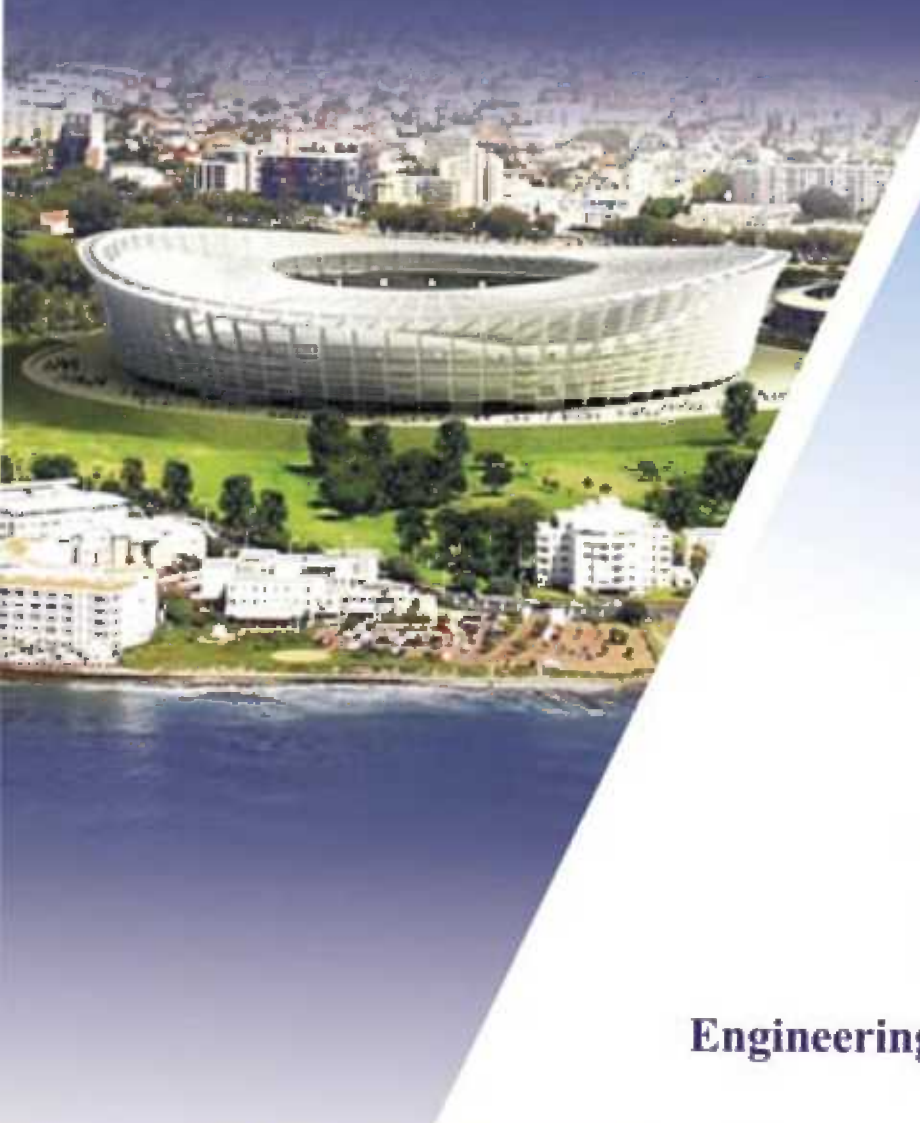
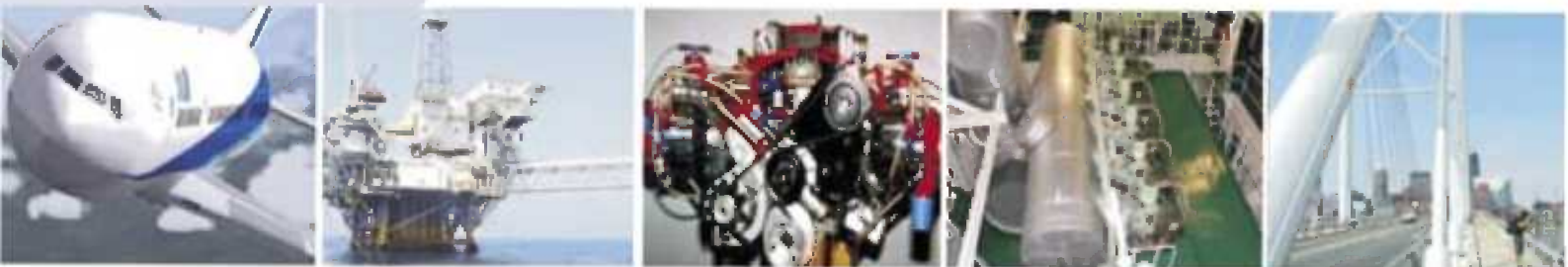


Annual Report 2009 - 2010



ECSA

Engineering Council of South Africa



MISSION & VISION

Vision

Ensuring that South Africa enjoys the benefits of a strong, competent, growing, sustainable and representative engineering profession that is able to provide expertise necessary for the socio-economic needs of the country and exerts a positive influence in the Southern African region.

Mission

Creating the circumstances in which society is confident that the engineering profession in South Africa is able to carry out the functions necessary for the socio-economic growth in the country. ECSA achieves this objective through:

- Setting and monitoring of standards to international norms;
- Certifying and ensuring the competence of individuals through registration;
- Ensuring quality of engineering education through accreditation;
- Regulating professional conduct; and
- Growing the profession in quantity and quality in partnership with stakeholders.

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LEGISLATIVE BACKGROUND AND MANDATE

The Engineering Council of South Africa (ECSA) is a statutory body established in terms of the Engineering Professions Act, Act No. 46 of 2000. This Act superseded the Acts of 1990 and 1968 and progressively extended ECSA's scope beyond the original purpose, namely to regulate Professional Engineers. ECSA and its predecessor have thus regulated engineering practice for forty years.

ECSA exists as a regulatory body for the profession of engineering because of the recognition that, while engineering activity is essential and beneficial to society and the economy, substantial risks to health, safety and the environment accompany engineering activity that must be managed by competent professionals. In addition, engineering services must be of adequate quality in the interests of economy and avoidance of waste.

With these objectives in mind, the Act requires and empowers ECSA to perform the following functions:

- Visit education providers to evaluate programmes and accredit educational programmes that meet the educational requirements toward registration in each of the categories;
- Evaluate educational qualifications that are not already accredited or recognised;
- Register persons in professional categories who demonstrate competency against the standards for the categories;
- Register persons who meet educational requirements in candidate categories;
- Establish specified categories of registration to meet specific health and safety licencing requirements and registered persons in these categories;
- Require registered persons to renew registration at intervals and under conditions that the council prescribes;
- Enter international agreements for the recognition of educational programmes and registration;

- Establish a standards generating body and develop standards for engineering education and professional competency
- Develop and maintain a code of conduct, supported where necessary by codes of practice;
- Investigate complaints of improper conduct against registered persons and conduct enquiries and impose sanctions as each case requires;
- Annually publish guideline professional fees and scope of work ;
- Recommend to the Council for the Built Environment ECSA's identification of the type of engineering work which may be performed by persons registered in any category;
- Recognise voluntary associations.

In addition, ECSA is empowered to advise government and other parties and to take necessary steps to protect the public interest, health and safety, improve standards of engineering services, create awareness of the need to protect the environment and conduct research.

Professional Regulation of engineering in South Africa dates from the SACPE Act passed in 1968 that provided for the registration of Professional Engineers. The Engineering Professions Act passed in 1990 expanded registration to engineering technologists, engineering technicians and certificated engineers. The Engineering Profession Act, Act No. of 2000 established ECSA in its present form and gave professional status to Engineering Technologists, Engineering Technicians and Certificated Engineers.

PRESIDENT'S REVIEW

This is an exciting period in the history of the Engineering Council of South Africa (ECSA) and the Engineering Profession as a whole. Engineering practitioners have been challenged to deliver on mega projects of the scale last seen in the '70. Even the global economic meltdown could not dampen the spirit with which these challenges were handled in order to make South Africa proud and be ready to host one of the World's largest events, the 2010 FIFA World Cup.

It indeed marks a new era for greater emphasis to be placed on the need for the public and private sectors to set as a standard requirement the mandatory registration of engineering practitioners in all spheres of technical delivery to ensure that the services offered are those of the most competent.

I would like to acknowledge the work of the outgoing President and Council who seamlessly handed over the reins to the new Council in the latter part of the year. Even as we invite and encourage new contributions to our various Committees, we welcome those who have contributed before to continue to do so. For those who have moved on to make their contributions to the profession in other ways, we thank you for your efforts over the past year.

ECSA continues to reinvent itself as it seeks to add more value to Government and to Society and has embarked on a campaign involving holistic transformation of its people, processes and systems so that it more proactively influences the profile of the profession in a society which is in the process of becoming more reflective of the equitable balance of race and gender, so that is more responsive to the needs of the professional community, so that Government can depend on ECSA as the custodian of the profession and so that civil society know and trust the Council to be their guardian of health and safety related to the practice of engineering.

The outgoing Council was faced with several challenges and even the new Council is now facing challenges to its legitimacy, however, we have at all times assumed

the "high road" and put South Africa and its people first as these challenges serve no more than to distract the dedicated men and women who want to make a difference through Engineering and contribute to the quality of services the nation deserves. I am firm in my belief that "good will always triumph over evil" and invite every citizen of the engineering profession, black and white, male and female to consider how they may contribute to making this great Country even more successful in the faces of the various challenges ahead.

ECSA is indeed committed to working in greater collaboration with the Council for the Built Environment (CBE), the various Built Environment professions, related Science and Technology bodies as well as its various Voluntary Associations (VA's). Furthermore, our focus on International Relations will not only be on maintaining those we have in developed countries but also on our neighbouring African countries as they embark on similar reconstruction and development challenges as we have been for the past few years.

On behalf of the Council, I would like to extend my gratitude to the Minister of Public Works, the Honourable Minister Doidge for his encouragement, his faith and his support as well as to the many men and women within his Ministry. Furthermore, to the staff of ECSA, all your hard work and efforts are greatly appreciated. Finally, I would like to express my full appreciation and thanks to the Acting Chief Executive Officer, Professor Hanrahan who assisted the Council through some difficult times before the appointment of the Chief Executive Officer, Dr Franks, who assumed office late in 2009, both of whom have worked tirelessly to make sure that the "Engine Room" of the Engineering Council functions well and that we continue to deliver on our mandate.


MR. C.J. CAMPBELL PR ENG - PRESIDENT

CHIEF EXECUTIVE OFFICER'S REVIEW

The period 1 April 2009 to 31 March 2010 was essentially one of consolidation and development after the challenges of the previous reporting period.

ECSA's core activities of registration, accreditation, qualifications evaluation and investigation of complaints against registered persons are described in detail in their respective sections of this report. Some highlights are the continued growth in the number of registered persons and the rapid increase in the number of foreign qualifications presented for evaluation. ECSA has carried out its programme of accreditation visits to universities and universities of technology. All engineering programmes at South African Universities are subject to accreditation by ECSA. The number of investigations of misconduct continues to increase while the number of cases brought to completion has increased.

Other important activities of ECSA are described in this report including the generation of standards for engineering qualifications and registration and the setting of guideline fees for professional services.

A continuing disappointment to ECSA is the lack of progress on the completion of identification of engineering work. ECSA has completed its obligations to define identified work but the formal identification has been held up by a difference of view held by the Council on the Built Environment. At the end of the reporting period a mediation process was underway to resolve this impasse.

ECSA continues to enjoy international recognition through agreements at educational and registration levels belonging to the International Engineering Alliance. ECSA participated in the Alliances meetings in Kyoto, Japan and provides panel members for quality assurance visits to other agreement signatories. ECSA continues as the South African national member of the World Federation of Engineering Organisations.

The ECSA Council is appointed for a period of four years. On 25 August 2009, the last meeting of the 2005-

2009 Council took place. A new council took office for the period 2009-2013 and held its first meeting on the same day. The Council held an orientation and strategic Lekgotla in November.

During the reporting period, ECSA revised its Strategic Plan and the development of an expanded Business Plan. The Business Plan covers the core functions defined by the Engineering Profession Act, Act No. 46 of 2000 the improvement of these processes as well as strategic initiatives.

ECSA's financial statements are presented in this report. The financially sound position of previous years has been maintained with a surplus of R1,3m in 2000-2010.

ECSA maintains a relationship with the engineering voluntary associations. Thirty nine such bodies are recognized by ECSA. During the course of the year, representatives of the voluntary associations met twice with ECSA in the Presidents Forum, a body set up for free exchange of information and ideas between the bodies.

ECSA acknowledges the leadership of the Minister of Public Works, the Hon Mr Geoff Doidge. Whose interest and insight into the profession is greatly appreciated.

ECSA is greatly indebted to the corps of professionals who serve as evaluators of registration applications, educational programmes and foreign qualifications. A similar debt of gratitude is owed to the members of the Investigating Committee who meticulously consider complaints of misconduct.

A special word of appreciation is due to the ECSA Staff for their contribution to the organization in this period of consolidation and the initial development as envisaged in the Strategic Plan and Business Plans.

Professor Hu Hanrahan continued as acting Chief Executive Officer until 30 September 2009. Dr Oswald Franks was appointed Chief Executive Officer from 1 October 2009.

Prof H.E. Hanrahan Pr Eng
Acting Chief Executive Officer
1 April - 30 September 2009

Dr Oswald Franks Pr Eng
Chief Executive Officer
1 October 2009 - 31 March 2010

ECSA OPERATIONS IN 2009/10

The following report is structured according to ECSA's operating departmental functions, together with cross-cutting matters such as the Education and International Affairs Committees.

GOVERNANCE

The ECSA Council is comprised of 30 professionals, 10 State-nominated members and 10 members nominated to represent the public interest. The ECSA Council is appointed for four years. During the period under review, the term of Council appointed for the 2005-2009 expired.

The Minister of Public Works appointed a Council to hold office for four years from 25 August 2009. The membership of the outgoing and newly appointed Councils is as follows.

Council prior to 25 August 2009

Mr TT Goba (President)		Mr CJ Campbell (Vice President)	
Mr N Alli	Mr MF Allie	Mr SAS Amod	
Mr D Argyrakis	Mr H Bhengu	Mr P Camay	
Dr NE Chinkanda	Ms M Cilliers	Mr BN Currin	
Mr AD du Plessis	Mr duT Grobler	Prof B deL Figaji	
Mrs C Fourie	Dr OSW Franks	Mr RP Gerber	
Prof UHJ Grimsehl	Mr AJ Hay	Ms J Janjic	
Mr GH Jansen van Rensburg	Prof. EP Kearsley	Mr M Kibido	
Mr BF Kirchmann	Prof BM Lacquet	Mr LS Mabuda	
Mr LJ Madisha	Mr SE Madonsela	Mr JKS Makaleng	
Mr H E Makwarela	Mr JP Malatse	Mr MM Maliba	
Mr TN Maphumulo	Mr RP Mohring	Mr PS Moncur	
Mr PD Naidoo	Mr VP Padayachee	Mr JC Perkins	
Dr FW Petersen	Ms HS Pieterse	Mr RA Pullen	
Mr K Ramjee	Mr FB Reinders	Mr W Skowronski	
Ms BG Sudano			

Council from 25 August 2009

**Mr Christopher J Campbell
(President)**

**Prof Thokozani Majozi
(Vice-President)**

Mr N Alli	Mr SAS Amod	Mr D Argyrakis
Mr H Bhengu	Mr RA Botha	Mr Y Brijmohan
Mr CT Camane	Dr JA Cruise	Mr JW Cunnington
Mr K Greenwood	Mr RA Harker	Mr AJ Hay
Mrs ES Jakuszko	Ms J Janjic	Mr GH Jansen van Rensburg
Mr PJJ Joubert	Prof EP Kearsley	Mr M Kibido
Dr A Lawless	Ms MM Leshabane	Mr TC Madikane
Ms FP Makhubu	Mr HE Makwarela	Mr MM Maliba
Ms P Mangakane	Mr TN Maphumulo	Adv KG Mapotse
Mr MG Marsden	Dr EN Mbuli	Mr IS McKechnie
Mr KC Mistry	Ms DR Mkhize	Mr PS Moncur
Mr PD Naidoo	Mr MA Ngcobo	Mr LS Nolo
Mr CM Norden	Mr BP O'Connor	Mr K O'Jageer
Mr VP Padayachee	Ms M Padayachee-Saman	Mr AM Peters
Mr J Phiri	MR N Smuts	Ms BG Sudano
Mr AT Van Coller	Mr M Zondi	

ECSA COMMITTEES

**Scale of ECSA's operations:
In the past year ECSA
processed:**

**4133 applications for
registration**

**74 programme accreditation
evaluations at 7 universities**

**601 foreign qualification
evaluation**

**83 complaints of professional
misconduct to resolution**

**200 telephone Help Desk
queries per day on average**

The Council appoints an Executive Committee that has defined powers to act between Council meetings. The chairpersons of committees concerned with key ECSA functions serve on the Executive Committee.

A number of standing committees have defined functions and delegated powers are listed in Annexure A. Committee membership is drawn from Council and by nomination from the engineering voluntary associations and other bodies. In view of the scale of ECSA's operation, Council makes use of the provision in the Act to delegate decision making powers to suitably constituted committees.

ECSA is greatly indebted to the core of some 300 volunteers, that is persons drawn from the engineering voluntary associations and other bodies, who serve on committees, act as evaluators and reviewers in the registration process, serve on accreditation teams and evaluate qualifications. These processes require expertise that resides in our professionals.

ECSA MANAGEMENT AND STAFF

ECSA's Executive and Management are as follows:

Chief Executive Officer:	Dr Oswald Franks
Director Finance:	Mr Enslin Naude
Senior Manager Office of the CEO:	Ms Rina Marais
Senior Manager Operations:	Ms Neggie Ndlovu
Manager: Education:	Ms Samantha Naidoo
Manager: Human Resources:	Mr Sidney Badenhorst
Manager: Finance:	Mr Gerard Schekkeman
Manager: Legal Services:	Mr Pieter Fourie
Manager: Registration:	Mr Johan Pienaar

ECSA's staff has the following demographic profile

Level	African	Coloured	White	Indian	Female	Total
Executive and Senior Management	1	1	2	0	50.0%	4
Management and Junior Management	0	1	6	3	60.0%	10
Administrative and Other	25	4	10	4	81.4%	43
Total Employees	26	6	18	7		57

REGISTRATION

The registration of a person in a particular category – professional, candidate or specified category – indicates to the public that the person has demonstrated the required level of competence for the category and that the person is bound by the code of professional conduct. The registered person is therefore accountable for his or her professional conduct. Certification of competence and accountability for professional conduct are essential measures to protect the public in relation to engineering practice.

The Engineering Profession Act established four professional categories of registration and four corresponding candidate categories:

Professional Engineer	Candidate Engineer
Professional Engineering Technologist	Candidate Engineering Technologist
Professional Certificated Engineer	Candidate Certificated Engineer
Professional Engineering Technician	Candidate Engineering Technician

The Act also allows ECSA to prescribe specified categories of registration. ECSA’s policy on specified categories generally allows for registration of persons in engineering-related occupations of lesser scope than professional registration that allow for the certification of competence of persons for defined health and safety purposes. To date, two categories have been established, namely Registered lift Inspectors and Registered Lifting Machinery Inspectors.

The responsibility for registration operations lies with the Registration department, headed by Mr Johan Pienaar.

Registration Statistics

The accompanying Table 1 gives the registration numbers in the professional categories and demographic breakdown¹. The columns in this table reflect the actual number of registered persons after adding new registration and transfers from candidate status and subtracting cancellations (due to emigration, requests and death) and deregistrations, mainly due to non-payment of annual fees.

Candidate registrations are given in Table 2.

(Footnotes)

¹ Numbers in the categories of Registered Engineering Technician (total 888) and Registered Engineering Technician (Master) (total 431) are not shown as these legacy categories were closed in 2001.

REGISTRATION - CONTINUES

Table 1: Professional registration statistics at end of March 2010

Professional Engineer						
		Total registra- tions	New registra- tions	Transfers from Candi- dates	Cancellations	Deregistra- tions
Total Registered		14639	412	204	281	88
Gender	Male	14249	371	182	270	86
	Female	390	41	22	11	2
Race	Black	743	93	57	26	0
	White	13177	262	116	245	86
	Indian	601	44	25	7	2
	Coloured	118	13	6	3	0
Professional Engineering Technologist						
Total Registered		3491	290	83	47	12
Gender	Male	3419	280	80	47	12
	Female	72	10	3	0	0
Race	Black	359	86	37	1	0
	White	2745	153	30	41	12
	Indian	278	27	9	4	0
	Coloured	109	24	7	1	0
Professional Certificated Engineer						
Total registered		1036	48	5	20	6
Gender	Male	1034	48	5	20	6
	Female	2	0	0	0	0
Race	Black	29	6	1	2	0
	White	960	40	4	16	6
	Indian	40	1	0	1	0
	Coloured	7	1	0	1	0
Professional Engineering Technician						
Total Registered		3422	259	72	105	26
Gender	Male	3157	211	56	101	25
	Female	265	48	16	4	1
Race	Black	972	152	51	45	2
	White	2088	73	13	47	22
	Indian	230	21	5	9	2
	Coloured	132	13	3	4	0

REGISTRATION - CONTINUES

Table 2: Candidate registration statistics at end of March 2010

Candidate Engineer					
		Total registrations	Number of Candidates registered (3 Years and less)	Number of Candidates registered (4- 5 Years)	Number of Candidates registered (Over 6 years)
Total Registered		5054	2767	706	1581
Gender	Male	4142	2177	552	1413
	Female	912	590	154	168
Race	Black	1396	950	203	243
	White	2829	1350	304	1175
	Indian	763	422	192	149
	Coloured	66	45	7	14
Candidate Engineering Technologist					
Total Registered		1670	1169	243	258
Gender	Male	1354	938	185	231
	Female	316	231	58	27
Race	Black	984	748	140	95
	White	444	284	50	110
	Indian	204	113	48	43
	Coloured	38	24	5	9
Candidate Certificated Engineer					
Total registered		205	108	40	57
Gender	Male	205	108	40	57
	Female	0	0	0	0
Race	Black	61	41	13	7
	White	116	55	19	42
	Indian	22	8	8	6
	Coloured	6	4	0	2
Candidate Engineering Technician					
Total Registered		2271	1663	326	282
Gender	Male	1727	1243	242	242
	Female	544	420	84	40
Race	Black	1649	1289	218	142
	White	408	267	44	97
	Indian	184	88	62	34
	Coloured	30	19	2	9

Specified Categories

The current status of the Lift Inspector and Lifting Machinery Inspector categories is evident from Table 3.

Specified categories by gender

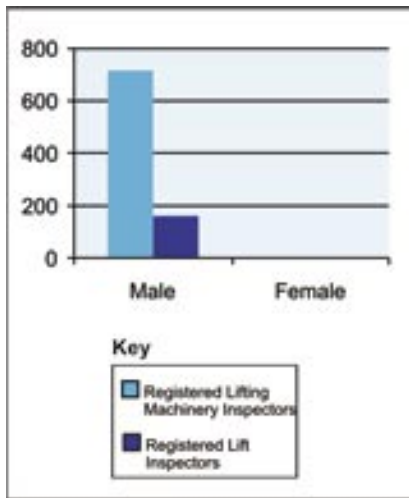
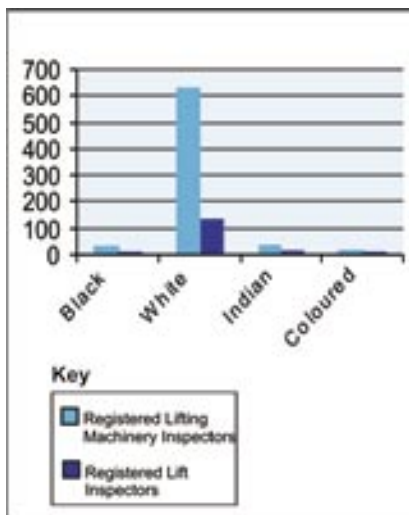


Table 3: Specified categories

		Lifting Machinery Inspectors	Lift Inspectors
Total Registered		718	162
Gender	Male	717	161
	Female	1	1
Race	Black	33	5
	White	632	135
	Indian	41	15
	Coloured	12	7

During the period under review, a new specified category for Medical Equipment Maintainers was developed and approved. The purpose is certification of persons who maintain electro-medical equipment in hospitals. Implementation of this category is underway.

Specified categories by race



Registration Trends

The general trend in registrations is increasing with a 6% growth in the total number of registered persons in all categories reaching 32,312 at the end of March 2010. Growth rates for registration for various categories are given in Table 4. Substantial growth is taking place in the Professional Technician and Professional Technologist categories as well as candidate categories. The number of Professional Engineers remains range bound and is a concern in the light of the low proportion of candidate engineers attaining professional registration.

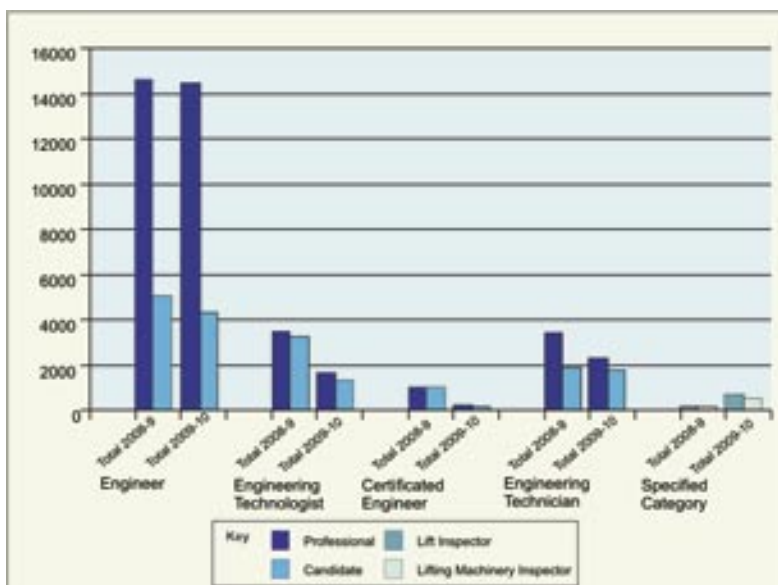
Despite the number of Candidate and Professional Certificated Engineers being inherently limited by the requirement to hold a Government Certificate of Competency, these numbers have shown growth.

After significant initial growth, Lift Inspectors are now experiencing incremental growth. Registration of Lifting Machinery Inspectors is still in its buildup phase.

Table 4 also reflects transformation metrics for the profession. For the engineer, technologist and technician groups, the significant transformation of the graduating classes in higher education, both racially and in gender, is reflecting in the candidate categories' demographics. This has still to find its way through to the professional categories. The demographics of Certificated Engineers and the Specified categories are determined largely by the relevant industry conditions.

Table 4: Growth rate and demographic breakdown of the profession

Category		Total 2009/10	Total 2008/09	Growth Rate	% PDI	% Female
Engineer	Professional	14639	14476	1.1%	10.2%	2.7%
	Candidate	5054	4330	16.7%	44.1%	18.3%
Engineering Technologist	Professional	3491	3244	7.6%	20.2%	2.3%
	Candidate	1670	1357	23.1%	74.4%	19.3%
Certificated Engineer	Professional	1036	988	4.9%	7.5%	0.2%
	Candidate	205	184	11.4%	43.5%	0.5%
Engineering Technician	Professional	3422	1887	81.3%	59.0%	12.3%
	Candidate	2271	1745	30.1%	82.7%	24.6%
Specified Category	Lift Inspector	162	159	1.9%	16.7%	0.6%
	Lifting Machinery Inspector	718	556	29.1%	11.7%	0.1%



Growth rate and demographic breakdown of the profession

Continuing Professional Development (CPD)

The Act requires registered persons to renew their registration periodically; council has set the period at five years. Completion of a specified complement of Continuing Professional Development activity is one of the conditions attached to re-registration. However, the delay in implementing identification of engineering work means that registration is not in effect compulsory. Council has therefore adopted a flexible approach to the need for CPD for re-registration. Good co-operation has nevertheless been received from registered persons due for renewal of their registration during the report period. A response rate of 64% was received from registered persons due for renewal of their registration during 2009, which is expected to rise above the 70% mark after late submissions have been recorded.

Improvement of the Registration Process

In an effort to reduce the turnaround time for applications for professional engineer registration, Council approved new operational procedures for Professional Advisory Committees (PAC's) during March 2009. Council has delegated the power to register professional engineers to PACs. PAC must apply their minds in the assessment process and formal moderation of the results of professional reviews but may do so via teleconference meetings. Successful applicants do not have to be considered by the Registration Committee for Professional Engineers. In cases of a recommendation to refuse registration of an applicant, the decision, however, still has to be taken by the Registration Committee for Professional Engineers and the Central Registration Committee.

This delegation and the frequent use of teleconference meetings by PAC's to consider applications, have reduced the average duration of applications for professional registration from 27 weeks to 20 weeks in cases where applicants have submitted comprehensively completed applications and have obtained the necessary variety of exposure and level of responsible engineering experience during their post graduate training.

EDUCATION

ECSA's functions in the area of engineering education are three-fold. First, the Act requires ECSA to conduct accreditation visits to higher education providers offering engineering programmes, that is, programmes that meet educational requirements in ECSA's categories of registration. Second, qualifications held by applicants for registration which are not accredited or recognized under an educational agreement must be evaluated for substantial equivalence to an accredited qualification. Third, ECSA has a long standing policy advisory role on matters relating to engineering education.

Education functions are the responsibility of the ECSA Education Department, managed by Ms Samantha Naidoo.

Accreditation

The key ECSA function managed by the Education department is to evaluate and maintain the quality and standard of engineering programmes offered at higher education providers at offer engineering programmes. The current numbers of programmes accredited by ECSA are:

- 51 BEng/BSc(Eng) programmes in 8 universities
- 95 BTech Tech programmes in 10 universities
- 92 National Diploma programmes in 10 universities.

These numbers represent the full set of eligible programmes offered at South African Universities. Lists of accredited BEng-type, BTech and National Diploma Programmes are published on ECSA's website.

ECSA fulfilled its scheduled programme of accreditation visits to higher education institutions. Visits conducted during the reporting period are shown in Table 5.

These visits were under the control of the Technology Programmes Accreditation Committee (TPAC). 2009 was the one year in the five year cycle of the Engineering Programme Accreditation Committee (EPAC) when no regular visit is scheduled.

Accreditation Training

Three critical success factors for an accreditation system are the use of best-practice criteria, policies and procedures, having a pool of competent programme evaluators to form accreditation teams and buy-in to the process on the part of deans and staff of universities. The first is ensured through benchmarking and periodic audit under international agreements. The second and third rely on training supported by good documentation. The third is supported by academic representation on the accreditation committees and evaluation panels and ongoing liaison with the Deans of Engineering through the ECSA Deans Committee.

Table 5: Accreditation activities during the reporting period.

Institution	Type of Visit	Number of Programmes	Period
Mangosuthu University of Technology	Regular visits	5	May 2009
Central University of Technology	Regular visits	9	May 2009
Cape Peninsula University of Technology	Follow-up visits	4	June and October 2009
Tshwane University of Technology	Regular visits	43	September 2009
Centurion Academy	Provisional visits	1	October 2009
Walter Sisulu University of Technology	Regular visits	12	March 2010

Ongoing efforts to expand the pool of programme evaluators from both industry and academia continued in 2009-2010. A TPAC accreditation training workshop was held in August 2009 for new technology programme evaluators and existing evaluators to refresh their knowledge as well as for the staff from the universities of technology having forthcoming visits. The customary EPAC training workshop was not held in 2009 because of the absence of a scheduled accreditation visit in the year.

Development of the Accreditation System for Technology Programmes

Previous Council decisions had initiated a process whereby higher education providers would adopt a structure for technician and technologist educational qualifications (technology qualifications) and the NATED specification for National Diplomas and BTech programmes would be replaced by outcomes based standards. Also, the generic accreditation policy and processes adopted by Council would be phased in. During the year under review, the Technology Programmes Accreditation Committee, after consultation with the Deans of Engineering, published a programme for migration to the HEQF structure and outcomes-based criteria. The main milestones of the migration plan are as follows.

- For all accreditation visits from 2011, the generic policy and procedures will apply;
- A modified form of the new standards, modified by constraints of the NATED criteria will apply to all visits from 2011;
- By 2014, the full HEQF Compliant qualifications will be evaluated to the outcomes-based standard;
- As an intermediate phase, programmes due for accreditation visits in 2012 or 2013 may implement either the outcomes based standards defined for National Diplomas and BTech or the full HEQF-structured qualifications based on relevant parts of the new outcomes based standards.

The TPAC, while committed to this programme, recognized that external factors such as changes to HEQF policy may force change to this schedule.

Qualification Evaluation

A second important education function is to evaluate engineering qualifications which are neither accredited nor recognised by ECSA under an international agreement. These are mainly foreign qualifications which are evaluated by the two specialist committees: the Engineering Programmes Qualifications and Examinations Committee (EP-QEC) for engineer programmes and the Technology Programmes Qualifications and Examinations Committee (TP-QEC) for technologist and technician programmes.

Council policy adopted in 2008 requires potential applicants for candidate or professional registration who do not hold accredited or recognized qualifications to first apply for evaluation of their qualifications. On receiving an evaluation of substantial equivalence, the person may apply for the appropriate candidate or professional category.

The demand for qualifications evaluation has grown rapidly. A total of 560 applications with foreign qualifications were received for evaluation up from 400 in 2008-2009. Thirteen applicants were recognized as holding Washington Accord qualifications and were eligible to apply directly for registration. These applications were considered by the EP-QEC or TP-QEC as appropriate. Table 6 summarises the applications received and the outcomes of the evaluation.

Table 6: Qualifications Evaluation Process

Application status/decision	Considered by EP-QEC	Considered by TP-QEC	Total
New applications allocated to each QEC	318	242	560
Washington Accord recognition	15		15
Recognized as substantially equivalent to the type of qualification shown	BEng: 55	BTech: 113 ND 22	190
Not recognised or further learning required	34	80	114
Application closed: applicant non-responsive	50	27	77
Applications in process at 31 March 2010	166		166

Relationship with National Education and Training Bodies

The Memorandum of Understanding (MoU) signed by Council on Higher Education (CHE) and ECSA in November 2006 remains in operation. In practical terms, the effect of the MoU is that ECSA undertakes its accreditation process of engineering programmes in terms of its obligation under the Engineering Professions Act. ECSA communicates its accreditation decisions to the CHE, thus obviating the need for duplicate programme accreditation visits by the CHE, as required by the Higher Education Act, Act 39 of 2008.

As reported in the Standards section, ECSA has submitted standards for HEQF-compliant qualifications for registration on the National Qualification Framework. These standards are however caught in between the responsibility for higher education standards moving from SAQA and the CHE.

Education Policy Advisory Function

Having published its position paper on engineering qualifications within the Higher Education Qualifications Framework (HEQF) in 2008, the Education Committee kept external developments

relating to the HEQF under review.

The Education Committee considered policy frameworks developed by the Council for the Built Environment on recognition of prior learning and accreditation. The Education Committee commented to the CBE that RPL principles are already widely applied in the registration process. As ECSA already has accreditation criteria, policies and processes that are benchmarked against best practice in accreditation of engineering programmes, it saw no benefit in a CBE accreditation framework.

The Education Committee provides a clearing house for the development of positions on engineering education. The need for a forum to support the interchange of best practice among engineering educators has been recognized in the Education Committee and the Deans Committee. ECSA has undertaken to facilitate the formation of a society for engineering educators. ECSA is currently the South African member of the International Federation of Engineering Education Societies (IFEES). It is envisaged that when the new society is established it will take over membership of IFEES.

REGULATION OF ENGINEERING PRACTICE

The Engineering Professions Act requires ECSA to draw up and administer a code of conduct for registered persons. All registered persons are required to comply with the code of conduct. The code of conduct may at ECSA's discretion be supplemented by one or more codes of practice. Any complaint of misconduct by a registered person must be investigated by ECSA. Investigations are carried out through the Investigating Committee. Should it be necessary to prefer charges against an individual, a disciplinary tribunal is held.

The ECSA Legal Department is responsible for functions related to professional practice and is managed by Adv Pieter Fourie.

Code of Conduct

The ECSA Code of Conduct, last revised in 2006, is a proven definition of the conduct expected of registered persons and serves as the standard for all investigation and disciplinary proceedings.

Investigation of complaints:

An important focus of the Act is aimed at promoting the safety, health and interest of the public as these are affected by the engineering work and professional conduct of persons registered with ECSA. The principal function of the Legal Department is to investigate complaints of improper conduct or incidents regarding engineering related activities by registered professionals.

The Legal Department investigates such cases upon receiving a formal complaint or becoming aware of major engineering related incidents. Where prima facie evidence indicates that a registered person transgressed the Code of Conduct, Council will prefer charges and a disciplinary process follows.

Table 7: Complaints, Investigations and Hearings

Number of Matters	2009-2010	2008-2009
Complaints in progress from the previous reporting period	67	72
Complaints received for investigation	62	56
Complaints finalised after investigation, finding no grounds for further action	72	32
Disciplinary hearings concluded	21	14

Two developments occurred during the reporting period and are reflected in Table 7. The number of complaints lodged against registered persons has increased. During the year, the number of investigations and disciplinary proceedings completed also increased. This improvement is the fruit of the introduction of simplified processes of investigation and hearing disciplinary matters. This process is ongoing.

Two prominent disciplinary cases were concluded in the reporting period. The Injaka Bridge Collapse disciplinary hearing was concluded. Three engineers pleaded guilty and were sanctioned to fines of between R15 000 to R50 000. The Little Falls Collapse that occurred in October 2008 led to an extensive disciplinary hearing. The responsible engineer was found guilty on multiple charges of improper conduct and was deregistered. The matter was subject to appeal at the end of the reporting period. A total of ten cases were concluded against one registered person, his combined sanction was a fine of R60 000, and a conditional suspension of his registration and an order requiring his engineering documents to be co-signed by another engineer.

Improvement of Investigation Process

ECSA remains committed to a simplified and more expedient process of investigation and hearing of disciplinary matters. A streamlined and more cost-effective process of investigation is being followed,

improving the turnaround time of investigations and hearings (see statistics above).

ECSA has commenced invoking temporary suspension of registration to prevent improper conduct from continuing during investigation. This was used in three instances of serious improper conduct.

Certain registered persons are the subject of multiple complaints. Such repetitive transgressors are being identified for immediate attention.

Development of Codes of Practice:

The development of Codes of Practice for the sub-disciplines of geotechnical and structural engineering that commenced in 2008 was continued.

Two draft codes were completed after extensive preparation and will be published for comment and approval by Council.

Identification of Engineering Work:

The Identification of Engineering Work (IOEW) was initiated to help assist registration and to identify the

type of engineering work which may be performed by professionals registered in specific categories, including work which may fall within the scope of any other profession regulated by the Act. ECSA completed its task of identification of Engineering Work (IDoEW) in 2006 and the Council for the Built Environment (CBE) must identify the scope of work for every category of registered persons in terms of section 20 of the Council for the Built Environment Act, Act of 43 of 2000.

At the time of reporting on this matter ECSA had still not reached an agreement with the CBE on this matter and it is subject to mediation.

Publication of Guideline Fees

ECSA is required each year to consult with stakeholders to determine guideline professional fees for engineering services. ECSA's guideline fees, together with a scope of services was published in January 2010.

STANDARDS

The ECSA council must, in terms of the Act, determine the standards of competence for professional registration and the educational outcomes that applicants for candidate and professional registration must fulfill. This standards generation function is carried out through the Engineering Standards Generating Body (ESGB). The ESGB is an ECSA committee that is recognized by the South African Qualifications Authority (SAQA) responsible for the generation of standards for engineering higher education and related qualifications. In due course when processes under the National Qualifications Framework Act, Act No. 67 of 2008 are completed, SAQA will recognize as the body responsible for the standards professional designations in engineering. In addition to the development of standards for ECSA's use, the ESGB also facilitates the development of engineering related standards for other bodies and serves as the channel for registering these on the National Qualifications Framework (NQF).

A revision of the BEng Qualification at NQF Level 8 was registered on the NQF. A set of Energy Unit Standards (NQF Levels 4, 5 and 6) was registered for use by stakeholders.

Three qualifications that are essential to the transition to HEQF-compliant technology programmes referred to in the report on Education await registration on the NQF:

- Bachelor of Engineering Technology at NQF Level 7
- Diploma in Engineering at NQF Level 6
- Advanced Certificate in Engineering at NQF Level 6

Standards generation work during the year continues on further technology qualifications and qualifications in Forensic Engineering, the latter for outside stakeholders.

The Standards and Procedures Department supports the development of specified categories for ECSA. As reported under registration, work on a new specified category for Medical Equipment Maintainers was completed.

The Standards and Procedures Department supports the Joint Implementation Committee (JIC), a committee set up between the registration committees and the ESGB to develop policies and processes for the introduction of formal competency standards for registration, already approved by council. The JIC made good progress on a comprehensive registration policy and a revision of the policy for educational evaluation.

INTERNATIONAL AFFAIRS

ECSA's Act permits ECSA to seek recognition of its qualifications and professional status in other countries and to recognise qualifications from other countries. In addition to supporting mobility of professionals, ECSA recognizes the importance of formally benchmarking its standards for qualifications and registration through international agreements.

ECSA's international engagements are supervised by the International Affairs Committee. The Education Manager, Ms Samantha Naidoo is responsible for supporting this committee.

ECSA continued to be a signatory to the following international agreements:

Washington Accord: mutual recognition of educational qualification for education of engineers;

Sydney Accord: mutual recognition of educational qualification for education of engineering technologists;

Dublin Accord: mutual recognition of educational qualification for education of engineering technicians;

Engineers Mobility Forum: promoting the international recognition of registration of professional engineers;

Engineering Technologists Mobility Forum: promoting the international recognition of registration of professional engineering technologists or equivalent;

Mutual Exemption Agreement with the Institution of Civil Engineers (ICE) (UK): providing and accelerated procedure for Chartered Engineers (registered via the ICE) to gain Profession Engineer Registration with ECSA and the converse.

Mutual Exemption Agreement with Engineers Ireland: providing and accelerated procedure for Chartered Engineers (registered with Engineers Ireland) to gain Profession Engineer Registration with ECSA and the converse.

The first five agreements above are participants in the International Engineering Alliance. They held their bi-

annual general meetings during the IEA meetings, held in Kyoto, in June 2009. ECSA representatives attended these meetings and ECSA discharged its reporting obligations to the various agreements. ECSA holds the Deputy Chair position in the Washington Accord and until June 2009, held the chair of the Engineers Mobility Forum. As signatory to the agreements ECSA must both be evaluated periodically and provide evaluators for scrutiny of other signatories. ECSA made its submission to be monitored by the EMF in 2010 and provided an evaluator for the Sydney and Dublin Accord monitoring of the Engineering Council UK.

ECSA is the national member of the World Federation of Engineering Organisations (WFEO) for South Africa. ECSA was therefore represented at the WFEO General Assembly in Kuwait, as well as at the Workshop for African Engineering Organisations, held in Cairo at the beginning of 2010.

ECSA looks for opportunities for regional co-operation. ECSA's then acting CEO, Professor Hu Hanrahan, conducted a two-day accreditation workshop at the University of Botswana in May 2009.

Several international visitors were hosted by ECSA. Delegates from the Engineering Accreditation Council Malaysia, visited in April 2009, for an information sharing session on accreditation policies and institutional development. A similar session was also conducted with the Registrar of the Council for the Regulation of Engineering in Nigeria (COREN), in August 2009. Mr Barry Grear, President of the World Federation of Engineering Organisations, visited ECSA in August 2009.

STRATEGIC INITIATIVES

ECSA's legislative mandate is summarized at the beginning of this report. In late 2009 and early 2010 the ECSA Council considered and adopted a redeveloped Strategic Plan and Business Plan. The Strategic plan states the Mission and Vision reproduced at the start of this report. The Strategic Plan and Business plan respond to two aspects of the Act.

First, a number of functions must be performed by ECSA: registration, accreditation, investigation of complaints.

Second, ECSA has broad empowerment to perform actions relating to the engineering profession for the common good: advise government; encourage and undertake research; take steps necessary to protect the public, maintain integrity and the status of the engineering profession; improve the standards of services; promote environmental protection; take any steps when engineering activity may prejudice public health and safety is prejudiced.

Council set five strategic objectives in relation to this group:

- a) competent engineering practitioners through effective registration and continuing professional development processes;
- b) appropriate development of engineering practitioners through accreditation of engineering programmes;
- c) regulation of practice by investigating complaints and disciplinary processes;
- d) that South African registered engineering practitioners are recognised when measured against international standards; and
- e) the development of relevant standards for identification of engineering work, and regulation thereof.

While Council continues with its commitment to the first group of objectives – the mandatory functions – it has resolve to a stronger commitment to the strategic functions. Two strategic objectives were set:

- f) determine engineering skills requirements for the

country and provide direction and solutions to the pipeline for engineering skills development; and

- g) ensure the marketing of the profession to educate and attract learners to build the future engineering skills pipeline

ECSA recognises its obligations to be an effective and efficient organisation and therefore sets the strategic objectives:

- h) effective and efficient operations of ECSA;
- i) adequate and appropriate resources (financial, and other) for the sustainability of ECSA's operations;
- j) sustainability of the engineering profession through conducting research to highlight areas for improvement, and provision of solutions thereof; and
- k) appropriate stakeholder engagement through participation in existing forums and the creation of new stakeholder forums where necessary.

The ECSA Business Plan was structured around these areas with a number of initiatives linked to particular objectives.

The Engenius Campaign

The Engenius Campaign had been initiated with a view to being the nexus for the wide range of engineering outreach and recruitment programmes conducted by the voluntary associations, universities, firms and other bodies. Engenius had been dormant but, in consultation with the voluntary associations, Engenius is in process of revival. The principal activity is to be co-ordination with the voluntary associations. A number of engagements with high school pupils have taken place.

ECSA SUPPORT SERVICES AND FACILITIES

Call Centre

The ECSA Call Centre or Help Desk was established in October 2008 and has an assistant manager and three agents.

The Call Centre is responsible for answering calls related to registration applications, Continuing Professional Development issues as well as accounts queries from registered persons. Call Centre staff also assist visitors who call at the ECSA offices. The Call Centre provides the first line of information about ECSA activities. Enquires are rerouted to specialist staff dealing with registration, education and accounts in instances where more detailed information is required.

In August 2009, a telephone management system was installed to monitor and support improvement of Help Desk services. Between August 2009 and March 2010, a total of 17 837 calls were answered, averaging 1.8 minutes in duration. This gives an average of 200 calls received per day.

Corporate Affairs

The Corporate Affairs Department is responsible for maintaining ECSA's positive image through branding, marketing and media relations as well as linking the organization with both internal and external stakeholders via various communications strategies. A regular flow of press releases was maintained during the year.

Electronic Bulletin

The first ECSA electronic bulletin came out in early March 2010. This will continue to be published on a quarterly basis. The bulletin is e-mailed to registered persons and is available on ECSA's website.

Website management

With the help of external service provider and IT staff, ECSA's website has undergone some changes. Further changes are planned for pages dedicated to ECSA's core activities: education, registration and regulation of the profession.

ECSA Facilities

During the period under review, ECSA completed the purchase of the portion of the first floor of Waterview Corner Building which it currently occupies. ECSA now owns the first two floors of the building.

ENGINEERING COUNCIL OF SOUTH AFRICA
(Established under Act 46 of 2000)

FINANCIAL STATEMENTS
for the year ended 25 MARCH 2010

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ENGINEERING COUNCIL OF SOUTH AFRICA

We have audited the annual financial statements set out on pages 25 to 35, which comprise the statement of financial position as at 25 March 2010, the statement of comprehensive income, the statement of changes in funds and the statement of cashflows for the year ended 25 March 2010 as well as a summary of significant accounting policies and other explanatory notes.

Director's Responsibility for the Financial Statements

The Council's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards.

This responsibility includes:

Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance International Standards on Auditing.

Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Unqualified Audit Opinion

In our opinion, the financial statements present fairly, in all material aspects, the financial position of the Council at 25 March 2010 and of its financial performance and its cash flow for the year ended, in accordance with International Financial Reporting Standards.



VAN WYK

Chartered Accountants (S.A.)

27 August 2010

Pretoria

STATEMENT OF FINANCIAL POSITION

AS AT 25 MARCH 2010

Figures in Rands	Notes	25/03/2010	25/03/2009
ASSETS			
Non-current assets		21,222,286	12,912,897
Fixed property and -assets	1.1 & 2	9,745,353	2,979,189
Investments	1.2 & 3	11,476,933	9,933,708
Current assets		3,092,817	4,313,310
Accounts receivable and prepayments	4	2,942,346	4,112,570
Cash and cash equivalents	10.3	150,471	200,740
Total assets		24,315,103	17,226,207
RESERVES AND LIABILITIES			
Reserves		14,221,990	11,911,316
Accumulated funds		9,525,217	7,816,890
Funds reserved for future expenses	5	2,567,539	2,869,657
Unrealised fair value adjustments	1.2 & 3	2,129,234	1,224,769
Non-current liabilities		4,218,125	-
Borrowings	5	4,218,125	-
Current liabilities		5,874,988	5,314,891
Accounts payable		4,360,144	3,970,224
Annual and application fees received in advance		1,010,844	1,344,667
Current portion of borrowings	5	504,000	-
Total reserves and liabilities		24,315,103	17,226,207

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 25 MARCH 2010

Figures in Rands	Notes	25/03/2010	25/03/2009
INCOME			
FEES	1.3	39,177,049	36,413,971
Annual fees		31,658,458	28,758,162
Application fees		4,281,197	4,071,458
		35,939,655	32,829,620
OTHER INCOME	7	3,237,394	3,584,351
EXPENDITURE			
		37,782,102	33,825,980
Administrative expenditure	9	27,309,580	23,207,678
Auditors' remuneration		57,018	45,000
Bad debts written off		365,150	1,827,377
Consulting fees		1,483,497	667,594
Council and committee meetings	8	5,414,694	5,259,691
Depreciation charge for the year	2	455,563	214,065
Interest on long-term liabilities		519,447	-
Legal costs and inquiry expenses		2,177,153	2,604,575
NET SURPLUS for the year		1,394,947	2,587,991

STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 25 MARCH 2010

Figures in Rands	Accumulated funds	Funds reserved	Unrealised fair value adjustments	Total
Balance at 31 March 2008	6,165,589	2,070,270	2,028,806	10,264,665
Net surplus for the period	2,587,991	-	-	2,587,991
Adjustment to available -for-sale instruments	-	-	(804,037)	(804,037)
Transfer to funds reserved	(360,000)	1,040,540	-	680,540
Written back	(376,126)	367,126	-	-
Sundry adjustments	(200,564)	-	-	(200,564)
Funds expenditure	-	(617,279)	-	(617,279)
Balance at 25 March 2009	7,816,890	2,869,657	1,224,769	11,911,316
Net surplus for the year	1,394,947	-	-	1,394,947
Adjustment to available -for-sale instruments	-	-	904,465	904,465
Sundry adjustments	82,217	-	-	82,217
Transfer to funds reserved	(240,000)	(240,000)	-	-
Written back	471,163	(471,163)	-	-
Reserved funds expenditure	-	(70,955)	-	(70,955)
Balance at 25 March 2010	9,525,217	2,567,539	2,129,234	14,221,990

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 25 MARCH 2010

Figures in Rands	Notes	25/03/2010	25/03/2009
Cash flows generated from operating activities		3,592,093	3,268,392
Operating surplus / (deficit) before working capital changes	10.1	1,113,943	716,873
Working capital changes	10.2	1,730,321	1,284,179
Cash flows applied to operations		2,844,264	2,001,052
Interest and dividends received		1,267,276	1,267,340
Interest paid on long-term liabilities		(519,447)	-
Cash flow from investing activities		(7,860,487)	(3,624,703)
Assets acquired		(7,221,727)	(939,399)
Disposal of fixed assets		-	(80,352)
(Increase) / decrease in investments		(1,543,225)	(3,408,989)
Fair value adjustments to investments		904,465	804,037
Cash flow from financing activities		4,218,125	-
Increase / (decrease) in long-term liabilities		4,218,125	-
Net increase / (decrease) in cash and cash equivalents		(50,269)	(356,311)
Cash and cash equivalents at beginning of this year		200,740	557,051
Cash and cash equivalents at the end of this year	10.3	150,471	200,740

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 25 MARCH 2010

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS)

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment, marketable securities and investment properties.

1.1 Fixed assets

Fixed assets are reflected at cost less accumulated depreciation and accumulated impairments losses.

Depreciation rates are based on the useful life of an asset and are reviewed yearly.

Fixed property is shown at cost and no depreciation is provided.

Fixed assets are tested for impairment on an annual basis.

Rates of depreciation are as follows

- Furniture and fittings 6 years
- Office equipment 5 years
- Computer equipment 3 years
- Improvements to premises 10 years
- Motor vehicles 5 years

1.2 Financial instruments

Financial instruments held by the entity consist of assets held at various financial institutions. The entity is risk adverse when investing funds and keeps its exposure to market-, credit-, liquidity- and interest rate risk to a minimum.

The financial assets held by the entity are classified and measured as follows:

Available-for-sale investments

After initial recognition these instruments are measured at their fair value with adjustments recognised directly in equity.

These fair value adjustments will be recognised in profit and loss when the financial asset is derecognised and these gains or losses are realised.

1.3 Revenue recognition

Fees are recorded in the financial statements at the date when the fees are raised.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUES

FOR THE YEAR ENDED 25 MARCH 2010

Figures in Rands	Notes	25/03/2010	25/03/2009
2. FIXED PROPERTY AND - ASSETS			
Property at cost		7,691,993	1,411,243
Property consist of :			
■ Sections 9 and 10, Waterview corner (South) Bruma, Johannesburg		1,411,243	1,411,243
■ Sections 5 to 8, Waterview corner (South) Bruma, Johannesburg		6,280,750	-
The directors have valued the property's market value as R9,200,000 on 25 March 2010 based on information from property developers in the area.			
Fixed assets at nominal value		1	1
Fixed assets comprise of computer equipment and office furniture and equipment			
		7,691,994	1,411,244
Furniture and fittings			
Opening balance - beginning of the year		282,542	200,064
Cost		400,593	263,293
Accumulated depreciation		(118,051)	(63,229)
Additions		162,098	137,300
Disposals		-	-
Depreciation for the year		(76,856)	(54,822)
Closing balance at year end		367,784	282,542
Cost		562,691	400,593
Accumulated depreciation		(194,907)	(118,051)
Office equipment			
Opening balance - beginning of the year		117,319	40,971
Cost		154,345	60,311
Accumulated depreciation		(37,026)	(19,340)
Additions		266,304	94,034
Disposals		-	-
Depreciation for the year		(43,603)	(17,686)
Closing balance at year end		340,020	117,319
Cost		420,649	154,345
Accumulated depreciation		(80,629)	(37,026)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUES
FOR THE YEAR ENDED 25 MARCH 2010

Figures in Rands	25/03/2010	25/03/2009
Computer equipment		
Computer Equipment		
Opening balance - beginning of the year	392,695	101,698
Cost	488,650	147,439
Accumulated depreciation	(95,955)	(45,741)
Additions	235,466	354,356
Disposals	-	(13,145)
Depreciation for the year	(209,748)	(50,214)
Closing balance at year end	418,413	392,695
Cost	724,116	488,650
Accumulated depreciation	(305,703)	(95,955)
Improvements to premises		
Opening balance - beginning of the year	616,938	426,202
Cost	725,679	483,213
Accumulated depreciation	(108,741)	(57,011)
Additions	277,109	242,466
Disposals	-	-
Depreciation for the year	(85,743)	(51,730)
Closing balance at year end	808,304	616,938
Cost	1,002,788	725,679
Accumulated depreciation	(194,484)	(108,741)
Motor Vehicle		
Opening balance - beginning of the year	158,451	198,064
Cost	198,064	198,064
Accumulated depreciation	(39,613)	-
Additions	-	-
Disposals	-	-
Depreciation for the year	(39,613)	(39,613)
Closing balance at year end	118,836	158,451
Cost	198,064	198,064
Accumulated depreciation	(79,226)	(39,613)
TOTAL FIXED PROPERTY AND -ASSETS	9,745,353	2,979,189

NOTES TO THE FINANCIAL STATEMENTS - CONTINUES

FOR THE YEAR ENDED 25 MARCH 2010

Figures in Rands 25/03/2010 25/03/2009

3. INVESTMENT

Long - Term Investments

Momentum Endowment Policy

■ at cost	-	1,338,746
Fair value adjustments	-	(140,750)
■ Previous years	(140,750)	202,920
■ Current year	140,750	(343,670)
Momentum Endowment Policy	-	1,197,996

Although this investment has a fixed maturity date the directors have decided to classify it as an Available-for-sale instrument because of the uncertainty regarding the value at maturity. The growth rate associated with the instrument is uncertain but is expected to range between 4% and 10%.

SIS Inflation and Money Markets	4,783,727	4,421,534
Fair value adjustments	2,129,234	1,365,519
■ Previous years	1,365,519	1,825,886
■ Current year	763,715	(460,367)
SIS Inflation and Money Markets	6,912,961	5,787,053

These instruments consist of investments held at financial institutions and their market values are quoted in the market place.

Investec Bank Ltd Notice Deposit	2,192,201	-
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This represents a bank balance and its fair value equals its cost.

Standard Bank Money Market	2,371,771	2,948,659
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This represents a bank balance and its fair value equals its cost.

Total investments	11,476,933	9,933,708
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUES
FOR THE YEAR ENDED 25 MARCH 2010

Figures in Rands	25/03/2010	25/03/2009
4. ACCOUNTS RECEIVABLE		
Annual- and application fees outstanding	1,192,812	1,025,171
Prepaid expenses and sundry debtors	1,217,265	2,117,760
SETA's financing Engineering Standards Generating Board expenses	532,269	969,639
	2,942,346	4,112,570
5. BORROWINGS		
At amortised costs		
ABSA Mortgage Bond	4,722,125	-
Mortgage bond held over the Council's free hold land and buildings repayable over 120 months with monthly instalments to the amount of R 45,000 at an interest rate of prime less 0.75% per annum.		
Less: Current portion	504,000	-
	4,218,125	-
6. FUNDS RESERVED		
Computer software		
Balance - beginning of this year	-	96,487
Funds set aside	-	140,000
Expenditure	-	(236,487)
Balance - end of this year	-	-
Professional services		
Balance - beginning of this year	2,869,657	1,973,783
Funds set aside	240,000	900,540
Written back and adjustments	(471,163)	376,126
Expenditure	(70,955)	(380,792)
Balance - end of this year	2,567,539	2,869,657
TOTAL FUNDS RESERVED	2,567,539	2,869,657

NOTES TO THE FINANCIAL STATEMENTS - CONTINUES
FOR THE YEAR ENDED 25 MARCH 2010

Figures in Rands	25/03/2010	25/03/2009
7. OTHER INCOME		
Bad debts recovered	720,503	560,520
Evaluation of qualifications	442,341	83,950
Interest received		
■ on long-term investments	1,267,276	1,267,340
Inspection of register and duplicate		
Profitmon sale fixed assets	16,208	-
certificate fees	5,965	6,289
Rent received	439,914	474,162
Sundry income	345,187	1,192,090
	3,237,394	3,584,351
8. COUNCIL AND COMMITTEE MEETINGS		
Member expenses for attending meetings	2,117,888	1,910,197
Travel, accommodation and refreshments	3,296,806	3,349,494
	5,414,694	5,259,691
9. ADMINISTRATIVE EXPENDITURE		
Bank charges	159,767	147,605
General expenses	370,111	371,284
Insurance	293,977	215,999
Maintenance of computer and office equipment	394,931	155,427
Maintenance of offices	449,285	96,797
Personnel recruitment	564,240	140,494
Personnel travel and related expenses	369,716	369,175
Printing, stationery and publications	1,120,369	1,140,141
Rent, electricity and parking	1,466,047	2,204,352
Rental of office equipment	1,331,113	1,413,464
Salaries and related expenses	19,914,905	16,036,512
Secretarial services	124,082	232,624
Telephone and postage	751,037	683,804
	27,309,580	23,207,678

NOTES TO THE FINANCIAL STATEMENTS - CONTINUES

FOR THE YEAR ENDED 25 MARCH 2010

Figures in Rands	25/03/2010	25/03/2009
10. CASH FLOW STATEMENT		
10.1 CASH FLOW FROM OPERATIONS		
Net surplus for the period	1,394,947	2,587,991
Adjustment for:		
■ depreciation charge	455,563	214,065
■ reserve funds expenditure	(70,955)	(617,279)
■ sundry adjustments	82,217	(200,564)
■ interest received	(1,267,279)	(1,267,340)
■ interest paid on long-term liabilities	519,447	-
Operating surplus / (deficit) before working capital changes	1,113,943	716,873
10.2 WORKING CAPITAL CHANGES		
Decrease in accounts receivable	1,170,224	873,545
Increase in accounts payable	560,097	410,634
	1,730,321	1,284,179
10.3 CASH AND CASH EQUIVALENTS		
Current Bank account	147,348	196,676
Cash on hand	3,123	4,064
	150,471	200,740

11. STAFF RETIREMENT FUNDING

It is the policy of the Council to provide retirement benefits for staff by way of a separate pension fund.

Current service contributions are included with salaries and related expenses in the financial statements.

The pension fund consists of a defined benefits plan and a defined contribution fund and is governed by the Pension Fund Act, No.24 of 1956.

The fund was last valued as at 1 April 2008 and the independent actuary's opinion was that the fund is in a financially sound position.

12. TAXATION

The Council is exempt from income tax.

ECSA COMMITTEES

Committee	Principal functions
Executive Committee	All powers of council except electing a President or Vice President, cancelling registrations, decide on appeals
Education*	Generally advise council and external parties on matters relating to engineering education. Decide on withdrawal of registration
Engineering Programme Accreditation Committee (EPAC)	Appoint and receive reports from accreditation teams, grant accreditation (with or without conditions) to BEng-type programmes
Technology Programme Accreditation Committee (TPAC)	Appoint and receive reports from accreditation teams, grant accreditation (with or without conditions) to national Diploma and BTech-type programmes
Certificated Engineers Accreditation Committee (CERTAC)	Consider policy related to education of Certificated Engineers
Qualifications and Examinations Committee (QEC)	Consider applicants who do not have accredited or recognised qualifications and evaluate qualifications
Deans Committee	Provide a means of consultation and communication between ECSA and the Deans of engineering faculties
Central Registration Committee* (CRC)	Decide on policies and procedures for registration, decide on all refusals of registration
Registration Committees (RC)	One for each professional category: Professional Engineers, Professional Engineering Technologists, Professional Engineering Technicians, Professional Certificated Engineers. An RC may decide to register a person but must recommend refusal to the CRC
Professional Advisory Committee (PAC)	One for each engineering discipline: Aeronautical, Agricultural, Chemical, Civil, Electrical, Industrial, Mechanical, Metallurgy, Mining. Have delegated power to decide to register persons who meet requirements for PrEng
Registration Committee (for specified categories)	One for each of Lift Inspectors and Lifting Machinery Inspectors consider applications for registration and register persons who qualify in the respective category
Investigating Committee*	Conduct investigations of complaints of misconduct, recommend to Council that charges be preferred
Finance and Staff Committee*	Recommend annual budget to Council, monitor income and expenditure approve unbudgeted expenditure, determine fees, exempt persons from fees, determine staff increases
Communications, Information and Marketing Committee+	Advise Council, the CEO and the head of Corporate Communications on strategies for CIM, monitor effectiveness of activities.
Corporate Governance Committee*	Recommend good governance practices to Council
Engineering Standards Generating Body (ESGB)	A body recognised by SAQA to generate standards for engineering higher education qualifications and professional competencies, as well as related qualifications. Hosts Standards Generating Groups (SGG)
International Affairs Committee	Consider and decide on policy on international agreements and interactions, promote and pursue mutual recognition of educational qualifications and registration

Notes: * Chair serves on Executive Committee



E C S A



E C S A

Engineering Council of South Africa

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