable standards will be complied with in the financial statements of the period ending 31 March 2019. Compliance with these amendments; revisions and improvements require additional disclosure compared to that required in terms of existing IFRS. Management will perform an assessment of the impact of all applicable standards that will apply for the period ending 31 March 2019.

3.1 Property, Plant and Equipment

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

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

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

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

The major categories of property, plant and equipment are depreciated at the following rates:

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

3.2 Intangible Assets

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

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

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

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

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

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

Intangible assets are amortised at the following rates:

Software	3 years
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3.2.1 Amortisation

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

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

3.3 Financial assets

Classification

The Council classifies its financial assets in the following categories: fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Council's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Assets carried at amortised cost

The Council assesses at the end of each reporting period whether there is objective evidence that a financial asset or Council of financial assets is impaired.

A financial asset or a Council of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Council of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a Council of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Council may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

3.3.2 Trade and other receivables

Trade and other receivables are initially measured at fair value and, after initial recognition, at amortised cost less impairment losses for bad and doubtful debts, if any, except for the following receivables:

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

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

3.3.3 Cash and cash equivalents

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

For the purpose of statement of cash flows, bank overdrafts which are repayable on demand form an integral part of the Council's cash management are included as a component of cash and cash equivalents.

Impairment of financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Council on terms that the Council would consider otherwise, indications that a debtor or issuer will enter into bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for security.

The Council considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-to-maturity investment securities) at both a specific asset and collective level. All individually significant assets are assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by reconciling together assets with similar risk characteristics.

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. Deficits are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Financial liabilities

3.3.4 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

3.3.5 Borrowings

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

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

3.4 Post-employment benefits and short-term employee benefits

Post-employment benefit plans

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

Defined contribution plans

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

3.5 Interest-bearing borrowings

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

3.6 Revenue recognition

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

Exam fees

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

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

Registration and Re-registrations

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

Renewals

Revenue is recognised when renewals takes effect.

3.7 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Council reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

4. Critical accounting judgements and key sources of estimation uncertainty

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

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

4.1 Useful lives of property, plant and equipment

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

5. Consolidation

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

Notes to the Consolidated Annual Financial Statements

6. Property, plant and equipment

Consolidated

	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	R	R	R	R	R	R
Owned assets						
Land and buildings	15 911 880	(477 356)	15 434 524	15 911 880	(159 119)	15 752 761
Motor vehicles	537 005	(331 152)	205 853	537 005	(223 751)	313 254
Furniture and fittings	996 920	(539 798)	457 122	955 710	(442 640)	513 070
Office equipment	559 387	(271 348)	288 039	551 698	(160 920)	390 778
IT equipment	1 145 154	(838 876)	306 278	1 132 902	(562 570)	570 332
	19 150 346	(2 458 530)	16 691 816	19 089 195	(1 549 000)	17 540 195

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

2018 Reconciliation

	Carrying value at beginning of the year	Additions	Disposals	Depreciation	2018 carrying value at end of the year
	R	R	R	R	R
Owned assets					
Land and buildings	15 752 761		-	(318 237)	15 434 524
Motor vehicles	313 254	-		(107 401)	205 853
Furniture and fittings	513 070	41 970	(760)	(97 158)	457 122
Leasehold improvements	-	-	-	-	-
Office equipment	390 778	7 689	-	(110 428)	288 039
IT equipment	570 332	12 252	-	(276 306)	306 278
	17 540 195	61 911	(760)	(909 530)	16 691 816

Notes to the Consolidated Annual Financial Statements (cont)

6. Property, plant and equipment (cont)

2017 Reconciliation

	Carrying value at beginning of the year	Additions	Disposals	Depreciation	2017 carrying value at end of the year
	R	R	R	R	R
Owned assets					
Land and buildings	-	15 911 880	-	(159 119)	15 752 761
Motor vehicles	420 655	-	-	(107 401)	313 254
Furniture and fittings	430 123	179 558	(12 857)	(83 756)	513 068
Leasehold improvements	179 798	-	(145 137)	(34 661)	-
Office equipment	509 011	74 459	(107 985)	(84 707)	390 778
IT equipment	352 288	381 166	-	(163 122)	570 332
	1 891 875	16 547 063	(265 979)	(632 766)	17 540 193

Assets subject to finance lease (Net carrying amount)

	CONSOLIDATED		COUNCIL	
	2018	2017	2018	2017
	R	R	R	R
Canon (C5051i) digital multifunctional printer	105 175	185 596	105 175	185 596
Canon (C5051i) digital multifunctional printer	105 175	185 596	105 175	185 596
Total	210 350	371 192	210 350	371 192

Notes to the Consolidated Annual Financial Statements (cont)

6. Property, plant and equipment (cont)

Council

	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	R	R	R	R	R	R
Owned assets						
Land and buildings	15 911 880	(477 356)	15 434 524	15 911 880	(159 119)	15 752 761
Motor vehicles	537 005	(331 152)	205 853	537 005	(223 751)	313 254
Furniture and fittings	996 920	(539 798)	457 122	955 710	(442 640)	513 070
Office equipment	559 387	(271 348)	288 039	551 698	(160 920)	390 778
IT equipment	1 145 154	(838 876)	306 278	1 132 902	(562 570)	570 332
	19 150 346	(2 458 530)	16 691 816	19 089 195	(1 549 000)	17 540 195

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

2018 Reconciliation

	Carrying value at beginning of the year	Additions	Disposals	Depreciation	2018 carrying value at end of the year
	R	R	R	R	R
Owned assets					
Land and buildings	15 752 761	-		(318 237)	15 434 524
Motor vehicles	313 254	-		(107 401)	205 853
Furniture and fittings	513 070	41 970	(760)	(97 158)	457 122
Office equipment	390 778	7 689	-	(110 428)	288 039
IT equipment	570 332	12 252	-	(276 306)	306 278
	17 540 195	61 911	(760)	(909 530)	16 691 816

Notes to the Consolidated Annual Financial Statements (cont)

6. Property, plant and equipment (cont)

2017 Reconciliation

	Carrying value at beginning of the year	Additions	Disposals	Depreciation	2017 carrying value at end of the year
	R	R	R	R	R
Owned assets					
Land and buildings	-	15 911 880	-	(159 119)	15 752 761
Motor vehicles	420 655	-	-	(107 401)	313 254
Furniture and fittings	430 123	179 558	(12 857)	(83 756)	513 068
Leasehold improvements	179 798	-	(145 137)	(34 661)	-
Office equipment	509 011	74 459	(107 985)	(84 707)	390 778
IT equipment	352 288	381 166	-	(163 122)	570 332
	1 891 875	16 547 063	(265 979)	(632 766)	17 540 193

During the period the entity purchased land and buildings as follows:

Land and buildings

	CONSOLIDATED		COUNCIL	
	2018	2017	2018	2017
	R	R	R	R
51 Wessel Road, Rivonia				
• Acquired on 31 August 2016 for	15 911 880	14 035 088	15 911 880	14 035 088
• Costs of additions or improvements	-	1 876 792	-	1 876 792
	15 911 880	15 911 880	15 911 880	15 911 880

Notes to the Consolidated Annual Financial Statements (cont)

7. Intangible assets

Consolidated

	2018			2017		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
	R	R	R	R	R	R
Computer software	668 181	(544 981)	123 200	977 880	(768 723)	209 157

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

2018 Reconciliation

	Carrying value at beginning of the year	Additions	Amortisation	Disposals	2018 carrying value at end of the year
	R	R	R	R	R
Computer software	209 157	-	(85,957)	-	123 200

2017 Reconciliation

	Carrying value at beginning of the year	Additions	Amortisation	Disposals	2017 carrying value at end of the year
	R	R	R	R	R
Computer software	47 319	218 540	(56 702)	-	209 157

7. Intangible assets

Council

	2018			2017		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
	R	R	R	R	R	R
Computer software	668 181	(544 981)	123 200	977 880	(768 723)	209 157

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

2018 Reconciliation

	Carrying value at beginning of the year	Additions	Amortisation	Disposals	2018 carrying value at end of the year
	R	R	R	R	R
Computer software	209 157	-	(85,957)	-	123 200

2017 Reconciliation

	Carrying value at beginning of the year	Additions	Amortisation	Disposals	2017 carrying value at end of the year
	R	R	R	R	R
Computer software	47 319	218 540	(56 702)	-	209 157

8. Other Financial Assets

	CONSOLIDATED		COUNCIL	
	2018	2017	2018	2017
	R	R	R	R
First National Bank	3 855 993	780 509	3 855 993	780 509
Investec	4 438 259	4 110 180	4 152 862	3 846 557
Nedbank	5 262 234	5 380 782	3 151 966	2 988 837
	13 556 484	10 271 471	11 160 819	7 615 903
Current assets				
Investments	13 556 484	10 271 471	11 160 819	7 615 903

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

9. Trade and other receivables

	CONSOLIDATED		COUNCIL	
	2018	2017	2018	2017
	R	R	R	R
Trade debtors	11 983 049	12 644 084	11 983 049	12 644 084
Sundry debtors	3 563	20 208	3 563	20 208
Prepaid expenses	-	21 967	-	21 967
Unallocated receipts	(2 039 437)	(2 195 063)	(2 039 437)	(2 195 063)
Value Added Tax	47 694	2 562 820	47 694	2 562 820
	9 994 869	13 054 016	9 994 869	13 054 016
Impairment loss	(5 915 783)	(7 041 776)	(5 915 783)	(7 041 776)
	4 079 086	6 012 240	4 079 086	6 012 240

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

The credit quality of trade receivables that are neither past due nor impaired can be assessed by reference to historical payments trends of the individual debtors, therefore a credit rating of 'high' has been ascribed debtors.

The carrying amount of trade and other receivables approximates their fair value.

9. Trade and other receivables

Credit rating of trade receivables

	RATING	CONSOLIDATED		COUNCIL	
		2018	2017	2018	2017
		R	R	R	R
Current	High	126 027	729 749	126 027	729 749
31 - 60 days	Medium	328 653	187 612	328 653	187 612
over 90 days	Low	11 528 323	11 726 677	11 528 323	11 726 677
Total		11 983 002	12 644 038	11 983 002	12 644 038

The entity recognised an impairment provision of R5 288 352 (2017: R6 414 344) against trade receivables due to default by customers.

Trade and other receivables pledged as security

CONSOLIDATED		COUNCIL	
2018	2017	2018	2017
R	R	R	R
None	None	None	None

Trade and other receivables impaired

As of 31 March 2018, trade and other receivables of R5 288 352 (2017: R6 414 344) were impaired and allowed for.

	CONSOLIDATED		COUNCIL	
	2018	2017	2018	2017
	R	R	R	R
Allowance account for credit losses:				
Balance as at 1 April 2017	6 414 344	6 414 344	6 414 344	6 414 344
Impairment loss made during the year-debtors	(1 283 631)	-	(1 283 631)	-
Impairment loss made during the year-Vat portion	157 639	-	157 639	-
Balance as at 31 March 2018	5 288 352	6 414 344	5 288 352	6 414 344

10. Cash and cash equivalents

	CONSOLIDATED		COUNCIL	
	2018	2017	2018	2017
	R	R	R	R
Favourable cash balances				
Bank balances	3 761 573	2 111 906	3 278 319	2 070 740
Credit cards	(18 740)	(39 279)	(18 740)	(39 279)
Balance as at 31 March 2018	3 742 833	2 072 627	3 259 579	2 031 461

11. Obligations under finance lease

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

	CONSOLIDATED		COUNCIL	
	2018	2017	2018	2017
	R	R	R	R
Future minimum lease payments fall due as follows				
• within one year	97 363	97 363	97 363	97 363
• later than one year but within five years	161 729	275 914	161 729	275 914
• later than five years	-	-	-	-
Total	259 092	373 277	259 092	373 277
Future finance costs	(21 320)	(67 058)	(21 320)	(67 058)
Lease liability	237 772	306 219	237 772	306 219
Analysed as follows:				
Current portion	75 990	68 447	75 990	68 447
Long term portion	161 782	237 772	161 782	237 772
	237 772	306 219	237 772	306 219

The lease liability is secured over certain items of property, plant and equipment disclosed in Note 5.

12. Commitments under operating leases

The entity rented several offices at Lakeside Place under operating leases. The lease ended in November 2016 when the entity moved to new premises in Rivonia.

	CONSOLIDATED		COUNCIL	
	2018	2017	2018	2017
	R	R	R	R
Minimum lease payments under operating leases recognised as an expense during the year	-	638 926	-	638 926

13. Trade and other payables

	CONSOLIDATED		COUNCIL	
	2018	2017	2018	2017
	R	R	R	R
Accruals	2 577 451	1 054 811	2 137 451	1 054 811
Amounts received in advance	8 168 107	8 665 196	8 168 107	8 665 196
Accrual leave pay	466 596	177 982	466 596	177 982
Trade creditors	677 417	432 113	677 417	432 112
Other – Salary deferrals	109 697	77 547	109 697	77 547
	11 999 268	10 407 649	11 559 268	10 407 648

14. Revenue

An analysis of revenue is as follows:

	CONSOLIDATED		COUNCIL	
	2018	2017	2018	2017
	R	R	R	R
Annual fees	24 850 537	21 192 379	24 850 537	21 192 379
Administration fees	786 749	759 119	786 749	759 119
Exam fees	1 050 134	812 190	1 050 134	812 190
Registration and re-registrations	3 503 715	724 807	3 503 715	724 807
Renewals	648 515	1 035 837	648 515	1 035 837
	30 839 650	24 524 332	30 839 650	24 524 332

Registration is cancelled when the Registered Professionals do not pay their fees within person wants to re-register, the prior years' outstanding fees must be settled first. The fees are then recognised in the year in which they are received.

15. Other income

	CONSOLIDATED		COUNCIL	
	2018	2017	2018	2017
	R	R	R	R
Other income	948 124	472 075	948 124	472 075
	948 124	472 075	948 124	472 075

16. Operating deficit

Operating profit is arrived at after taking into account the following items:

	CONSOLIDATED		COUNCIL	
	2018	2017	2018	2017
	R	R	R	R
Income				
Loss on disposal of property, plant and equipment	0	159 299	0	159 299
Depreciation and amortisation				
Land and buildings	(318 237)	0	(318 237)	0
Motor vehicles	(107 401)	(107 401)	(107 401)	(107 401)
Furniture and fittings	(97 158)	(83 756)	(97 158)	(83 756)
Leasehold improvements	0	(34 661)	0	(34 661)
Office equipment	(110 428)	(84 707)	(110 428)	(84 707)
IT Equipment	(276 306)	(163 122)	(276 306)	(163 122)
Computer software	(85 957)	(56 702)	(85 957)	(56 702)
Audit fees				
• current	199 167	185 722	199 167	185 722
Operating lease charges				
Premises	292 475	638 096	292 475	638 096

17. Finance income

	CONSOLIDATED		COUNCIL	
	2018	2017	2018	2017
	R	R	R	R
Interest received	1 528 864	1 639 516	1 345 491	1 437 632

18. Finance costs

	CONSOLIDATED		COUNCIL	
	2018	2017	2018	2017
	R	R	R	R
Finance leases	29 150	37 995	29 150	37 995

19. Cash flows from operating activities

	CONSOLIDATED		COUNCIL	
	2018	2017	2018	2017
	R	R	R	R
Surplus/(deficit) for the year	564 559	(1 502 454)	822 374	(1 263 216)
Adjustments for:				
Finance costs	29 150	37 995	29 150	37 995
Depreciation and amortisation of assets	995 488	530 348	995 488	530 348
Investment income	(1 528 864)	(1 639 516)	(1 345 491)	(1 437 632)
Profit on disposal of property, plant and equipment	0	159 299	0	159 299
Operating cash flow before working capital changes	60 333	(2 414 328)	501 521	(1 973 206)
Working capital changes				
Decrease /(increase) in trade and other receivables	1 933 154	(5 574 090)	1 933 154	(5 574 090)
Increase in trade and other payables	(1 591 617)	3 082 901	1 151 617	3 122 901
Cash generated by/(utilised in) operating activities	3 585 104	(4 905 517)	3 586 292	(4 424 395)

20. Taxation

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

21. Related party transactions and key management remuneration

Relationships

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

Related party balances

	CONSOLIDATED		COUNCIL	
	2018	2017	2018	2017
	R	R	R	R

Provision for doubtful debts related to the amount of outstanding balances

None				
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Related party transactions Included in operation expenses

Council for the Built Environment – Levies	400 827	351 183	400 827	351 183
--	---------	---------	---------	---------

Key Management

	2018			
	Basic salary	Bonus	Travel	Total
	R	R	R	R
Marella O'Reilly – Registrar	2 646 335	396 950	120 000	3 163 285
Barbara van Stade – COO	1 541 349	231 202	108 000	1 880 551
Tshepo Tefo – Senior Manager: Finance	1 378 588	206 788	120 000	1 705 377
	5 566 272	834 941	348 000	6 749 212

	2017			
	Basic salary	Bonus	Travel	Total
	R	R	R	R
Marella O'Reilly – Registrar	2 473 210	370 981	120 000	2 964 191
Barbara van Stade – COO	1 440 513	216 077	108 000	1 764 590
Tshepo Tefo – Senior Manager: Finance	1 288 400	193 260	120 000	1 601 660
	5 202 123	780 319	348 000	6 330 442

Non-executive – Council Members

	2018			2017		
	Honorarium	Travel	Total	Honorarium	Travel	Total
	R	R	R	R	R	R
Y Luckan: President – (Resigned 21 August 2018)	321 382	-	321 382	281 764		281 764
M Gerrans: Vice President – resigned 18 April 2018	-	-	-	132 072	-	132 072
R Ruiters (Resigned 28 August 2018)	58 440	-	58 440	65 236	-	65 236
N Lombard	-	-	-	1 821		1 821
S Patel	-	-	-	62 605		62 605
R Lekota	46 445	-	46 445	82 899		82 899
K Ranchod	40 910	-	40 910	49 167		49 167
D Arvanitakis	-	-	-	14 568		14 568
P Jolobe	5 844		5 844			-
K Manyathela	5 844	-	5 844	-	-	-
N Nduku	5 844	-	5 844	-	-	-
V Phailane	5 844	-	5 844	-	-	-
L Shongwe	3 896	-	3 896	-	-	-
	494 449	-	494 449	690 132		690 132

Non-Executive – Audit and Risk members

	2018			2017		
	Honorarium	Travel	Total	Honorarium	Travel	Total
	R	R	R	R	R	R
P Serote: Chairperson	34 470	-	34 470	19 329	-	19 329
C Motau	19 480	-	19 480	10 926	-	10 926
F Mukaddam	19 480	-	19 480	10 926	-	10 926
	73 430	-	73 430	40 551	-	40 551

22. Prior period errors

During the year ended 31 March 2017, trade and other receivables were not impaired according to the requirements of IAS36. The depreciation for the building was also not accounted for in respect of the building acquired in the preceding year. The VAT receivable amount as disclosed in the financial statements in the 2017 financial period has to be impaired as SARS has disallowed some of the inputs submitted on the returns, therefore the amounts are no longer recoverable. The errors have been corrected retrospectively and the effect on the line items in the financial statements is as follows:

Balance sheet (extract)

	CONSOLIDATED			COUNCIL		
	2017	Increase (decrease)	31 March 2017 (restated)	2017	Increase (decrease)	31 March 2017 (restated)
	R	R	R	R	R	R
Property, plant and equipment	17 699 314	(159 119)	17 540 195	17 699 314	(159 119)	17 540 195
Trade receivables	7 641 537	(627 432)	7 014 105	7 641 537	(627 432)	7 014 105
VAT receivable	3 564 685	(1 001 865)	2 562 820	3 564 685	(1 001 865)	2 562 820
Net assets/(liability)	28 905 536	(1 788 416)	27 117 120	28 905 536	(1 788 416)	27 117 120
Retained Earnings	27 180 238	(1 788 416)	25 391 822	24 483 506	(1 788 416)	22 695 090
Total Equity	37 933 385	(1 788 416)	36 144 969	35 236 651	(1 788 416)	33 448 235

23. Financial instruments

Financial Assets by Category

Consolidated

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

	Loans and receivables	Total
	R	R
2018		
Investments	13 556 484	13 556 484
Trade and other receivables	4 031 392	4 031 392
Cash and cash equivalents	3 761 573	3 761 573
2017		
Investments	10 271 471	10 271 471
Trade and other receivables	3 449 420	3 449 420
Cash and cash equivalents	2 111 906	2 111 906

Council

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

	Loans and receivables	Total
	R	R
2018		
Investments	11 160 819	11 160 819
Trade and other receivables	4 031 392	4 031 392
Cash and cash equivalents	3 278 319	3 278 319
2017		
Investments	7 615 903	7 615 903
Trade and other receivables	3 449 420	3 449 420
Cash and cash equivalents	2 070 740	2 070 740

Financial liabilities by Category

Consolidated

The Council has classified its financial liabilities in the following categories:

	Financial liabilities amortised cost	Total
	R	R
2018		
Trade and other payables	3 254 868	3 254 868
Finance lease obligation	237 772	237 772
2017		
Trade and other payables	1 486 924	1 486 924
Finance lease obligation	306 219	306 219

Council

The Council has classified its financial liabilities in the following categories:

	Financial liabilities amortised cost	Total
	R	R
2018		
Trade and other payables	2 814 868	2 814 868
Finance lease obligation	237 772	237 772
2017		
Trade and other payables	1 486 923	1 486 923
Finance lease obligation	306 219	306 219

Credit risk

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

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

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

Financial instrument

	CONSOLIDATED		COUNCIL	
	2018	2017	2018	2017
	R	R	R	R
Investments	13 556 484	10 271 471	11 160 819	7 615 903
Trade and other receivables	4 031 392	3 449 420	4 031 392	3 449 420
Deposits with banks	3 761 573	2 111 906	3 278 319	2 070 740

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

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

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

Consolidated

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
	R	R	R	R
2018				
Trade and other payables	3 254 868	-	-	-
Finance Lease obligation	75 990	161 782	-	-
2017				
Trade and other payables	1 486 924	-	-	-
Finance Lease obligation	68 447	237 772	-	-

Council

	Between 1 and 5 years	Between 1 and 5 years	Over 5 years	Total
	R	R	R	R
2018				
Trade and other payables	2 814 868	-	-	-
Finance Lease obligation	75 990	161 782	-	-
2017				
Trade and other payables	1 486 923	-	-	-
Finance Lease obligation	68 447	237 772	-	-

Interest rate risk

As the Council has significant interest-bearing assets that causes its income and operating cash flows to be substantially dependent on changes in the 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 the profit before tax

	Increase/decrease in base points	Consolidated	Council
	R	R	R
South African Rand	0.01	135 565	111 608
South African Rand	-0.01	(135 565)	(111 608)

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 Council consists of cash and cash equivalents disclosed in the note 8 and accumulated funds as disclosed in the statement of financial position.

Financial Risk Management

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

Detailed Income Statement

	CONSOLIDATED		COUNCIL	
	2018	2017	2018	2017
	R	R	R	R
Gross revenue				
Administration fees	786 749	759 119	786 749	759 119
Annual fees	24 850 537	21 192 379	24 850 537	21 192 379
Exam fees	1 050 134	812 190	1 050 134	812 190
Registrations and re-registration fees	3 503 715	724 807	3 503 715	724 807
Renewals	648 515	1 035 837	648 515	1 035 837
	30 839 650	24 524 332	30 839 650	24 524 332
Other income				
Investment income	1 528 864	1 639 516	1 345 491	1 437 632
Other income	948 124	472 075	948 124	472 075
	2 476 988	2 111 591	2 293 615	1 909 707
	33 316 638	26 635 923	33 133 265	26 434 039

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

	CONSOLIDATED		COUNCIL	
	2018	2017	2018	2017
	R	R	R	R
Expenditure				
Advertising	533 505	147 134	533 505	147 134
Annual Report	185 371	210 650	185 371	210 650
Auditors' remuneration	199 167	185 722	199 167	185 722
Bad debts	2 056 900	-	2 056 900	-
Bank charges	91 002	87 444	89 814	86 322
Body corporate expenses	732 422	430 806	732 422	430 806
CAA validation reps	21 529	194 177	21 529	194 177
CBE levies	400 827	351 183	400 827	351 183
Computer expenses	206 621	271 291	206 621	271 291
Consulting fees	520 790	33 353	520 790	33 353
Consumables	422 052	1 105 286	422 052	1 105 286
Database and document management	46 364	224 809	46 364	224 809
Depreciation – Tangible assets	995 488	530 348	995 488	530 348
Electricity and water	237 072	234 493	237 072	234 493
Employee benefits	2 430 187	2 310 379	2 430 187	2 310 379
Entertainment	26 659	21 330	26 659	21 330
Finance costs	29 150	37 995	29 150	37 995
General expenses	118 182	254 326	118 182	254 326
Grants	440 000	440 000	-	-
Honorariums	976 362	1 179 161	976 362	1 179 161
Insurance	129 360	145 300	129 360	145 300
Internal audit fees	-	531 000	-	531 000
Lease rental on operating lease	292 475	638 096	292 475	638 096
Legal expense	1 380 769	517 062	1 380 769	517 062
Loss on sale of fixed assets	-	159 299	-	159 299
Motor vehicle expense	21 048	29 834	21 048	29 834
Outreach, roadshows and exhibitions	371 657	279 907	371 657	279 907
Postage	42 942	1 283	42 942	1 283
Printing and stationery	135 679	139 477	135 679	139 477
Recruitment fees	193 226	-	193 226	-
Relocation costs	-	56 690	-	56 690
Repairs and maintenance	25 204	111 842	25 204	111 842
Salaries	16 702 860	13 232 084	16 702 860	13 232 084
Strategic review	-	575 857	-	575 857
Subscriptions	48 758	39 883	48 758	39 883
Telephone and fax	472 141	568 586	472 141	568 586
Training	54 795	323 853	54 795	323 853
Travel – local	1 152 874	1 636 937	1 152 874	1 636 937
Travel –overseas	178 497	-	178 497	-
Tribunals	443 671	508 703	443 671	508 703
Venue costs and catering	100 991	144 567	100 991	144 567
Website maintenance	335 482	248 230	335 482	248 230
	32 752 079	28 138 377	32 310 891	27 697 255
Profit/(loss) for the year	564 559	(1 502 454)	822 374	(1 263 216)

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

SACAP Education Fund Financial Statements

South African Council for the Architectural Profession

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

Consolidated Annual Financial Statements for the year ended 31 March 2018

Index

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

Index

General Information	101
Independent Auditor's Report	102
Council Members' Responsibilities and Approval	105
Registrar's Report	106
Statement of Financial Position	107
Statement of Comprehensive Income	108
Statement of changes in Equity	109
Statement of Cash Flows	110
Accounting Policies	111
Notes to the Annual Financial Statements	116
Supplementary information:	
The supplementary information presented does not form part of the Annual Financial Statements and is unaudited	
Detailed Income Statement	119

General Information

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	An educational fund for the purpose of education, training , and continuing education and training of registered persons and students in the architectural profession as contemplated by section 15(5) of the Architectural Profession Act of 2000.
COUNCIL	Y Luckan: President (Resigned 21 August 2018) G Bolton: Treasurer (Leave of absence December 2015 to 19 September 2018) R Lekota K Ranchod R Ruiters (Resigned 28 August 2018) P Jolobe: Vice President (Appointed 5 December 2017) K Manyathela (Appointed 5 December 2017) V Phailane (Appointed 5 December 2017) LR Shongwe née Lerotholi: President (Appointed 5 December 2017) N Nduku (Appointed 5 December 2017) M Gerrans: Vice President (Resigned 18 April 2017)
REGISTERED OFFICE	51 Wessel Road Right Wing Rivonia 2128
BUSINESS ADDRESS	51 Wessel Road Right Wing Rivonia 2128
BANKERS	First National Bank Nedbank Investec Bank
AUDITORS	PricewaterhouseCoopers Inc Registered Auditors
LEVEL OF ASSURANCE	These annual financial statements have been audited in compliance with the applicable requirements of the Architectural Profession Act, No 44 of 2000
PREPARER	The annual financial statements were independently compiled by: Ms Dipuo Sello: Finance Manager
PUBLISHED	27 September 2018

Independent Auditor’s Report

To the Council Members of the Education Fund of South Africa Council for the Architectural Profession

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Education Fund of South Africa Council for the Architectural Profession (the Council) as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

Education Fund of South Africa Council for the Architectural Profession’s financial statements set out on pages 107 to 118 comprise:

- the statement of financial position as at 31 March 2018;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

Independence

We are independent of the Council in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

Other information

The council members are responsible for the other information. Other information does not include the financial statements and our auditor’s report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the council members for the financial statements

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

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

Auditor’s responsibilities for the audit of the financial statements

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

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

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

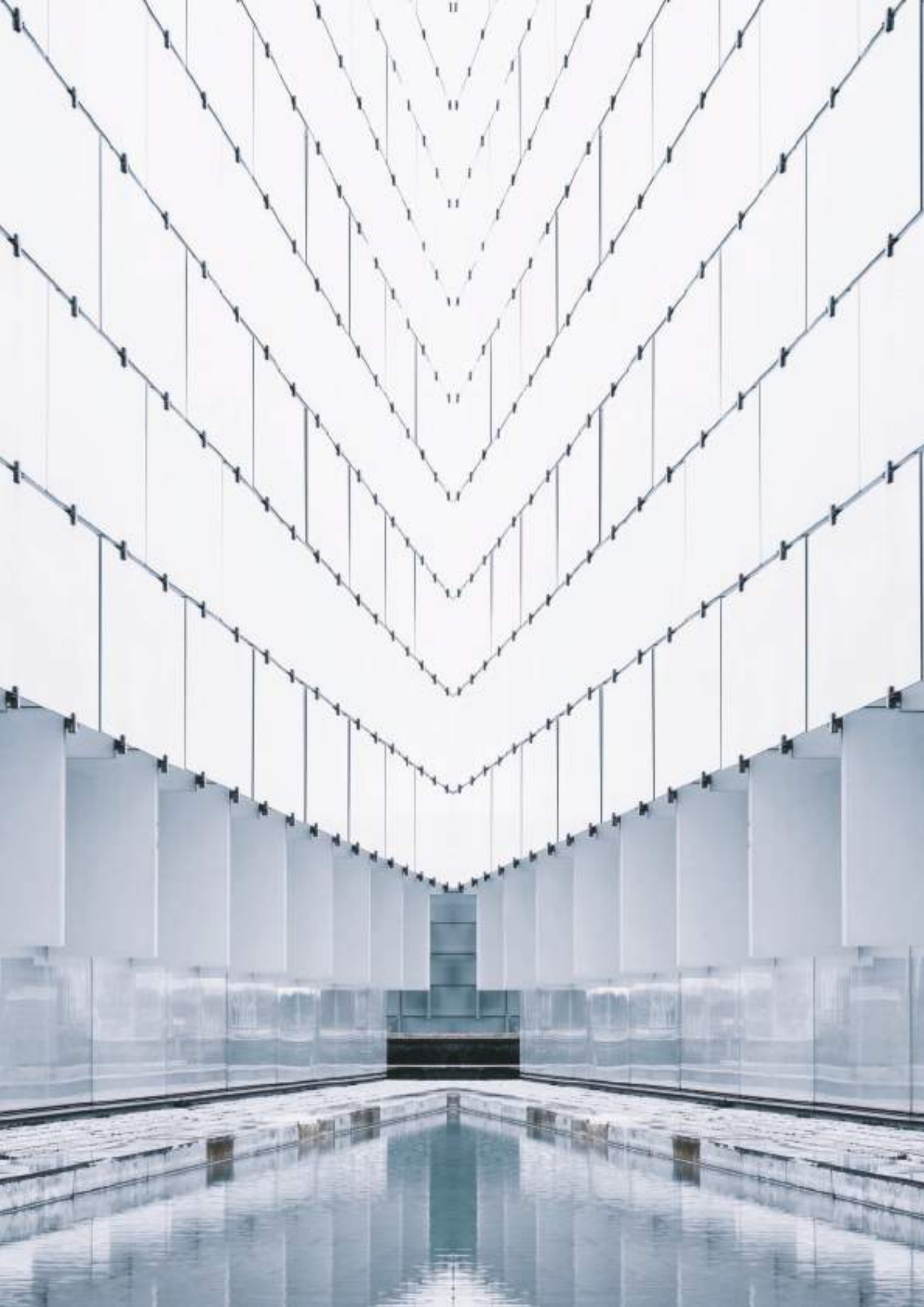
We communicate with the council members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



PricewaterhouseCoopers Inc.

Director: Raj Dhanlall
Registered Auditor

Waterfall, Johannesburg
29 September 2018



Council members' Responsibilities and Approval

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

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

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

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

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

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

The annual financial statements as set out on pages 107 to 118 were approved by the Council on 27 September 2018 and were signed on their behalf by:

Mrs Letsabisa R Shongwe née Lerotholi
President of the Council

Mr P Jolobe
Vice President

Registrar’s Report

The Registrar present her report for the year ended 31 March 2018.

1. Review of activities

Main business and operations

The principal activity of the entity is an educational fund for the purpose of education, training, and continuing education and training of registered persons and students in the architectural profession as contemplated by section 15(5) of the architectural profession act of 2000 and there were no major changes herein during the year.

Mission

South African Council for the Architectural Profession (SACAP) will transform, promote and regulate the architectural profession through collaborative engagement in the pursuit of excellence.

Vision

People-centred architecture for South Africa.

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

2. Going concern

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

3. Events after reporting date

Subsequent to the reporting date the Registrar, Ms M O'Reilly, was suspended and the President of the Council, Mr Y Luckan, resigned. Adv. T Fiduli and Mrs LR Shongwe née Lerotholi have been elected as the interim registrar and president, respectively for the remainder of the term. These events did not result in any adjustments to the financial statements as they do not have any financial effect.

4. Operating Results

The operating results and consolidated Statement of Financial Position of the Council are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net Deficit was R-257 815 (2017: R-239 238)

The operating results for the 2017 financial year have been restated. Refer to Note 21 for details.

5. Council Members

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

- Y Luckan – President – (Resigned 21 August 2018)
- R Lekota
- G Bolton – Treasurer – (Leave of absence December 2015 to 19 September 2018)
- K Ranchod
- R Ruiters – (Resigned 28 August 2018)
- P Jolobe – Vice President – (Appointed 5 December 2017)
- K Manyathela – (Appointed 5 December 2017)
- N Nduku – (Appointed 5 December 2017)
- V Phailane – (Appointed 5 December 2017)
- LR Shongwe née Lerotholi – President – (Appointed 5 December 2017)
- M Gerrans – Vice President – (Resigned 18 April 2017)

6. Auditors

PricewaterhouseCoopers were the auditors for the year under review and will continue in office for the next financial period.

Statement of Financial Position

as at 31 March 2018

	Note(s)	2018	2017
		R	R
Assets			
Current assets			
Other Financial Assets	3	2 395 665	2 655 568
Cash and cash Equivalents	4	483 253	41 165
		2 878 918	2 696 733
Total assets			
		2 878 918	2 696 733
Equity and liabilities			
Equity			
Retained earnings		2 438 918	2 696 733
Current Liabilities			
Trade and other payables	5	440 000	-
Total equity and liabilities			
		2 878 918	2 696 733

Statement of Comprehensive Income

for the year ended 31 March 2018

	Note(s)	2018	2017
		R	R
Operating costs		(441 188)	(441 122)
Operating deficit		(441 188)	(441 122)
Finance income	6	183 373	201 884
Deficit for the year		(257 815)	(239 238)

Statement of Changes in Equity

for the year ended 31 March 2018

	Retained earnings	Total
	R	R
Balance at 1 April 2016	2 935 971	2 935 971
Total comprehensive income for the year		
Deficit for the year	(239 238)	(239 238)
Total comprehensive income for the year	(239 238)	(239 238)
Balance at 31 March 2017	2 696 733	2 696 733
Balance at 1 April 2017	2 696 733	2 696 733
Total comprehensive income for the year		
Deficit for the year	(257 815)	(257 815)
Total comprehensive income for the year	(257 815)	(257 815)
Balance at 31 March 2018	2 438 918	2 438 918

Statement of Cash Flows

for the year ended 31 March 2018

	Note(s)	2018	2017
		R	R
Cash utilised in operating activities			
Cash receipts from customers		-	-
Cash payments to suppliers and employees		258 715	(372 556)
Cash generated from operations	10	258 715	(372 556)
Investment income		183 373	201 884
Net cash for operating activities		442 088	(170 672)
Increase/(decrease) in cash and cash equivalents		442 088	(170 672)
Cash and cash equivalents at beginning of the year		41 165	211 837
Cash and cash equivalents at end of year	4	483 253	41 165

Accounting Policies

1. Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Architectural Profession Act, 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.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented.

New Standards and Interpretations

Standards and interpretations effective and adopted in the current year.

The entity has not adopted any new standards and interpretations in the current year, as none were effective that are relevant to its operations.

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 2017 or later periods.

IFRS/IFRIC	Title and details	Effective	Expected Impact
IFRS 9 - Financial instruments	Financial Instruments – A final version of IFRS 9 which replaces IAS 39.	Annual periods commencing on or after 1 January 2018	Unlikely there will be a material impact
Amendments to IFRS 15	Clarifications to IFRS 15 Revenue from Contracts from Customers	Annual periods commencing on or after 1 January 2018	Unlikely there will be a material impact
IFRS 16	Leases	Annual periods commencing on or after 1 January 2019	Unlikely there will be a material impact
IAS 1	Presentation of Financial Statements	Annual periods commencing on or after 1 January 2016	Unlikely there will be a material impact
IAS 7	Statement of Cash Flows	Annual periods commencing on or after 1 January 2017	Unlikely there will be a material impact
IAS 12	Uncertainty of Income Tax Treatments	Annual periods commencing on or after 1 January 2019	Unlikely there will be a material impact
Amendments to IFRS 2	Classification and Measurement of Share- based Payment Transactions	Annual periods commencing on or after 1 January 2018	Unlikely there will be a material impact
Amendments to IAS 28	Investments in Associates and Joint Ventures; Annual Improvements to IFRS 2014-2016 cycle	Annual periods commencing on or after 1 January 2018	Unlikely there will be a material impact
Amendments to IFRS 1	First-time Adoption of International Financial Reporting Standards; Annual Improvements to IFRS 2014-2016 cycle	Annual periods commencing on or after 1 January 2018	Unlikely there will be a material impact
Amendments to IAS 40	Investment Property Transfers	Annual periods commencing on or after 1 January 2018	Unlikely there will be a material impact
IFRIC 22	Foreign Currency Transactions and Advance Consideration	Annual periods commencing on or after 1 January 2018	Unlikely there will be a material impact
Amendments to IFRS 4	Insurance Contracts	Annual periods commencing on or after 1 January 2018	Unlikely there will be a material impact
Amendments to IFRS 4	Application of IFRS 9 with IFRS 4 Insurance Contracts	Annual periods commencing on or after 1 January 2018	Unlikely there will be a material impact

All applicable standards will be complied with in the financial statements of the period ending 31 March 2019. Compliance with these amendments; revisions and improvements require additional disclosure compared to that required in terms of existing IFRS. Management will perform an assessment of the impact of all applicable standards that will apply for the period ending 31 March 2019.

2.1 Financial assets

Classification

The entity classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The entity's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the entity has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within 'Other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of other income when the entity's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as 'Gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the statement of comprehensive income as part of other income. Dividends on available-for-sale equity instruments are recognised in the statement of comprehensive income as part of other income when the entity's right to receive payments is established.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets

Assets carried at amortised cost

The entity assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the entity may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

Assets classified as available for sale

The entity assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income.

If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the statement of comprehensive income.

2.1.1 Trade and other receivables

Trade and other receivables are initially measured at fair value and, after initial recognition, at amortised cost less impairment losses for bad and doubtful debts, if any, except for the following receivables:

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

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

2.1.2 Cash and cash equivalents

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

For the purpose of statement of cash flows, bank overdrafts which are repayable on demand form an integral part of the entity's cash management are included as a component of cash and cash equivalents.

2.1.3 Impairment of financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the entity on terms that the entity would consider otherwise, indications that a debtor or issuer will enter into bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for security.

The entity considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-to-maturity investment securities) at both a specific asset and collective level. All individually significant assets are assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. Deficits are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Financial liabilities

2.1.4 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

2.1.5 Borrowings

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

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

2.2 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable or received for services provided and goods delivered, net of discounts and Value Added Taxation (VAT) and where there is reasonable expectation that the income will be received and all attaching conditions will be complied with.

2.2.1 Education grants and donations

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

Notes to the Annual Financial Statements

Other Financial Assets

3. Loans and receivables

	2018	2017
	R	R
Nedbank	2 110 268	2 391 946
Investec	285 397	263 622
	2 395 665	2 655 568
Current Assets		
Investments	2 395 665	2 655 568

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

4. Cash and cash equivalents

	2018	2017
	R	R
Cash and cash equivalents consist of:		
Bank balances	483 253	41 165

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

5. Trade and other payables

	2018	2017
	R	R
Accrued liabilities	440 000	-
	440 000	-

6. Finance income

	2018	2017
	R	R
Interest income		
Interest received from investments	183 373	201 884
The following is an analysis of finance income asset category:		
Investments	183 373	201 884
Total interest income for financial assets not designated as at a fair value through profit or loss	183 373	201 884
	-	-
	183 373	201 884

7. 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) if the Income Tax Act, No 58 of 1962.

8. Related party transactions and key management

Relationships

Members of key management	Marella O'Reilly - Registrar
	Barbara van Stade - COO
	Tshepo Tefo - Senior Manager: Finance
Executive authority	Department of Public Works
Governing body	Refer to the Registrar's report for the Council member names
Controlling entity	The South African Council for the Architectural Profession
Relationship governed by law	Council for the Built Environment

9. Financial Instruments

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

	Loans and receivables	Total
	R	R
2018		
Other financial assets	2 395 665	2 395 665
Cash and cash equivalents	483 253	483 253
	2 878 918	2 878 918
2017		
Other financial assets	2 655 568	2 655 568
Cash and cash equivalents	41 165	41 165
	2 696 733	2 696 733

The council is exposed to credit risk and liquidity risk arising in the normal course of its business and financial instruments. The council's risk management objectives, policies and processes mainly focus on minimizing the potential adverse effects of these risks on its financial performance and position by closely monitoring the individual exposure.

9.1 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 as a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments.

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

9.2 Interest rate risk

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

9.3 Capital Risk management

The council’s objective when managing the capital is to safeguard its ability to continue as a going concern.

The capital structure of the Council consists of cash and cash equivalents disclosed in note 4 and accumulated funds as disclosed in the statement of financial position.

Financial Risk Management

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

10. Cash generated from operations

	2018	2017
	R	R
Profit for the year	(257 815)	(239 238)
Adjustments for:		
Investment income	(183 373)	(201 884)
Operating cash flow before working capital changes	(441 188)	(441 122)
Working capital changes		
Decrease financial asset	259 903	108 566
Increase in trade and other payables	440 000	(40 000)
	258 715	(372 556)

Detailed Income Statement

	2018	2017
	R	R
Other income		
Investment income	183 373	201 884
	183 373	201 884
	183 373	201 884
Expenditure income		
Bank charges	1 188	1 122
Grants	440 000	440 000
	441 188	441 122
Deficit for the year	(257 815)	(239 238)

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





South African Council
for the Architectural Profession

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