



ANNUAL REPORT 2019 /20

Engineering Council of South Africa

ENSURING THE EXPERTISE TO GROW SOUTH AFRICA







ANNUAL REPORT

2019 /20

ENSURING THE EXPERTISE
TO GROW **SOUTH AFRICA**

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PART

A

GENERAL INFORMATION

1. ECSA GENERAL INFORMATION

REGISTERED NAME:	Engineering Council of South Africa
REGISTRATION NUMBER (if applicable):	N/a
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BANKERS:	Standard Bank East Gate Bedfordview
COMPANY/BOARD SECRETARY:	None. Administration Department performs some of the secretarial duties.

2. LIST OF ACRONYMS

AIET	Agreement for the International Engineering Technicians	IHRs	Integrated Human Resource Strategy
APPs	Approved Professional Persons	IPEA	International Professional Engineers Agreement
APP	Annual Performance Plan	IT	Information Technology
ARC	Audit, Risk and Compliance Committee	IUM	International University of Management
AR	Annual Report	KPAs	Key Performance Areas
BE	Built Environment	LMC	Legal Matters Committee
BEP	Built Environment Professions	MISA	Municipal Infrastructure Support Agent
BEPCs	Built Environment Professionals Councils	MoU	Memorandum of Understanding
CBE	Council for the Built Environment	MTBPS	Medium - Term Budget Policy Statement
CHE	Council for Higher Education	MTSF	Medium - Term Strategic Frameworks
CPD	Continuing Professional Development	NDP	National Development Plan
CPUT	Cape Peninsula University of Technology	NIP	National Infrastructure Projects
CRC	Central Registration Committee	NRF	National Research Foundation
CRPE	Council for Registered Professional Engineers	NRS	New Registration System
CSIR	Council for Scientific and Industrial Research	QMS	Quality Management Systems
C & U	Commitment and Undertakings	RPEC	Registered Professional Engineers Council
DA	Dublin Accord	RPS	Research Policy and Standards
DPWI	Department of Public Works and Infrastructure	RPSC	Research Policy and Standards Committee
DSTG	Discipline Specific Training Guide	RSA	Republic of South Africa
DST	Department of Science and Technology	SA	Sydney Accord
DUT	Durban University of Technology	SAC	Strategic Advisory Committee
EAB	Engineering Accreditation Board	SADC	Southern African Development Community
EC	Education Committee	SAFEO	Southern African Federation of Engineering Organisations
ECSA	Engineering Council of South Africa	SANDF	South African National Defence Force
EEPA	Engineering Education Programme Accreditation	SAQA	South Africans Qualifications Authority
EIZ	Engineering Institution of Zambia	SCM	Supply Chain Management
EPA	Engineering Professions Act, 2000 (Act no. 46 of 2000)	SIPs	Strategic Integrated Projects
ERB	Engineering Registration Board	SLA	Service Level Agreement
ESGB	Engineering Standards Generating Body	SOEs	State-Owned Entities
FAEO	Federation of African Engineering Organisations	SRC	Stakeholder and Relations Committee
F&S	Finance and Staff Committee	STC	Strategic Transformation Committee
FY	Financial Year	TUT	Tshwane University of Technology
GRAP	Generally Recognised Accounting	TVET	Technical and Vocational Education and Training
HEIs	Higher Education Institutions Practice	UNESCO	United Nations Educational Scientific and Cultural Organisation
HR	Human Resources	VA's	Voluntary Associations
IC	Investigation Committee	WA	Washington Accord
ICT	Information Communication Technology	WFEO	World Federation of Engineering Organisations
IDMS	Infrastructure Delivery Management System		
IDoEW	Identification of Engineering Work		
IEA	International Engineering Alliance		
IEM	Institutions of Engineering Mauritius		
IETA	International Engineering Technologist Agreement		

3. MINISTER'S FOREWORD



I am particularly encouraged by the manner in which the council has managed the impact of the pandemic and continued rendering its services to its Registered Persons, who have offered relentless trust and support during this time.

I am pleased to present the annual report of the Engineering Council of South Africa (ECSA) for the fiscal year 2019/20. ECSA is the largest of the six statutory councils of the built-environment under my custodianship as the Minister of Public Works and Infrastructure.

The core focus of the Engineering Council of South Africa is to provide and implement a framework for the assurance of quality engineering standards in education, training and professional practices of the engineering profession to protect the interest, health and safety of members of the public and our citizens. To this end, the work of the Council has a critical bearing on our country's democracy project to realise the vision set by our democracy's founding mothers and fathers, i.e. that of a developmental state.

As President Ramaphosa always reminds us, "Infrastructure is the "flywheel" to drive economic growth". The economy needs reliable infrastructure to connect supply chains and efficiently move goods and services internally in our country and across borders. Infrastructure connects households across neighbourhoods and industrial areas to higher quality opportunities for employment, healthcare and education. In addition, Engineers on the other

hand, play a critical role in planning, developing, building and maintaining both our economic and social infrastructure. Whether it be water treatment facilities, bridges and roads, hospitals, schools, the electricity grid including our very own homes, engineers play a central role. As such, there is a symbiotic relationship between infrastructure and engineering.

Engineering involves the application of science in society and the political and cultural context of that society has obvious relevance to the engineering profession. To this end, the harsh legacies of apartheid cannot be overlooked in engineering practices of the past and the general composition of the engineering fraternity juxtaposed with our country's population demographics. This historical context dictates a need for fundamental transformation of the engineering profession as well as the manner in which the engineers conduct their work. This should set the context of the Council's discharge of its regulatory mandate. Our government's economic growth strategy underpinned by expansive infrastructure roll-out should at the same time respond to the socio economic needs of our people including integrating communities through the reversal of the apartheid spatial planning.

This calls for an effective and efficient regulator who is able to chart a way forward towards bridging the gap and capacitating the country with a competent, diligent and excellent engineering sector.

The annual report is an account of the work that the Council has grappled with over the year which also culminates into the cumulative achievements of the five years' term of the current Council. Being a Council member is one of service to the public, a peer volunteer service. I want to thank the outgoing Council members, the President and Vice President for the guidance and wisdom in the discharge of their governance oversight role. My appreciation also goes to the Chief Executive Officer and all the staff of the Council for their dedication and tenacity. The outbreak of the Covid-19 has demonstrated the globalised nature of the new and evolving challenges that humankind is facing and the crucial role that engineers have to play. Engineers are needed now more than ever!

P. de Lille

Ms P De Lille, MP

Minister of Public Works and Infrastructure

4. FOREWORD BY THE PRESIDENT



These defining moments, and the past five years in particular, have been fundamental to the transformation of ECSA and sought to enhance the experience we deliver to our Registered Persons.

It is my honour to present to our Registered Persons and valued stakeholders, the 2019/2020 Annual Report of ECSA. The financial year under review officially marks the end for the 5th term of the ECSA Council. This Council reflected a diverse and improved representation of young and experienced engineering professionals, balanced in gender and race, and persons who have served this country both in the private and public sectors.

The past two terms serving as the President of the Council have afforded me the opportunity to lead during the most challenging times and ultimate defining moments of ECSA. These defining moments, and the past five years in particular, have been fundamental to the transformation of ECSA and sought to enhance the experience we deliver to our Registered Persons.

As part of the transformation, ECSA streamlined its operations in a bid to deliver on its core mandate. Under the guidance of the Council, ECSA reduced the number of High-Impact Committees from 44 to 8 in order to improve effectiveness and efficiency and restructure the functions to serve the role of ECSA as a regulator of the engineering sector. This was achieved through various consultations with Registered Persons and industry.

In pursuit of increasing our national footprint and repositioning the ECSA brand, national public consultation roadshows were hosted. From

the roadshows, a process of reviewing ECSA's Voluntary Association Recognition framework and the Continuing Professional Development (CPD) framework was initiated. These frameworks were approved by Council and have been adopted.

Furthermore, from the national roadshows, the need for walk-in centres in other provinces was highlighted. As a result, ECSA launched four satellite offices, which serve as walk-in centres for potential and Registered Persons. These satellite offices are based in Durban, Cape Town, East London, and Bloemfontein and are fully operational.

The past five years have also seen ECSA adapt to the changing times. In this regard, extensive research work has been conducted to determine best practice in order to ensure that all ECSA operations become digitised.

Relationship building and strengthening stakeholder relations with government departments and the private sector was at the helm of the outgoing administration. To this end, efforts were made to focus on programmes that influence and facilitate consultations with engineering practitioners to meet the challenges of rehabilitating, developing, and maintaining regulation infrastructure that will meet the needs of our local stakeholders but still be able to conform to international standards. Active interaction with DPWI and CBE have continued, as well as interaction with institutions of higher learning

in order to ensure that our education standards adhere to international ones.

Our resilience and work with institutions of higher learning resulted in the International Engineering Alliance (IEA) renewing the Sydney and Dublin Accords for South Africa, which is represented by ECSA. The decision by all signatories of both Accords to recognise ECSA for a further six years was made in June, 2019, at the IEA meeting in Hong Kong.

This decision certifies that ECSA is committed to the development and recognition of good practice in engineering education and has satisfactorily met the outcomes required by the Sydney and Dublin Accords.

The above-mentioned highlights are only but a few that were achieved and while there were challenges presented by the political, economic, legal, technological, and social environments, these were superseded by the dedication and hard work rendered by the Council and the staff of ECSA.

Let me, therefore, take this opportunity to render my appreciation to the top management of ECSA for directing the organisation towards a cohesive and transformed regulatory regime, the staff of ECSA for being ambassadors of the organisation and advocating for its success through commitment and serving its members with diligence and hard work, and to my fellow serving members on the outgoing Council – thank you for heeding the call to serve.

I am, therefore, handing over the reins and the new 2020 - 2025 strategy that will chart a path of engineering excellence to the incoming Council and hereby endorse the 2019/2020 ECSA Annual Report.



Cyril Vuyani Gamede, Pr. Eng.

ECSA President
23 October 2020

5. CHIEF EXECUTIVE OFFICER'S OVERVIEW



The impact of COVID-19 has also dampened the economic potential, not only for ECSA but for the entire globe. Thus, as the demand to provide a capacitated engineering sector increases, I am pleased to have led the organisation over the past five years to where it is now.

It gives me great pleasure to deliver the 2019/2020 annual report of the Engineering Council of South Africa under what can be described as a very challenging economic year. The 2019/20 annual report marks the last annual report of the current 5th Term Council. As such, on behalf of the entire Administration of ECSA, I would like to take this opportunity to thank the Council for its leadership and guidance in building and growing ECSA to what it is today. The outgoing Council has done an outstanding job shaping ECSA over the past five years.

Over these years, the Council's stewardship of ECSA has been characterized by innovative ideas, strategic thinking and, most valuable, Council's tireless efforts to increase the credibility and visibility of ECSA in the regional and international space of engineering regulatory bodies. The resulting recognition has become an asset to ECSA and the relationships that have been fostered with our partners and stakeholders will ensure ECSA will prosper and continue to offer a home to our registered persons from all corners of the universe. Among these partnerships is the ECSA Student Chapter that was formed between ECSA and the University of Johannesburg's Hydrogen Innovation Society (UJHIS). This agreement caters for all the engineering disciplines and seeks to bridge a gap between the engineering industry and academia while easing the transition for students into the professional field.

Moreover, two additional MOU's were signed which cement ECSA's role as the chair of the Committee on Engineering Capacity Building, at World Federation of Engineering Organisations (WFEO). The first is an agreement between ECSA and the Engineers Registration Board in Botswana (ERB) as well as the MOU between ECSA and the Engineering Institution of Zambia (EIZ). Both MOU's focus on capacity building and acknowledge that all parties have an interest in and play a significant part in Engineering Education and Programme Accreditation.

By all measures, ECSA has improved under the watch of the Council cementing the confidence of our stakeholders, increasing our registered persons, fostered the commitment of the peers in executing the core of ECSA's regulatory mandate, building a growing team of young and committed talents inside the organisation to enhance the quality and impact of ECSA's Administration.

This would not have been possible had it not been for the able leadership of both Mr Cyril Gamede and Dr Keith Jacobs as President and Vice President respectively. The same sentiments also go to the leadership of all the Council High Impact Committees.

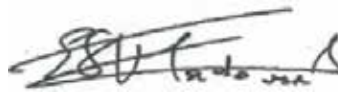
Their energy and devotion to their roles will be difficult to match, but they leave ECSA a better organization and on a strong footing having achieved the roll out of the VA and CPD Frameworks with the latter intended to achieve the following:

- i. Ease of access to CPD courses by registered persons
- ii. Reduced costs of the CPD courses
- iii. The display of a catalogue of ECSA accredited CPD courses
- iv. Auditing of CPD courses providers for quality assurance

Notwithstanding the above, the South African economy has been on a year-on-year decline with negative economic outlook assessed by both domestic and global rating agencies. In terms of the University of Stellenbosch's Bureau of Economic Research (BER), Building Confidence Index fell by 12 points to 13 in quarter 1 of 2020. This is the worst level of the index since quarter 3 of 1998. Underpinning the decline in this confidence was a broad-based deterioration in construction and related activities. Statistics South Africa reported last year that the construction sector had shed approximately 142,000 jobs in the first quarter of 2019. The situation has deteriorated ever since. This alarming negative outlook has been accentuated by the dire economic impacts of the novel COVID-19 pandemic significant of which are expected never-ever-experienced-before high levels of business failures and ballooning levels of unemployment. The negative pounding effect on the financial fortunes of the citizens inclusive of the ECSA registered persons cannot be underestimated.

Given the above overwhelming negative economic outlook our registered persons were not spared and some were unable to pay their annual fees to remain in the ECSA database. We have had to write-off significant amounts of fees that were due to the organisation. These losses resulted in the Council reporting for the first time since its inception, a trading deficit for the year which reduced the ECSA's accumulated surplus. To address this going concern, we have embarked on an expansive re-engineering of the business model of the Council, revision to our processes, delayed planned roll-out of certain projects as well done away with most discretionary expenditure. All these allowed the Council to significantly adjust its budget for the following year to realistic levels of projected revenues matched with the projected expenditure.

As aforementioned, the world is seeing a crisis of unprecedented nature and effects through the novel COVID-19. All the scenarios experienced up until now have been suddenly overwhelmed by this unstoppable chain of events. There is no doubt that this crisis has brought about irreversible changes in the ways that we think and work. In this regard, to ensure that we will always be prepared for the unexpected, we have embarked on a process for the digitalization of our processes throughout the value chain of the engineering skills pipeline to serve as a platform to speed up the transformation of ECSA and enhance its relevance in the midst of the 4th industrial revolution.



Siphon E Madonsela, Pr. Eng.

Chief Executive Officer, ECSA
23 October 2020

6. 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 is consistent with the Annual Financial Statements audited by Rakoma and Associates Inc.

The Annual Report is complete, accurate, and 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 F) have been prepared in accordance with the South African standards of Generally Recognised Accounting Practice (GRAP) 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, which is 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 entity for the financial year.



Chief Executive Officer
Siphoniso Madonsela, Pr. Eng.

23 October 2020



President of the Council
Cyril Vuyani Gamede, Pr. Eng.

23 October 2020

7. STRATEGIC OVERVIEW

ECSA VISION

Engineering excellence, transforming the nation.

ECSA MISSION

ECSA seeks to achieve this vision through:

- Determining standards for education and accreditation of educational programmes, as well as registration of engineering practitioners;
- Developing and sustaining a relevant, transformed, competent, and internationally recognised engineering profession;
- Educating the public on expected engineering quality standards and protecting the interest of the public against sub-standard quality of engineering work;
- Regulatory efforts to ensure environmental protection; and
- Engaging with government to support national priorities.

ECSA VALUES

- **Professional** – Conduct beyond reproach to the highest ethical standards underpinned by quality, timeliness, trust, and respect;
- **Accountable** – Doing what we commit to doing in an environment of trust and respect, and being answerable for our failures to meet our committed obligations;
- **Collaborative** – Working as a team to achieve exceptional results; and
- **Transparent** – Honest and open communication and sharing of information between stakeholders.

8. LEGISLATIVE AND OTHER MANDATES

ECSA is a statutory body established in terms of the EPA. 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 the engineering practice for more than forty (40) years. ECSA exists as a regulatory body for the profession of engineering because it has recognised that, while engineering activity is essential and beneficial to society and the economy, it also poses substantial risks to health, safety, and the environment, which must effectively be managed by competent professionals. In addition, engineering services must be of adequate quality in the interests of the economy and eliminate waste.

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

- Establish an Engineering Standards Generating Body (ESGB) and develop standards for engineering education and professional competency;
- Visit education providers to evaluate programmes and accredit educational programmes that meet the educational requirements towards registration in each of the categories;
- Register persons in professional categories who demonstrate competency against the standards for the categories;
- Evaluate educational qualifications that are not already accredited or recognised;
- Register persons who meet educational requirements in candidate categories;
- Establish specified categories of registration to meet specific health and safety licensing requirements and register persons in these categories;

- Require Registered Persons to renew registration at intervals and under conditions that the Council prescribes;
- Enter into international agreements for the recognition of educational programmes and registration;
- 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;
- Publish guidelines on professional fees and scope of work on an annual basis;
- Recognise VAs;
- Recommend ECSA's identification of the type of engineering work that may be performed by persons registered in any category to the CBE.

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

The professional regulation of engineering in South Africa dates from the Professional Engineers' Act, 1968 (Act 81 of 1968), which provided for the registration of professional engineers.

The EPA expanded registration to engineering technologists, engineering technicians, and certificated engineers. The EPA established ECSA in its present form and gave professional status to engineering technologists, engineering technicians, and certificated Engineers.

9. ORGANISATIONAL EXECUTIVE STRUCTURE



 **Mr Siphon Madonsela, Pr Eng**
CEO



Mr Christopher Tsatsawane
Executive: Strategic Services
Apr-Dec 2019



Ms Zola Khoza
Executive: In the Office
of the CEO



John Cato, Pr Eng
Executive: Regulatory Functions
Apr-Sep 2019



Mr Edmund Nxumalo
Executive: Research, Policy
and Standards



Mr Boitumelo (Cox) Mokgoro
Executive: Financial Services





PART

B

PERFORMANCE INFORMATION

10. PERFORMANCE INFORMATION

10.1 SITUATIONAL ANALYSIS

The 2014 Medium-Term Budget Policy Statement (MTBPS) sets the broad macro-economic environment of the country, which will have an impact on the configuration of the Built Environment, and, secondly, set the policy priorities of government through trade-offs that will be enforced by the macro-economic environment.

The 2014 MTBPS identifies the policy priorities of government. It states that Government's 2014 - 2019 Medium-Term Strategic Framework (MTSF) provides a roadmap to address these challenges. It is the first five-year policy framework designed in sync with the 2030 vision of the National Development Plan. The 2014 - 2019 MTSF aims to improve policy coherence, alignment, and co-ordination across government. It highlights the need for partnerships between a capable developmental state, a thriving business sector, and a strong civil society. It identifies employment, education, and enhancing the capacity of the state as core policy objectives. The following are the outcomes targeted in the 2014 - 2019 MTSF:

1. Quality basic education.
2. A long and healthy life for all South Africans.
3. All people in South Africa are and feel safe.
4. Decent employment through inclusive growth.
5. A skilled and capable workforce to support an inclusive growth plan.
6. An efficient, competitive, and responsive economic infrastructure network.
7. Vibrant, equitable, sustainable rural communities contributing to food security for all.
8. Sustainable human settlement and improved quality of household life.
9. Responsive, accountable, effective, and efficient local government.
10. Protect and enhance our environmental assets and natural resources.
11. Create a better South Africa and contribute to a better Africa and a better world.

12. An efficient, effective, and development-oriented public service.
13. A comprehensive, responsive, and sustainable social protection system.
14. A diverse, socially cohesive society with a common national identity.

The Department of Public Works and Infrastructure (DPWI), as the Executive Authority of the ECSA, contributes directly to outcomes 4, 6, 7, and 12; and indirectly to outcomes 1, 5, 8, 10, and 14 as identified in Honourable Minister Nxesi's Five-Year Policy Statement and Vision for the period 2014 - 2019. These have an impact on the strategic programmes and projects of the ECSA and the Council for the Built Environment (CBE).

The CBE is the overarching body that co-ordinates the activities of the Built Environment's Professional Councils. The CBE is of the view that the period between 2015 and 2020 is the time to consolidate and position the Built Environment Professions (BEPs) as important contributors to the development priorities of the State in support of the 14 outcomes of government, as well as those outcomes to which DPW has a direct and indirect contribution.

The CBE has identified the following core policy objectives in order to provide key areas that will anchor its effort and activities. The MTSF's priorities over the period ahead, as identified in the MTBPS and which are amenable to the CBE mandate, include the following:

- Building the capacity of the public sector, particularly at local government level, through the 'back-to-basics' approach, focused on improving service delivery, accountability, and financial management.
- Improving the quality of the education system, starting with greater attention to human resources management and annual assessment of learners to benchmark progress.

Following the policy priorities stated above, CBE set the following key priorities objectives in the medium-term as follows:

- Ensuring that Built Environment (BE) academic programmes curricula address issues of Labour-Intensive Construction, implementation of the Infrastructure Delivery Management System (IDMS), sustainable development, and health and safety;
- Promotion of high-demand skills for Strategic Infrastructure Projects (SIPs);
- Stepping up mechanisms, programmes, projects, and interventions to drive transformation and ensure adequate representation of women and black people within the BE through the CBE Transformation Model;
- Scaling up the maths and science support programme to reach learners in grade 1 to 12 in 2018;
- Establishing a structured candidacy programme for candidates and interns to address bottlenecks in the skills pipeline;
- Supporting workplace training of BE graduates/candidates and interns to deepen competencies and promote professional registration;
- Strengthening the technical capacity of local, provincial and national government;
- Aligning the policy planning and reporting processes of the Built Environment Professional Councils (BEPCs) to the government's planning cycles and the government's priorities;
- Strengthening monitoring and regulatory work on delegated public functions of the BEPCs; and
- Enhancing internal systems, controls, and capabilities to allow the organisation to deliver on its mandate and strategic goals.

10.1.1 Performance Environment

ECSA has aligned its strategy to the DPWI's as the accounting authority and the Council for the Built Environment as the body charged with an oversight role over the six Built Environment

Professional Councils. ECSA is of the view that the strategic objectives identified will impact positively on the socio-economic growth and development of South Africa. The following are the strategic goals and objectives of ECSA within its context and in alignment with the national priorities:

- Recognising engineering practitioners through minimum acceptable, relevant, and globally accepted educational standards;
- Registering engineering practitioners through accessible, fair, transparent, efficient, and credible systems;
- Growth and retention of registered engineering practitioners;
- Achieve growth of the engineering profession by increasing the number of engineering practitioners to meet the existing and future demands;
- Engineering practitioners successfully renew their registration through fair, credible, transparent, and accessible processes;
- Promote public awareness of the profession and its standards through public education, information, and awareness programmes;
- Protection of the health, safety, and interests of the public through effective regulation of the profession;
- Regulate the profession in accordance with the legislative requirements;
- Research strategic contributions the profession could make to support national programmes including, but not limited to, NDP, NIP, and the national beneficiation strategy;
- Be responsive to decision-makers through excellent stakeholder relationships;
- Development of funding proposals for implementation of specific projects from government and other stakeholders; and
- Manage a sustainable, transformed, and coherent organisation that is capable of delivering the impact desired by its stakeholders and society.

10.1.2 Organisational Environment

ECSA has been in existence since 1968 and has had the founding statutes repealed twice (in 1999 and 2000). Since its establishment, this is the first time that ECSA has developed its strategy in line with the government's priorities. A business strategy and business plan were developed for the first time in 2010 since its existence. Since 2010, the Council has put in place monitoring and evaluation tools for continuous improvement. During March, 2015, CBE impressed on ECSA that an annual performance plan should be developed in the recommended format of the National Treasury.

The strategy developed considered both the internal and external factors and was mainly shaped by the transformational factors in an endeavour to correct the overt disparities in the registration regime. Council recognises that the crafting of the new strategic direction is a major milestone for the council.





10.2 ANNUAL PERFORMANCE MONITORING AND EVALUATION REPORT

Programme No.	Programme Description	Strategic Objective	Performance Indicator No.	Annual performance indicator Description	Reporting Period	Actual Achievement 2018/19	Planned Target 2019/20	Actual Target Achieved 2019/20	Achieved/ not Achieved as per Management Results	Achieved/ not Achieved as per the Auditors Results	Deviation from the planned target to actual achievement 2019/20	Comment on Deviation/ Root cause for non-achievement	Remedial Action/ Corrective Action
Programme 1	Strategic Goal 1 (programme 1) - Engineering practitioners enjoy the benefit of world class education and registration	SO 1.1 Engineering practitioners are recognised through excellent , relevant and globally accepted education standards	1.1.1	Number of known engineering programmes assessed for accreditation	Quarterly	49	73	78	Achieved	Achieved	5	Unplanned provisional accreditation visits which were requested by universities offering new programmes.	Not required
Programme 1	Strategic Goal 1 (programme 1) - Engineering practitioners enjoy the benefit of world class education and registration	SO 1.1 Engineering practitioners are recognised through excellent , relevant and globally accepted education standards	1.1.2	Timeous development of one (1) outcome based on-line engineering accreditation standard for institutions of higher learning in South Africa	Annually	N/A	15 March 2020	0	Not achieved	Not achieved	-1	Research Report to inform Accreditation Policy submitted late and as a result the policy was not developed.	The Accreditation Policy will be developed/ reviewed in the next financial year after consideration by ECSA Council
Programme 1	Strategic Goal 1 (programme 1) - Engineering practitioners enjoy the benefit of world class education and registration	SO 1.1 Engineering practitioners are recognised through excellent , relevant and globally accepted education standards	1.1.3	Timeous development of one (1) discipline specific Standard of Practice	Annually	N/A	31-Oct-19	1	Achieved	Achieved	No deviation		Not required

Programme No.	Programme Description	Strategic Objective	Performance Indicator No.	Annual performance indicator Description	Reporting Period	Actual Achievement 2018/19	Planned Target 2019/20	Actual Target Achieved 2019/20	Achieved/ not Achieved as per Management Results	Achieved/ not Achieved as per the Auditors Results	Deviation from the planned target to actual achievement 2019/20	Comment on Deviation/ Root cause for non-achievement	Remedial Action/ Corrective Action
Programme 1	Strategic Goal 1 (programme 1) - Engineering practitioners enjoy the benefit of world class education and registration	SO 1.1 Engineering practitioners are recognised through excellent , relevant and globally accepted education standards	1.1.4	Timetous development of two (2) sub-discipline specific Standards of Practice	Annually	N/A	31 -Mar-20	2	Achieved	Not Achieved	No deviation	Not required	Not required
Programme 1	Strategic Goal 1 (programme 1) - Engineering practitioners enjoy the benefit of world class education and registration	SO 1.1 Engineering practitioners are recognised through excellent , relevant and globally accepted education standards	1.1.5	Percentage of existing ECSA regulatory policies aligned with the overall ECSA Regulatory policy developmental framework	Annually	N/A	100%	100%	Achieved	Achieved	No deviation	Not required	Not required
Programme 1	Strategic Goal 1 (programme 1) - Engineering practitioners enjoy the benefit of world class education and registration	SO 1.1 Engineering practitioners are recognised through excellent , relevant and globally accepted education standards	1.1.6	Timetous review of one (1) set of Regulations for the appointment of Approved Professional Persons as per the Water Services Act	Annually	N/A	19-Mar-20	1	Achieved	Achieved	No deviation	Not required	Not required

Programme No.	Programme Description	Strategic Objective	Performance Indicator No.	Annual performance indicator Description	Reporting Period	Actual Achievement 2018/19	Planned Target 2019/20	Actual Target Achieved 2019/20	Achieved/ not Achieved as per Management Results	Achieved/ not Achieved as per the Auditors Results	Deviation from the planned target to actual achievement 2019/20	Comment on Deviation/ Root cause for non-achievement	Remedial Action/ Corrective Action
Programme 1	Strategic Goal 1 (programme 1) - Engineering practitioners enjoy the benefit of world class education and registration	SO 1.1 Engineering practitioners are recognised through excellent , relevant and globally accepted education standards	1.1.7	Number of Accords retained with the International Engineering Alliance (IEA)	Annually	6	3	3	Achieved	Achieved	No deviation	Not required	Not required
Programme 1	Strategic Goal 1 (programme 1) - Engineering practitioners enjoy the benefit of world class education and registration	SO 1.1 Engineering practitioners are recognised through excellent , relevant and globally accepted education standards	1.1.8	Number of Competency Agreements retained with the International Engineering Alliance (IEA)	Annually	N/A	3	3	Achieved	Achieved	No deviation	Not required	Not required
Programme 1	Strategic Goal 1 (programme 1) - Engineering practitioners enjoy the benefit of world class education and registration	SO 1.2 Engineering practitioners are registered through accessible, fair, transparent, efficient and credible system	1.2.1	Percentage of fully compliant professional and specified categories applications processed within the set turnaround time of 4 months	Quarterly	24%	100%	87%	Not Achieved	Not Achieved	13%	The monitoring tools in place were not effectively implemented.	Consequence Management.

Programme No.	Programme Description	Strategic Objective	Performance Indicator No.	Annual performance indicator Description	Reporting Period	Actual Achievement 2018/19	Planned Target 2019/20	Actual Target Achieved 2019/20	Achieved/ not Achieved as per Management Results	Achieved/ not Achieved as per the Auditors Results	Deviation from the planned target to actual achievement 2019/20	Comment on Deviation/ Root cause for non-achievement	Remedial Action/ Corrective Action
Programme 1	Strategic Goal 1 (programme 1) - Engineering practitioners enjoy the benefit of world class education and registration	SO 1.2 Engineering practitioners are registered through accessible, fair, transparent, efficient and credible system	1.2.2	Percentage of fully compliant candidate applications processed within set turnaround time of 14 days	Quarterly	78%	100%	100%	Achieved	Achieved	No deviation	Not required	Not required
Programme 1	Strategic Goal 1 (programme 1) - Engineering practitioners enjoy the benefit of world class education and registration	SO 1.2 Engineering practitioners are registered through accessible, fair, transparent, efficient and credible system	1.2.3	Number of coordinated capacity building initiatives for SAFE0 member countries and other potential SADC region members	Bi-Annual	2	2	2	Achieved	Achieved	No deviation	Not required	Not required
Programme 1	Strategic Goal 1 (programme 1) - Engineering practitioners enjoy the benefit of world class education and registration	SO 1.3 Growth and retention of registered engineering practitioners	1.3.1	Percentage implementation of the Retention Strategy according to the roll-out plan	Annually	1	55%	15%	Not achieved	Not achieved	-40	The BU had a high turnover impacting negatively on the capacity to deliver on some projects.	Review resource requirements against deliverables and recruit accordingly

Programme No.	Programme Description	Strategic Objective	Performance Indicator No.	Annual performance indicator Description	Reporting Period	Actual Achievement 2018/19	Planned Target 2019/20	Actual Target Achieved 2019/20	Achieved/ not Achieved as per Management Results	Achieved/ not Achieved as per the Auditors Results	Deviation from the planned target to actual achievement 2019/20	Comment on Deviation/ Root cause for non-achievement	Remedial Action/ Corrective Action
Programme 1	Strategic Goal 1 (programme 1) - Engineering practitioners enjoy the benefit of world class education and registration	SO 1.3 Growth and retention of registered engineering practitioners	1.3.2	Number of feasibility studies conducted for introduction of new disciplines	Bi-Annual	N/A	2	2	Achieved	Achieved	No deviation	Not required	Not required
Programme 1	Strategic Goal 1 (programme 1) - Engineering practitioners enjoy the benefit of world class education and registration	SO 1.5 Practitioner successfully renew their registration through fair, credible, transparent and accessible process	1.5.1	Percentage implementation of the Gazetted CPD Framework according to the Project Plan	Annually	1	100%	0%	Not Achieved	Not Achieved	-100	The Key Performance Indicator is not measurable as ECSA currently does not have the gazetted CPD framework, but the Gazetted Rules and Approved CPD Standard	Rectification of the 2019/2020 indicator to reflect "Percentage implementation of the approved CPD Standard (ECPD-STD-01) in the 2020/2021 APP target.

Programme No.	Programme Description	Strategic Objective	Performance Indicator No.	Annual performance indicator Description	Reporting Period	Actual Achievement 2018/19	Planned Target 2019/20	Actual Target Achieved 2019/20	Achieved/ not Achieved as per Management Results	Achieved/ not Achieved as per the Auditors Results	Deviation from the planned target to actual achievement 2019/20	Comment on Deviation	Remedial Action/ Corrective Action
Programme 2	Strategic Goal 2 (programme 2) - Public awareness of the profession and its standards and regulation to ensure the implementation of those standards in the public interest	SO 2.1 Public awareness of the engineering profession and its standards through public education, information and awareness programmes	2.1.1	Number of targeted public groupings for the dissemination of engineering information	Annually	5	5	5	Achieved	Achieved	No deviation	Not required	Not required
Programme 2	Strategic Goal 2 (programme 2) - Public awareness of the profession and its standards and regulation to ensure the implementation of those standards in the public interest	SO 2.1 Public awareness of the engineering profession and its standards through public education, information and awareness programmes	2.1.2	Timeous development of marketing strategy to reposition the ECSA brand to embrace engineering excellence	Annually	N/A	31-Mar-20	1	Achieved	Achieved	No deviation	Not required	Not required

Programme No.	Programme Description	Strategic Objective	Performance Indicator No.	Annual performance indicator Description	Reporting Period	Actual Achievement 2018/19	Planned Target 2019/20	Actual Target Achieved 2019/20	Achieved/ not Achieved as per Management Results	Achieved/ not Achieved as per the Auditors Results	Deviation from the planned target to actual achievement 2019/20	Comment on Deviation	Remedial Action/ Corrective Action
Programme 2	Strategic Goal 2 (programme 2)- Public awareness of the profession and its standards and regulation to ensure the implementation of those standards in the public interest	SO 2.2 Protection of health, safety and interest of the public through effective regulation of the Profession	2.2.1	Percentage implementation of the Investigation Management Framework according to the project plan	Annually	N/A	100%	100%	Achieved	Achieved	No deviation	Not required	Not required
Programme 2	Public awareness of the profession and its standards and regulation to ensure the implementation of those standards in the public interest	SO 2.2 Protection of health, safety and interest of the public through effective regulation of the Profession	2.2.2	Percentage of completed professional ethical conduct investigations within the specified turnaround times	Annually	N/A	85%	93%	Achieved	Achieved	8%	Target overachieved due to stringent control measures and follow-through	Not required

Programme No.	Programme Description	Strategic Objective	Performance Indicator No.	Annual performance indicator Description	Reporting Period	Actual Achievement 2018/19	Planned Target 2019/20	Actual Target Achieved 2019/20	Achieved/ not Achieved as per Management Results	Achieved/ not Achieved as per the Auditors Results	Deviation from the planned target to actual achievement 2019/20	Comment on Deviation	Remedial Action/ Corrective Action
Programme 2	Public awareness of the profession and its standards and regulation to ensure the implementation of those standards in the public interest	SO 2.2 Protection of health, safety and interest of the public through effective regulation of the Profession	2.2.3	Percentage of professional technical conduct investigations completed within the Investigations Committee's approved turnaround times	Annually	N/A	85%	100%	Achieved	Achieved	15%	Target overachieved due to stringent control measures and follow-through	Not required

Programme No.	Programme Description	Strategic Objective	Performance Indicator No.	Annual performance indicator Description	Reporting Period	Actual Achievement 2018/19	Planned Target 2019/20	Actual Target Achieved 2019/20	Achieved/ not Achieved as per Management Results	Achieved/ not Achieved as per the Auditors Results	Deviation from the planned target to actual achievement 2019/20	Comment on Deviation	Remedial Action/ Corrective Action
Programme 3	Strategic Goal 3 (programme 3) - Engineering practitioners proactively responsive to local and national socio-economic requirements	SO 3.1 Proposals are developed and implemented for specific projects and funding sought from Government and other stakeholders	3.1.1	Percentage development of research agenda for Research, Policy and Standards Division	Annually	N/A	100%	100%	Achieved	Achieved	No deviation	Not required	Not required
Programme 3	Strategic Goal 3 (programme 3) - Engineering practitioners proactively responsive to local and national socio-economic requirements	SO 3.1 Proposals are developed and implemented for specific projects and funding sought from Government and other stakeholders	3.1.2	Timeous research on how to improve professional registration access in engineering	Annually	N/A	31-Mar-20	1	Achieved	Achieved	No deviation	Not required	Not required

Programme No.	Programme Description	Strategic Objective	Performance Indicator No.	Annual performance indicator Description	Reporting Period	Actual Achievement 2018/19	Planned Target 2019/20	Actual Target Achieved 2019/20	Achieved/ not Achieved as per Management Results	Achieved/ not Achieved as per the Auditors Results	Deviation from the planned target to actual achievement 2019/20	Comment on Deviation	Remedial Action/ Corrective Action
Programme 4	Strategic Goal 4 (programme 4) - A sustainable, transformed and coherent organisation that is capable of delivering the impact desired by its stakeholders and society within the provisions of the EPA	SO 4 A relevant organisation that significantly meets the needs of both internal and external stakeholders within the ECSA the mandate	4.1.1	Percentage implementation of the council and committee performance improvement plan	Annually	N/A	100%	100%	Achieved	Achieved	No deviation	Not required	Not required
Programme 4	Strategic Goal 4 (programme 4) - A sustainable, transformed and coherent organisation that is capable of delivering the impact desired by its stakeholders and society within the provisions of the EPA	SO 4 A relevant organisation that significantly meets the needs of both internal and external stakeholders within the ECSA the mandate	4.1.2	Percentage level of readiness for OMS certification	Annually	1	80%	83%	Achieved	Achieved	3%	Continuous monitoring by OMS and leadership commitment	Not required

Programme No.	Programme Description	Strategic Objective	Performance Indicator No.	Annual performance indicator Description	Reporting Period	Actual Achievement 2018/19	Planned Target 2019/20	Actual Target Achieved 2019/20	Achieved/ not Achieved as per Management Results	Achieved/ not Achieved as per the Auditors Results	Deviation from the planned target to actual achievement 2019/20	Comment on Deviation	Remedial Action/ Corrective Action
Programme 4	Strategic Goal 4 (programme 4) - A sustainable, transformed and coherent organisation that is capable of delivering the impact desired by its stakeholders and society within the provisions of the EPA	SO 4 A relevant organisation that significantly meets the needs of both internal and external stakeholders within the ECSA mandate	4.1.3	Percentage completion of the legal/regulatory compliance gap analysis report within a specified timeframe	Annually	N/A	100%	100%	Achieved	Achieved	No deviation	Not required	Not required
Programme 4	Strategic Goal 4 (programme 4) - A sustainable, transformed and coherent organisation that is capable of delivering the impact desired by its stakeholders and society within the provisions of the EPA	SO 4 A relevant organisation that significantly meets the needs of both internal and external stakeholders within the ECSA mandate	4.1.4	Percentage implementation of the Integrated Human Resources (HR) Strategy according to plan	Annually	1	70%	81%	Achieved	Achieved	11%	Focused approach and commitment	Not required

Programme No.	Programme Description	Strategic Objective	Performance Indicator No.	Annual performance indicator Description	Reporting Period	Actual Achievement 2018/19	Planned Target 2019/20	Actual Target Achieved 2019/20	Achieved/ not Achieved as per Management Results	Achieved/ not Achieved as per the Auditors Results	Deviation from the planned target to actual achievement 2019/20	Comment on Deviation	Remedial Action/ Corrective Action
Programme 4	Strategic Goal 4 (programme 4) - A sustainable, transformed, and coherent organisation that is capable of delivering the impact desired by its stakeholders and society within the provisions of the EPA	SO 4 A relevant organisation that significantly meets the needs of both internal and external stakeholders within the ECSA mandate	4.1.5	Timeous development of 100% compliant organisational annual risk register	Annually	N/A	31-Dec-19	0	Not Achieved	Not Achieved	-1	The 2020-2025 strategy delivery timeline anticipated the approval of the strategy by Council in August 2019. The subsequent processes of Annual Performance Plan (APP) and resourcing plan were anticipated to be developed for approval at the November Council meeting. These documents did not serve as planned and it is anticipated that they will serve at the Council meeting of March 2020.	2020/21 APP risks register to be developed after the APP is approved by Council.

Programme No.	Programme Description	Strategic Objective	Performance Indicator No.	Annual performance indicator Description	Reporting Period	Actual Achievement 2018/19	Planned Target 2019/20	Actual Target Achieved 2019/20	Achieved/ not Achieved as per Management Results	Achieved/ not Achieved as per the Auditors Results	Deviation from the planned target to actual achievement 2019/20	Comment on Deviation	Remedial Action/ Corrective Action
Programme 4	Strategic Goal 4 (programme 4) - A sustainable, transformed, and coherent organisation that is capable of delivering the impact desired by its stakeholders and society within the provisions of the EPA	SO 4 A relevant organisation that significantly meets the needs of both internal and external stakeholders within the ECSA mandate	4.1.6	Percentage alignment of internal audit plan in accordance to the organisational risk registers	Annually	N/A	100%	100%	Achieved	Achieved	No deviation	Not required	Not required
Programme 4	Strategic Goal 4 (programme 4) - A sustainable, transformed, and coherent organisation that is capable of delivering the impact desired by its stakeholders and society within the provisions of the EPA	SO 4 A relevant organisation that significantly meets the needs of both internal and external stakeholders within the ECSA mandate	4.1.7	Obtain unqualified audit opinion to demonstrate prudent financial management within a specified financial year	Annually	1	Unqualified Audit Opinion for the 2018/19 financial year	100%	Achieved	Achieved	No deviation	Not required	Not required

Programme No.	Programme Description	Strategic Objective	Performance Indicator No.	Annual performance indicator Description	Reporting Period	Actual Achievement 2018/19	Planned Target 2019/20	Actual Target Achieved 2019/20	Achieved/ not Achieved as per Management Results	Achieved/ not Achieved as per the Auditors Results	Deviation from the planned target to actual achievement 2019/20	Comment on Deviation	Remedial Action/ Corrective Action
Programme 4	Strategic Goal 4 (programme 4) - A sustainable, transformed and coherent organisation that is capable of delivering the impact desired by its stakeholders and society within the provisions of the EPA	SO 4 A relevant organisation that significantly meets the needs of both internal and external stakeholders within the ECSA mandate	4.1.8	Percentage revenue increase as per Treasury MTEF technical guidelines to ensure sustainability within a specified financial year	Annually	1	100%	128%	Achieved	Achieved	28%	We increased last year's projected year-end revenue for annual fees by 5.3%. The growth in total revenue June vs June was 28% is due to increase in head count and other revenue raised by ECSA not related to Annual fees for example Revenue from Accreditation. Annual fees are the most controllable part of the revenue budget and form the largest part of the year's revenues earned (82%)	Not required

Programme No.	Programme Description	Strategic Objective	Performance Indicator No.	Annual performance indicator Description	Reporting Period	Actual Achievement 2018/19	Planned Target 2019/20	Actual Target Achieved 2019/20	Achieved/ not Achieved as per Management Results	Achieved/ not Achieved as per the Auditors Results	Deviation from the planned target to actual achievement 2019/20	Comment on Deviation	Remedial Action/ Corrective Action
Programme 4	Strategic Goal 4 (programme 4) - A sustainable, transformed and coherent organisation that is capable of delivering the impact desired by its stakeholders and society within the provisions of the EPA	SO 4 A relevant organisation that significantly meets the needs of both internal and external stakeholders within the ECSA mandate	4.1.9	Timeous development of the COBIT aligned IT Strategy to support organisational business objectives	Annually	N/A	30-Sep-19	1	Achieved	Achieved	No deviation	Not required	Not required
Programme 4	Strategic Goal 4 (programme 4) - A sustainable, transformed and coherent organisation that is capable of delivering the impact desired by its stakeholders and society within the provisions of the EPA	SO 4 A relevant organisation that significantly meets the needs of both internal and external stakeholders within the ECSA mandate	4.1.10	Percentage implementation of the COBIT aligned IT Strategy to support organisational business objectives	Annually	N/A	20%	33%	Achieved	Achieved	13%	Fast tracked the completion of critical deliverables in the project plan to enable planning for the 2020/2021 performance cycle	Not required

11. STRATEGIC SERVICES FUNCTIONS

ROAD TO REGISTRATION

In the 2019/2020 financial year, the Engineering Council of South Africa has conducted several professional registration workshops across the country with various private and government stakeholders.

During the reporting period, the following professional registration workshops were conducted:

Name of entity/employer	Presenter	Number of attendees	Date of presentation
Arnot Power Station	Lebo Maphumulo	56	27.06.2019
Eskom Matimba Power Station	Mduduzi Msibi	47	07.08.2019
Chris Hani District Municipality	Dennis Du Plessis	25	07.08.2019
UKZN Howard College	Thomas McKune	19	07.08.2019
Standard Bank	Olu Soluade	30	16.08.2019
University of Witwatersrand	Tshifhiwa Gavhi	144	17.07.2019
Qualification Evaluation Training	Prof Hugh Jeffery	51	28.08.2019
SAICE and CESA	Moeketsi Mosebi	68	29.08.2019
eThekweni Municipality	Stanley Nkonyane	71	12.09.2019
Hulamin Pty Ltd	Isaac Ngwenya	21	20.09.2019
Transnet	Thulasizwe Innocent Mashiyane	32	08.10.2019
Department of Public Works, Polokwane	Talent Diotrefe Banda	41	18.11.2019
Mhlathuze Water	Thembinkosi Madikane	22	19.11.2019
South African National Defence Force	Jones Moloisane	81	20.11.2019
OR Tambo District Municipality	Moeketsi Mosebi	16	28.11.2019
Siemens	Mduduzi Msibi	09	26.11.2019
VNA Consulting	Trevor Maphumulo	38	07.02.2020
University of Johannesburg	Tshifhiwa Gavhi	612	14.03.2020

1. Satellite Offices

The launch of the satellite offices took place between October, 2017, and March, 2018, with the East London office being the first and Bloemfontein the last. The establishment of the 4 (four) satellite offices in East London, Cape Town, Bloemfontein, and Durban is a project aimed at improving accessibility to a series of services regarding the regulation of the profession offered by ECSA. These services include registration of candidates, registration of professionals (engineers, technicians, and technologists), annual assessors' training, interviews for registration,

and facilitation of the Continuous Professional Development (CPD) regime.

2. Number of reviews/interviews conducted

The satellite offices have been successful in expanding the ECSA footprint around South Africa. As a result, the number of interviews and reviews that were conducted in the satellite offices stood at 578 during the 2019/2020 financial year.

3. Compliments and walk-in enquiries

The four (4) satellite offices received over one hundred and fifty (150) compliments from our clients. The compliments were based on the services and professionalism that were rendered at the satellite offices. This is fuelled by the number of walk-in enquiries that the satellite offices have been receiving, which, for the reporting period under review, culminated to 1 106 walk-in enquiries.

STAKEHOLDER EVENTS SUPPORTED

During this reporting period, several strategic events were identified and supported to improve visibility and stakeholder engagement. The following events were supported by the Engineering Council of South Africa :

- The 2019 ECSA Engineering Awards;
- The launch of the ECSA Student Chapter in Johannesburg;
- First mobile ECSA/on-site registration application screening session at the CSIR;

- UNESCO Africa Engineering Week in Zambia;
- UNESCO-DST Engineering Week;
- KwaZulu-Natal satellite office participation in the Premier's Office Action Working Group 7;
- Education evaluation workshops in Cape Town, Witbank, Durban, and Bloemfontein;
- Accreditation visit at Durban University of Technology, Central University of Technology, and UKZN;

EXTERNAL COMMUNICATION

ECSA strives to enhance communication with external stakeholders through various platforms, including our publications, events, the media, and face-to-face engagements.

The following external communication media were utilised during 2019/2020 period:

- One e-bulletin newsletter each consecutive quarter.
- Positive publicity through ECSA's social media platforms.



ECSA Student Chapter members at the 20th Waternet Symposium

Some of the highlights on media coverage and publicity:

Publication	Details	Date
Engineering News and Engineer IT	ECESA's sole authority on accreditation, monitoring, and validation of CPD activities – media statement.	April, 2019
Business Day TV	Minister of Public Enterprise meeting with ECESA as part of a task team to conduct technical reviews at some of Eskom's power stations.	April, 2019
Joburg East Express	Issuing of electronic registration certificates – ECESA.	May, 2019
North West FM	Live interview with Christopher Tsatsawane at the 6 th Annual Africa Engineering Week in North West.	September, 2019
SABC TV	Live interview with Christopher Tsatsawane at the 6 th Annual Africa Engineering Week in North West.	September, 2019
MechChem Africa	ECESA, in agreement with international engineering bodies, stipulated that South African engineering professionals must undertake CPD activities to keep abreast of expert knowledge to demonstrate competence and to renew professional registration.	November, 2019
Business Day and Newzroom Afrika	Interview on South Africa's stats around engineers registered with ECESA: Yashin Brijmohan, Dean of the Engineering faculty at Monash	December, 2019



ECESA President Mr Cyril Gamede engaging key stakeholder

12. ENGENIUS REPORT

PROJECT BACKGROUND

The Engenius programme was established by ECSA to highlight the importance of the engineering field to primary and high school learners, especially from grade 10 onwards. This is achieved through school visits and exhibitions around the country. We interact with learners by allowing them to take part in exciting activities, such as the Bloodhound activity, where they get to build a mini rocket using everyday things like balloons.

Engenius strives to annually promote the engineering profession nationally to over 20 000 primary and high school learners by driving its message; *Engineering Makes It Happen*.

ECSA has visited different provinces for its purpose to disseminate the engineering information to primary and high school learners. This is to expose them to different disciplines engineering has to offer.

OBJECTIVES

- Educate and expose primary and high school learners to engineering as a career choice;
- Reach as many schools nationally as possible; and
- Increase the pool of engineers long-term.

KEY MESSAGES

- Engineering makes our lives happen. From the minute you wake up in the morning to the minute you go to bed in the evening, you have come into contact with the work of an engineer.
- Educate school learners about the different engineering fields.
- To encourage learners to choose engineering subjects, mathematics and science in their grade 10 subject selections.

ENGENIUS REPORT

Name of event	Date of event	Learners reached
Nelson Mandela International Day	18 July, 2019	10
Durban University of Technology World of Work	14 - 15 August, 2019	108
Fifth annual Career Expo	7 March, 2020	400



ECSA engaging with learners on STEM related careers

13. VOLUNTARY ASSOCIATIONS

13.1. RECOGNISED VOLUNTARY ASSOCIATIONS

The following Voluntary Associations (VAs) are recognised by the Engineering Council of South Africa, according to the newly gazetted VA Framework:

CATEGORY A

Association	Aeronautical Society of South Africa (AeSSA)
Telephone	(012) 841 4947/(012) 841 2114
Fax	(012) 641 2706
E-mail	info@aessa.org.za ; president@aessa.org.za
Date Recognised	30 April, 2019
Association	Association of Municipal Electricity Undertakings (AMEU)
Telephone	(011) 061 5000
Fax	(011) 789 1385
E-mail	adrie@vdw.co.za
Date Recognised	1 April, 2019
Association	Association of Mine Managers of South Africa (AMMSA)
Telephone	(011) 568 2050
Fax	(086) 517 1939
E-mail	raymondvdb@mpas.org.za
Date Recognised	30 August, 2018
Association	Association of Mine Resident Engineers (AMRE)
Telephone	(011) 568 2050
Fax	(086) 517 1939
E-mail	raymondvdb@mpas.org.za
Date Recognised	30 August, 2018
Association	American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHREA)
Telephone	(031) 563 2318
Fax	N/a
E-mail	pres@ashraesa.org
Date Recognised	30 August, 2018
Association	The Chamber of Engineering Technology (CoET)
Telephone	(011) 787 9706
Fax	(086) 664 7963
E-mail	engineer@netactive.co.za
Date Recognised	30 August, 2018
Association	Concrete Society of Southern Africa (CSSA)
Telephone	(012) 348 5305
Fax	(012) 348 6944
E-mail	admin@concretesociety.co.za ; ceo@concretesociety.co.za
Date Recognised	15 February, 2019

Association	Institution of Certificated Mechanical and Electrical Engineering (ICMEESA)
Telephone	(011) 425 0585
Fax	(086) 262 1061
E-mail	icmeesa@icmeesa.org.za
Date Recognised	30 August, 2018
Association	Institution of Municipal Engineering of Southern Africa (IMESA)
Telephone	(031) 266 3263
Fax	(031) 266 5094
E-mail	info@imesa.org.za
Date Recognised	30 August, 2018
Association	International Council on Systems Engineering (SA Chapter) (INCOSE SA)
Telephone	(083) 417 7541
Fax	(018) 841 3179
E-mail	jorg.lack@up.ac.za ;_president@incose.org.za_
Date Recognised	1 April, 2019
Association	Institute of Professional Engineering Technologists (IPET)
Telephone	(011) 787 9706
Fax	(086) 664 7963
E-mail	engineer@netactive.co.za
Date Recognised	30 August, 2018
Association	Institution of Railway Signal Engineers, Southern Africa Section (IRSE)
Telephone	(011) 844 1456
Fax	N/a
E-mail	Ryan.gould@hatch.com
Date Recognised	30 August, 2018
Association	Lifting Equipment Engineering Association of South Africa (LEEASA)
Telephone	(011) 789 1302/(074) 900 8378
Fax	N/a
E-mail	arni@leeasa.co.za ;_info@liftingafrica.co.za
Date Recognised	30 April, 2019
Association	Lift Inspectors Association of South Africa (LIASA)
Telephone	(011) 78 907 0133/(083) 787 9455
Fax	N/a
E-mail	iliasa@zmail.co.za
Date Recognised	30 April, 2019
Association	South African Colliery Engineers' Association (SACEA)
Telephone	(013) 568 2050
Fax	(013) 517 1939
E-mail	raymondvdb@mpas.org.za
Date Recognised	30 August, 2018

Association	South African Colliery Managers Association (SACMA)
Telephone	(011) 568 2050
Fax	(011) 517 1939
E-mail	raymondvdb@mpas.org.za
Date Recognised	30 August, 2018
Association	South African Flameproof Association (SAFA)
Telephone	(011) 061 5000
Fax	086 679 4500
E-mail	Paul.meanwell@mining.komatsu
Date Recognised	1 April, 2019
Association	South African Institute of Electrical Engineers (SAIEE)
Telephone	(011) 487 3003
Fax	(086) 645 1586
E-mail	sicelo@saiee.org.za
Date Recognised	15 February, 2019
Association	South African Institution of Civil Engineers (SAICE)
Telephone	(011) 805 5947
Fax	(086) 560 6250
E-Mail	steven@saice.org.za
Date Recognised	1 April, 2019
Association	South African Institution of Chemical Engineers (SAIChe)
Telephone	011 704 5915
Fax	086 672 9430
E-mail	saiche@mweb.co.za
Date Recognised	30 August, 2018
Association	Southern African Institute for Industrial Engineers (SAIIE)
Telephone	(021) 420 6478
Fax	(011) 899 3277
E-mail	admin@saiie.co.za
Date Recognised	30 August, 2018
Association	Institution of Mechanical Engineering (SAIMEchE)
Telephone	(011) 615 5660
Fax	N/a
E-Mail	info@saimeche.org.za
Date Recognised	14 April, 2011
Association	South African Institute of Marine Engineers and Naval Architects (SAIMENA)
Telephone	(021) 787 3994
Fax	(021) 787 4031
E-Mail	saimena@saimena.co.za
Date Recognised	15 December, 2018

Association	South African Institute of Mining and Metallurgy (SAIMM)
Telephone	(011) 834 1273
Fax	(086) 585 2901
E-mail	sam@saimm.co.za
Date Recognised	30 August, 2018
Association	South African Institute of Refrigeration and Airconditioning (SAIRAC)
Telephone	(011) 373 8080
Fax	(041) 531 3340
E-mail	nationalsecretary@sairac.co.za
Date Recognised	15 December, 2018
Association	South African Institute of Welding (SAIW)
Telephone	(011) 298 2100
Fax	(011) 836 4132
E-mail	dimitra.kreouzi@saiw.co.za
Date Recognised	15 February, 2019
Association	South African National Committee on Large Dams (SANCOLD)
Telephone	(012) 460 9100
Fax	N/a
E-mail	secretary@sancold.org.za
Date Recognised	15 February, 2019
Association	Society for Asphalt Technology (SAT)
Telephone	(011) 709 8420
Fax	N/A
E-mail	herman.marias@muchasphalt.com
Date Recognised	30 August, 2018
Association	Society of Telkom Engineers (STE)
Telephone	012 311 5685/ 081 347 4056
Fax	086 479 1754
E-mail	ste@telkom.co.za; moroen1@telkom.co.za
Date Recognised	28 February, 2019

CATEGORY B

Association	Built Environment Professions Export Council (BEPEC)
Telephone	(012) 362 0522
Fax	(086) 668 7880
E-mail	con@bepec.co.za ; ria@bepec.co.za
Date Recognised	30 January, 2019
Association	Clinical Engineering Association of South Africa (CEASA)
Telephone	(082) 491 2804
Fax	(086) 681 1845
E-mail	admin@ceasa.org.za ; Mohamed.bera@lenmed.co.za
Date Recognised	10 May, 2019

Association	Consulting Engineers South Africa (CESA)
Telephone	(011) 463 2022
Fax	(011) 463 7383
E-mail	general@cesa.co.za
Date Recognised	30 August, 2018
Association	Corrosion Institute of Southern Africa (CorrISA)
Telephone	(010) 224 0761
Fax	N/a
E-mail	director@corrisa.org.za
Date Recognised	1 April, 2019
Association	Contractors Plant Hire Association (CPHA)
Telephone	(011) 420 1955
Fax	(011) 420 1940
E-mail	ceo@cpha.co.za
Date Recognised	15 December, 2018
Association	Finance and Asset Management Consultants (FAMC)
Telephone	(011) 025 9029
Fax	(086) 687 4775
E-mail	glad@famc.co.za
Date Recognised	30 August, 2018
Association	Institute of Timber Construction (ITC-SA)
Telephone	(011) 974 1061
Fax	(011) 392 6155
E-mail	enquiries@itc-sa.org ; amanda@itc-sa.org
Date Recognised	15 December, 2018
Association	Institute of Electrical and Electronic Engineers South Africa Section (IEEE)
Telephone	(082) 497 4319
Fax	N/a
E-mail	lysko@ieee.org ; Darryn.cornish@ieee.org
Date Recognised	30 April, 2019
Association	Illumination Engineering Society of South Africa (IESSA)
Telephone	(082) 994 0674
Fax	N/a
E-mail	president@iessa.org.za
Date Recognised	10 May, 2019
Association	Institute of Quarrying Southern Africa (IQSA)
Telephone	(011) 704 5037
Fax	N/a
E-mail	iqsa@global.co.za
Date Recognised	15 December, 2018

Association	Lift Professionals Development Association (LPDA)
Telephone	(082) 495 2076
Fax	N/a
E-mail	mpaiprojects@gmail.com ; infor@nqoba.co.za
Date Recognised	30 August, 2018
Association	South African Federation of Hospital Engineers (SAFHE)
Telephone	(021) 861 1073
Fax	(012) 841 3539
E-mail	Francious.Bester@Mediclinic.co.za
Date Recognised	10 May, 2019
Association	South African Fluid Power Association (SAFPA)
Telephone	(011) 465 1126
Fax	(086) 503 4524
E-mail	brt@mweb.co.za
Date Recognised	30 August, 2018
Association	South African Institute of Draughting (SAID)
Telephone	(021) 975 8191
Fax	(021) 532 0261
E-mail	SAIDraughting@global.co.za
Date Recognised	15 December, 2018
Association	Southern African Asset Management Association (SAAMA)
Telephone	(011) 061 5000
Fax	(086) 679 4500
E-mail	adrie@vdw.co.za
Date Recognised	1 April, 2019
Association	South African Road Federation (SARF)
Telephone	(011) 394 5634
Fax	(011) 394 7934
E-mail	operations@sarf.org.za
Date Recognised	15 December, 2018
Association	South African Society for Railway Engineering (SASRE)
Telephone	(011) 805 3537
Fax	(011) 315 1258
E-mail	sizwe.nkosi@transnet.net ;security@sasre.org
Date Recognised	10 May, 2019
Association	Southern African Society for Trenchless Technology (SASTT)
Telephone	(021) 552 4420
Fax	(011) 642 4997
E-mail	director@sastt.org.za ; sam@trenchless.co.za
Date Recognised	30 January, 2019

Association	Institute of Waste Management of South Africa (IWMSA)
Telephone	(011) 675 3462
Fax	N/a
E-mail	gail@iwmsa.co.za
Date Recognised	19 July, 2019
Association	South African Forum of Civil Engineering Contractors (SAFCEC)
Telephone	(011) 409 0900
Fax	N/a
E-mail	webster@safcec.org.za
Date Recognised	7 June, 2019
Association	South African Black Technical and Allied Careers Organisation (SABTACO)
Telephone	(011) 403 2165
Fax	N/a
E-mail	sabtaco1@iafrica.com
Date Recognised	19 June, 2019
Association	Society for Automation, Instrumentation, Measurement and Control (SAIMC)
Telephone	(084) 744 2173
Fax	N/a
E-mail	johan.maartens@saimc.co.za
Date Recognised	20 August, 2018
Association	The South African Institute of Agricultural Engineers (SAIAE)
Telephone	(072) 928 3628
Fax	N/a
E-mail	boeboe@saili.co.za
Date Recognised	7 June, 2019





PART

C

GOVERNANCE

ENGINEERING COUNCIL OF SOUTH AFRICA'S COUNCIL MEMBERS



From left: Back Row(standing): Mr Richard Jennings; Mr Duncan Daries ; Mr Simphiwe Zimu ; Mr Kesevan Chetty ; Mr Mpho Tlala; Mr Sifiso Keswa; Mr Arnold Sommer; Mr Kemraj Ojageer; Mr Mongezi Gxamza; Mr Mpho Ramuhulu; Mr Christian Stuurman; Mr John Daniels; Dr Carlo van Zyl; Mr Mphikeleli Jele

From left: Second Row (sitting): Ms Linda Njomane; Ms Thandiwe Nkambule; Ms Refilwe Buthelezi; Ms Prudence Madiba; Mr Lindokuhle Mahlangu; Mr Abner Sentsho; Ms Nirasha Sampson; Ms Tshwaraganang Ramagofu; Mr Thulebona Memela; Dr Kasongo Nyembwe; Mr Modupi Maisela Ka Mdluli; Mr Mthethunzima Thunzi



From left: Front Row (Sitting): Dr Nomzamo Tutu; Ms Tumisang Maphumulo; Mr Cyril Gamede; Mr Sipho Madonsela; Mr Mashao Lebea; Ms Otilia Mthethwa; Ms Sejako Morejwane; Ms Humbulani Motsotsoana

Absent from the photo: Dr Keith Jacobs; Ms Amelia Mtshali; Mr Nkosinathi Myataza; Mr Nqaba Nqandela; Ms Thandeka Chili; Ms Segomotso Tire

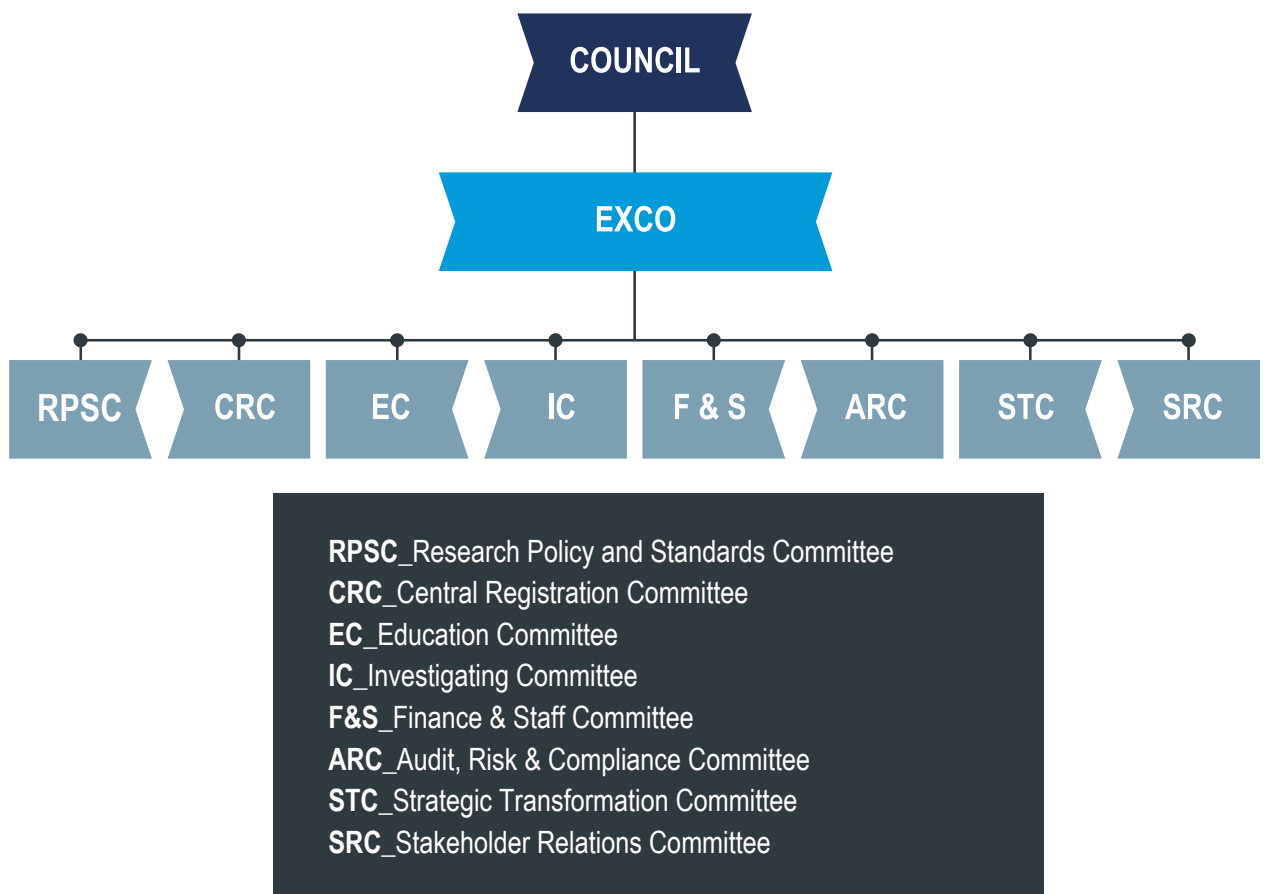
14. COMPOSITION OF THE COUNCIL

The Engineering Profession Act, 46 of 2000, established the Council as the governing body of ECSA. Section 3 of the Engineering Profession Act provides for the composition of the Council. It consists of 50 members appointed by the Minister of Public Works and Infrastructure as the executive authority of the Council.

15. COMMITTEE STRUCTURE

To enable the discharge of the Council's mandate to enhance organisational efficiency and effectiveness, and in line with the Council's strategy, the Council has appointed eight (8) High-Impact Committees.

The Council's committee structure is depicted below:



16. EXECUTIVE AUTHORITY

- 16.1 Section 3(1)(a) - Thirty (30) Registered Persons, excluding candidates, of whom at least twenty (20) are actively practicing in the engineering profession.
- 16.2 Section 3(1)(b) - Ten (10) persons, of whom at least six (6) must be professionals in the service of the State and actively be practising in the engineering profession.
- 16.3 Section 3(1)(c) - Ten (10) members of the public, nominated through an open process of public participation.

17. ACCOUNTING AUTHORITY

- 17.1 The term of office for the Council is four (4) years. The fifth term of the Council started in September, 2016, and the term ends in July, 2020.

In line with governance best practice:

- 17.1.1 All members of the Council are non-executive and independent;
- 17.1.2 The Council actively plays its role of oversight and giving strategic direction; and
- 17.1.3 The Council and Council Committees' standing orders and terms of reference have been approved by the Council.



ECSA delegation at the 2019 IEA Meeting in Hong Kong

17.2 MEMBERS OF COUNCIL FOR THE YEAR UNDER REVIEW

No.	Name	Designation (in terms of the public entity board structure)	Appointment date	Qualifications	Other committees served	Number of Council meetings attended
1.	Ms R H Motsotsoana	Profession	29 July, 2016	DIPLOMA IN MINING ENGINEERING (2006) BTECH IN MINING ENGINEERING (2008) HONOURS IN MINING ENGINEERING (2014)	CRC RPSC	4/4
2.	Prof C A A Van Zyl	Profession	29 July, 2016	NHD MECHANICAL ENGINEERING (1989) PhD IN MECHANICAL ENGINEERING (2012) MTECH IN MECHANICAL ENGINEERING (2008)	EC	2/4
3.	Mr C P Stuurman	Profession	29 July, 2016	MTECH IN ELECTRICAL ENGINEERING (1995) NATIONAL HIGHER DIPLOMA IN TELECOMMUNICATIONS (1989) NATIONAL DIPLOMA IN TELECOMMUNICATIONS (1985)	CRC EXCO	4/4
4.	Mr C V Gamede	Profession	29 July, 2016	BSC IN ENGINEERING (1986) MSC IN ENGINEERING (1989)	EXCO	4/4
5.	Dr K I Jacobs	Profession	29 July, 2016	MASTER OF BUSINESS ADMINISTRATION (MBA) (1997) PhD IN ENGINEERING MANAGEMENT (2010) NATIONAL DIPLOMA TECHNICIANS T4 (1982) NATIONAL DIPLOMA IN POST SCHOOL EDUCATION (1987) BACHELOR OF EDUCATION (1989)	EXCO EC	2/4

No.	Name	Designation (in terms of the public entity board structure)	Appointment date	Qualifications	Other committees served	Number of Council meetings attended
6.	Mr T D Memela	Profession	29 July, 2016	DIPLOMA IN ELECTRICAL ENGINEERING (2007) BTECH ELECTRICAL ENGINEERING (2013) MASTER OF BUSINESS ADMINISTRATION (MBA) (2019)	CRC IC	3/4
7.	Ms T Nkambule	Profession	29 July, 2016	MASTER OF BUSINESS ADMINISTRATION (MBA) (2012) MENG (ELECTRICAL) (2008) BSC ENG (ELECTRICAL) (2002)	STC	4/4
8.	Ms T P Maphumulo	Profession	29 July, 2016	BSC IN ELECTRICAL ENGINEERING (2004) HITACHI ON-THE-JOB TRAINING (UTILITY) (2012) EPPEI (2015) MASTER'S IN ENGINEERING (ELECTRICAL) (2018)	EXCO CRC SRC	4/4
9.	Vacant					
10.	Vacant					
11.	Vacant					
12.	Mr A H Sommer	Profession	29 July, 2016	RIGGER (2013)	EC IC CRC	3/4
13.	Ms T Ramagofu	Profession	29 July, 2016	BSC IN ENGINEERING (2006)	EXCO IC	4/4
14.	Ms R P Madiba	Profession	29 July, 2016	PGD IN BUSINESS MANAGEMENT GDE IN INDUSTRIAL ENGINEERING MASTER'S IN ENGINEERING MANAGEMENT	ARC CRC	3/4

No.	Name	Designation (in terms of the public entity board structure)	Appointment date	Qualifications	Other committees served	Number of Council meetings attended
15.	Ms S R M Buthelezi	Profession	29 July, 2016	BENG IN ELECTRICAL AND ELECTRONIC ENGINEERING (2006) MASTER OF ENGINEERING MANAGEMENT (2011) MASTER'S IN BUSINESS LEADERSHIP (2015)	ARC CRC	3/4
16.	Ms S A Tire	Profession	29 July, 2016	BENG IN ELECTRONIC ENGINEERING (2008) MENG IN ENGINEERING MANAGEMENT (2015)	STC CRC	1/4
17.	Ms L Njomane	Profession	29 July, 2016	NATIONAL DIPLOMA IN MECHANICAL ENGINEERING (2003) BTECH IN QUALITY (2009) BTECH IN MECHANICAL ENGINEERING (2014) MPHIL IN ENGINEERING MANAGEMENT (2018)	EC RPSC CRC	4/4
18.	Prof K Nyembwe	Profession	29 July, 2016	DTECH IN MECHANICAL ENGINEERING (2012) MCOM IN BUSINESS MANAGEMENT (2014) MTECH IN METALLURGY ENGINEERING (1999) BSC (HONS) IN METALLURGY ENGINEERING (1994)	EXCO EC RPSC	2/4
19.	Mr M R Tlala	Profession	29 July, 2016	MPHIL IN ETHICS (2011) MASTER OF BUSINESS LEADERSHIP (MBL) (2009) MASTER OF ENGINEERING (2006) MINE MANAGERS CERTIFICATE COAL (2005) GDE IN MINING ENGINEERING (2005) BSC IN MINING ENGINEERING (1998)	ARC	2/4

No.	Name	Designation (in terms of the public entity board structure)	Appointment date	Qualifications	Other committees served	Number of Council meetings attended
20.	Mr N M Myataza	Profession	29 July, 2016	ND IN MECHANICAL ENGINEERING (1992) NHD IN MECHANICAL ENGINEERING (1994) GCC FACTORIES (1996) PROJECT MANAGEMENT (1997) BSC IN OPERATIONAL RESEARCH (2001) ADVANCED PROGRAMME IN RISK MANAGEMENT (2005) MSC IN OPERATIONAL RESEARCH (2009) HENLEY EXECUTIVE DEVELOPMENT PROGRAMME (2012) PGC IN BUSINESS RESEARCH METHODS (2014) USB ED AFRICA DIRECTORS PROGRAMME (2019)	ARC STC	2/4
21.	Ms H A Mtshali	Profession	29 July, 2016	SENIOR MANAGEMENT TRANSITION PROGRAMME (2018) MIDDLE MANAGEMENT PROGRAMME (2016) BTECH IN ELECTRICAL ENGINEERING (2003) ND IN ELECTRICAL ENGINEERING (2000)	CRC RPSC	2/4
22.	Mr M Ramuhulu	Profession	29 July, 2016	MASTER OF BUSINESS ADMINISTRATION (MBA) (GENERAL) (2017) BTECH IN ELECTRICAL ENGINEERING (2013) NATIONAL DIPLOMA IN ELECTRICAL ENGINEERING (2006)	CRC	4/4

No.	Name	Designation (in terms of the public entity board structure)	Appointment date	Qualifications	Other committees served	Number of Council meetings attended
23.	Mr M L Lebea	Profession	29 July, 2016	MASTER'S IN ENGINEERING MANAGEMENT (1997) BSC IN CIVIL ENGINEERING (1990) NATIONAL DIPLOMA IN CIVIL ENGINEERING 1983	EXCO RPSC	4/4
24.	Vacant					
25.	Mr M Thunzi	Profession	29 July, 2016	NATIONAL DIPLOMA IN MECHANICAL ENGINEERING (1997)	SRC	4/4
26.	Mr J H E Daniels	Profession	29 July, 2016	BSC IN MECHANICAL ENGINEERING (UNIV OF MIAMI, FL, USA) (1992) SENIOR MANAGERS PROGRAMME (UNIVERSITY OF STELLENBOSCH) (2000) QUALITY MANAGEMENT SYSTEMS AUDITOR (SAATCA) (2005)	IC	4/4
27.	Mr D R Daries	Profession	29 July, 2016	BSC IN CIVIL ENGINEERING (1980)	F&S SRC	4/4
28.	Mr N S Zimu	Profession	29 July, 2016	NATIONAL DIPLOMA IN CIVIL ENGINEERING (1989) NATIONAL HIGHER DIPLOMA IN CIVIL ENGINEERING (1990) BSC IN CIVIL ENGINEERING (1995)	IC	3/4
29.	Mr R E Jennings	Profession	29 July, 2016	NATIONAL HIGHER TECHNICAL DIPLOMA (COAL MINING) MINE MANAGERS CERTIFICATE (COAL MINING) MANAGEMENT DEVELOPMENT PROGRAMME (MDP) ADVANCED EXECUTIVE PROGRAMME (AEP)	EC	4/4
30.	Mr K Chetty	Profession	29 July, 2016	N5 (CERTIFICATE) (2003) NATIONAL N DIPLOMA IN ENGINEERING (2010)	RPSC	2/4
31.	Vacant					

No.	Name	Designation (in terms of the public entity board structure)	Appointment date	Qualifications	Other committees served	Number of Council meetings attended
32.	Mr K R Ojageer	State	29 July, 2016	POSTGRADUATE DIPLOMA IN PROJECT MANAGEMENT (2017) MASTER'S IN CIVIL ENGINEERING (2007) POSTGRADUATE DIPLOMA IN CIVIL ENGINEERING (2005) BTECH IN URBAN ENGINEERING (1997) NATIONAL HIGHER DIPLOMA IN CIVIL ENGINEERING (1985) NATIONAL DIPLOMA IN CIVIL ENGINEERING (1984)	SRC	3/4
33.	Vacant					
34.	Vacant					
35.	Vacant					
36.	Vacant					
37.	Mr M Gxamza	State	29 July, 2016	MENG IN CIVIL ENGINEERING (2017) BENG IN CIVIL ENGINEERING (2003)	None	4/4
38.	Vacant					
39.	Ms O Mthethwa	State	29 July, 2016	POSTGRADUATE DIPLOMA IN WATER ENGINEERING (2015) BSC IN CIVIL ENGINEERING (2008)	F&S STC RPSC	3/4
40.	Vacant					
41.	Mr A M Sentsho	Public	29 July, 2016	NDIP IN ELECTRICAL ENGINEERING (2000) BTECH IN ELECTRICAL ENGINEERING (2008) PG DIPLOMA IN BUSINESS ADMINISTRATION (2015)	F&S SRC	4/4
42.	Mr L Mahlangeni	Public	29 July, 2016	NDIP IN CIVIL ENGINEERING (2006) BSC IN CIVIL ENGINEERING (2014)	SRC	4/4

No.	Name	Designation (in terms of the public entity board structure)	Appointment date	Qualifications	Other committees served	Number of Council meetings attended
43.	Vacant					
44.	Ms N Sampson	Public	29 July, 2016	MASTER OF PUBLIC (ADMINISTRATION (MPA) (2014 CERTIFIED ETHICS OFFICER ((INST. OF ETHICS SA) (2014 BACHELOR OF SOCIAL SCIENCE ((BSOCSC) (1995 POSTGRADUATE DIPLOMA IN COMPLIANCE MANAGEMENT ((2019 CERTIFICATE IN BOARD (GOVERNANCE (2017 CERTIFICATE PROGRAMME IN LEADERSHIP DEVELOPMENT ((2006 PROGRAMME IN HUMAN RESOURCE MANAGEMENT ((2002	ARC	3/4
45.	Ms S P Morejwane	Public	29 July, 2016	BSC IN MECHANICAL ENGINEERING (2006) MENG NUCLEAR ENGINEERING (2019)	EC STC	4/4
46.	Mr S Keswa	Public	29 July, 2016	MASTER OF BUSINESS ADMINISTRATION (2017) MASTER'S IN ENVIRONMENTAL MANAGEMENT (2013) BTECH IN MANAGEMENT (2011) BTECH IN NATURE CONSERVATION (2010)	EXCO ARC F&S	4/4
47.	Ms T L Chili	Public	29 July, 2016	MASTER OF BUSINESS ADMINISTRATION (MBA) (2013) BPHARM (2003)	EC SRC	3/4
48.	Vacant					

No.	Name	Designation (in terms of the public entity board structure)	Appointment date	Qualifications	Other committees served	Number of Council meetings attended
49.	Mr M E Jele	Public	29 July, 2016	NDIP IN CIVIL ENGINEERING (CUM LAUDE) (2009) BTECH IN CIVIL ENGINEERING (CUM LAUDE) (2011) BSC (HONS) IN APPLIED SCIENCE TRANSPORTATION PLANNING (CUM LAUDE) (2013) MENG CIVIL ENGINEERING (2019)	EXCO F&S STC	3/4
50.	Dr N Tutu	Public	29 July, 2016	BSC (1989) MBCHB (1994) DOH (1999) PDM (HIV/AIDS MANAGEMENT) (2003)	EXCO F&S	3/4

17.3 COUNCIL MEMBER MEETING ATTENDANCE FOR THE YEAR UNDER REVIEW

Fifth term Council member meeting attendance	April 2019 - March 2020									
	COUNCIL	EXCO	ARC	CRC	EC	F&S	IC	RPSC	SRC	STC
1. Ms R H Motsotsoana	4/4			0/4				1/5		
2. Prof C A A van Zyl	2/4				3/4					
3. Mr C P Stuurman	4/4	4/5		4/4						
4. Mr C V Gamede	4/4	3/5								
5. Dr K I Jacobs	2/4	3/5			2/4					
6. Mr T D Memela	3/4			4/4			4/5			
7. Ms T Nkambule	4/4									1/4
8. Ms T P Maphumulo	4/4	5/5		3/4					4/4	
9. Mr A H Sommer	3/4			3/4	4/4		4/5			
10. Ms T Ramagofu	4/4	3/5					5/5			
11. Ms R P Madiba	3/4		4/6	4/4						
12. Ms S R M Buthelezi	3/4		4/6	2/4						
13. Ms S A Tire	1/4			2/4						3/4
14. Ms L Njomane	4/4			4/4	4/4			4/5		
15. Prof K Nyembwe	2/4	4/5			4/4			3/5		
16. Mr M R Tlala	2/4		2/6							

Fifth term Council member meeting attendance	April 2019 - March 2020										
	NAME	COUNCIL	EXCO	ARC	CRC	EC	F&S	IC	RPSC	SRC	STC
17. Mr N M Myataza	2/4		2/6								2/4
18. Ms H A Mtshali	2/4			2/4					4/5		
19. Mr M Ramuhulu	4/4										
20. Mr M L Lebea	4/4	5/5							4/5		
21. Mr M Thunzi	4/4									4/4	
22. Mr J H E Daniels	4/4							5/5			
23. Mr D R Daries	4/4						5/6			4/4	
24. Mr N S Zimu	3/4							4/5			
25. Mr R E Jennings	4/4				4/4						
26. Mr K Chetty	2/4								2/5		
27. Mr K R Ojageer	3/4									1/4	
28. Mr M Gxamza	4/4										
29. Ms O Mthethwa	3/4						6/6		5/5		3/4
30. Mr A M Sentsho	4/4						6/6			3/4	
31. Mr L Mahlangeni	4/4									4/4	
32. Ms N Sampson	3/4		6/6								
33. Ms S P Morejwane	4/4				4/4						3/4
34. Mr S Keswa	4/4	5/5	6/6			6/6					
35. Ms T L Chili	3/4				4/4					3/4	
36. Mr M E Jele	3/4	4/5				4/6					4/4
37. Dr N Tutu	3/4	4/5				5/6					

17.3.1 High-Impact Committee Members

Name of committee: EXCO
Number of committee members: 10

No.	Name of committee member	No. of meetings held	No. of meetings attended
1.	Mr CV Gamede	5	3
2.	Dr K I Jacobs	5	3
3.	Prof KD Nyembwe	5	4
4.	Mr ME Jele	5	4
5.	Mr S Keswa	5	5
6.	Mr M L Lebea	5	5
7.	Ms T Ramagofu	5	3
8.	Ms T P Maphumulo	5	5
9.	Dr N Tutu	5	4
10.	Mr C Stuurman	5	4

Name of committee: Central Registration Committee (CRC)
Number of committee members: 11

No.	Name of committee member	No. of meetings held	No. of meetings attended
1.	Mr C P Stuurman	4	4
2.	Ms R Buthelezi	4	2
3.	Mr T C Madikane	4	3
4.	Ms R P Madiba	4	4
5.	*Ms H Motsotsoana	4	0
6.	Ms H A Mtshali	4	2
7.	Ms T P Maphumulo	4	3
8.	Mr T D Memela	4	4
9.	Mr A H Sommer	4	3
10.	Ms S Tire	4	2
11.	Ms L Njomane	4	4

*Ms H Motsotsoana vacated office on 20 August, 2019.

Name of committee: Investigating Committee (IC)
Number of committee members: 9

No.	Name of committee member	No. of meetings held	No. of meetings attended
1.	Ms T Ramagofu	5	5
2.	Mr J H E Daniels	5	5
3.	Dr P W Day	5	3
4.	Mr T D Memela	5	4
5.	Mr B P Petlane	5	4
6.	Ms S Skorpen	5	3
7.	Mr A H Sommer	5	4
8.	Mr S N Zimu	5	4
9.	Mr P Zingeni	5	4

Name of committee: Audit, Risk, and Compliance Committee (ARC)
Number of committee members: 7

No.	Name of committee member	No. of meetings held	No. of meetings attended
1.	Mr S Keswa	6	6
2.	Ms N Sampson	6	6
3.	Ms R Buthelezi	6	4
4.	Ms R P Madiba	6	4
5.	Mr N M Myataza	6	2
6.	Mr M Tlala	6	2
7.	Mr S Faku	6	4

(Name of committee: Finance and Staff Committee (F&S)
Number of committee members: 6

No.	Name of committee member	No. of meetings held	No. of meetings attended
1.	Dr N Tutu	6	5
2.	Mr D Daries	6	5
3.	Mr M E Jele	6	4
4.	Mr S Keswa	6	6
5.	Ms O Mthethwa	6	6
6.	Mr A Sentsho	6	6

Name of committee: Education Committee (EC)
Number of committee members: 13

No.	Name of committee member	No. of meetings held	No. of meetings attended
1.	Dr K D Nyembwe	4	4
2.	Dr KI Jacobs	4	2
3.	Mrs T Chili	4	4
4.	Prof B Collier-Reed	4	3
5.	Mr J Gosling	4	2
6.	Mr R Jennings	4	4
7.	Mr R J Moloisane	4	3
8.	Ms S Morejwane	4	4
9.	Ms L Njomane	4	4
10.	Mr A H Sommer	4	4
11.	Prof C A A van Zyl	4	3
12.	Dr A Marnewick	4	2
13.	Dr PT Ayuk	4	4

Name of committee: Stakeholder Relations
Committee (SRC)
Number of committee members: 7

No.	Name of committee member	No. of meetings held	No. of meetings attended
1.	Ms TP Maphumulo	4	4
2.	Mr M Thunzi	4	4
3.	Mrs T Chili	4	3
4.	Mr D Daries	4	4
5.	Mr L Mahlangeni	4	4
6.	Mr K Ojageer	4	1
7.	Mr A Sentsho	4	3

Name of committee: Strategic Transformation
Committee (STC)
Number of committee members: 7

No.	Name of committee member	No. of meetings held	No. of meetings attended
1.	Mr ME Jele	4	4
2.	Ms T Nkambule	4	1
3.	Ms S Tire	4	3
4.	Ms S Morejwane	4	3
5.	Ms O Mthethwa	4	3
6.	Mr N M Myataza	4	2
7.	Mr N P van den Berg	4	2

Name of committee: Research, Policy and Standards Committee (RPSC)

Number of committee members: 12

No.	Name of committee member	No. of meetings held	No. of meetings attended
1.	Mr L Lebea	5	4
2.	Ms O Mthethwa	5	5
3.	Ms H A Mtshali	5	4
4.	Ms H R Motsotsoana	5	1
5.	Prof M Sheldon	5	3
6.	Prof B Collier-Reed	5	4
7.	Mr K Chetty	5	2
8.	Dr K D Nyembwe	5	3
9.	Mr S Singh	5	5
10.	Ms L Njomane	5	4
11.	Prof B van Wyk	5	3
12.	Ms O Mokgatle	5	0

18. REMUNERATION OF COUNCIL MEMBERS

Council Members of the organisation during the year _ 01/03/2019-28/02/2020	Km Travelled	Honorarium	Inter Stipends	Total Claimed
Mr CV Gamede (President)	20 999,25	135 865,00	71 172,53	228 036,78
Dr KI Jacobs (Vice President)	-	52 664,00	83 725,71	136 389,71
Ms SRM Buthelezi	3 873,45	38 502,00	42 134,00	84 509,45
Mr K Chetty	312,00	10 392,00	-	10 704,00
Ms TL Chili	-	42 800,00	15 019,68	57 819,68
Mr JHE Daniels	5 274,00	26 332,00	-	31 606,00
Mr DR Daries	3 022,50	34 566,00	-	37 588,50
Mr M Gxamza	-	-	-	-
Mr ME Jele	53 754,00	48 987,00	30 732,96	133 473,96
Mr RE Jennings	10 981,95	65 807,00	-	76 788,95
Mr S Keswa	3 664,20	50 682,00	-	54 346,20
Mr M Lebea	37 888,20	42 272,00	-	80 160,20
Ms RP Madiba	3 050,40	39 043,00	36 680,50	78 773,90
Mr L Mahlangeni	121 820,70	23 998,00	-	145 818,70
Mr MP Maisela Ka Mdluli (Resigned 16 July 2019)	661,50	2 510,00	-	3 171,50
Ms TP Maphumulo	12 173,70	92 994,00	15 019,68	120 187,38
Mr TD Memela	6 919,20	33 686,00	11 580,50	52 185,70
Ms SP Morejwane	22 366,50	42 800,00	-	65 166,50
Ms RH Motsotsoane	8 035,20	16 116,00	-	24 151,20
Ms O Mthethwa	76 954,15	53 720,00	-	130 674,15
Ms HA Mtshali	1 302,00	18 626,00	-	19 928,00
Mr NM Myataza	-	16 116,00	-	16 116,00
Ms L Njomane	9 951,00	62 540,00	15 019,68	87 510,68
Ms T Nkambule	-	-	-	-
Mr N Nqandela (Resigned 19 November 2019)	325,50	2 686,00	-	3 011,50
Dr K Nyembwe	3 775,80	121 555,00	18 353,48	143 684,28
Mr KR O'Jageer	-	-	-	-
Ms T Ramagofu	20 097,30	64 824,00	-	84 921,30
Mr M Ramahulu	2 538,90	23 998,00	-	26 536,90
Ms N Sampson	1 125,00	18 626,00	-	19 751,00
Mr AM Sentsho	7 421,40	35 909,00	-	43 330,40
Mr AH Sommer	669,60	5 640,00	-	6 309,60
Mr CP Stuurman	15 896,15	75 867,30	18 353,48	110 116,93
Mr M Thunzi	1 071,00	35 318,00	-	36 389,00
Ms SA Tire	2 994,60	8 058,00	-	11 052,60
Mr MR Tlala	8 150,00	10 568,00	-	18 718,00
Dr N Tutu	-	31 176,00	11 580,50	42 756,50
Dr CAA van Zyl	2 543,80	26 953,00	-	29 496,80
Mr NS Zimu	3 808,35	14 509,00	-	18 317,35
	208 780,65	814 795,30	89 907,32	1 113 483,27

19. REGULATION OF THE ENGINEERING PRACTICE

The Engineering Council of South Africa has a legislative imperative in terms of Section 14 (g) of the Engineering Professions Act (the “EPA”), 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 engineering profession.

ECSA protects the interests of the public by regulating the professional conduct of Registered Persons through enforcing the Code of Conduct.

The Investigating Committee (IC) is a High-Impact Committee of the Council established in terms of Section 17 of the EPA.

The IC is mandated in terms of Section 28 of the EPA to investigate allegations of improper conduct against Registered Persons and to obtain evidence to determine whether or not, in its opinion, a Registered Person may be charged for breach of the Code of Conduct and, if so, to prefer charges against that Registered Person.

Ultimately, the investigating of complaints and any subsequent action against Registered Persons is focused on the enhancement of public safety, maintenance of professional standards, and safeguarding the image of the profession.

Furthermore, the IC endeavours to determine trends and initiate preventative steps regarding unprofessional conduct. To this end, it conducts peer-counselling meetings, issues advisory letters, and generates practice notes.

A report on investigations over the past financial year is provided in the table below:

Investigative Matters	2019/2020
Current Cases	49
Cases Carried Forward (2018/2019)	17
New Cases Received	32
Cases Closed	28
Appeals Held	1
Disciplinary Hearings Held	10
Overdue Cases	1



A large jet engine is shown in a hangar, with a teal overlay. The engine is the central focus, with its complex internal components visible. The hangar's structure is visible in the background. The overall image has a teal tint, and there are white lines forming a grid-like pattern.

PART

D

**HUMAN RESOURCE
MANAGEMENT**

4. OVERVIEW OF HUMAN RESOURCES

The Human Resources (HR) priorities for 2019/2020, as underpinned by the Integrated HR Functional Strategy, focused on the development of strategies aimed at improving organisational effectiveness and the development or review of HR policies in line with internal needs and external environmental changes.

ECSA's Organisational Development Strategy was developed in the first two quarters of 2019/2020. Organisational Development is premised on a long-term, participative, system-wide, evolutionary, and incremental approach to change. It ultimately seeks to increase organisational effectiveness through specific and directed changes in organisational culture, processes, systems, and structure.

In order to determine the appropriate organisational development interventions, the present state of the organisation was diagnosed through gathering data from various sources, including leadership observations, focus groups, culture/climate surveys and reports, organisational leadership effectiveness surveys, exit interviews, and customer feedback information. The analysis of the data informed the formulation of the Organisational Development Interventions Plan.

The Workforce Planning Strategy was also developed in the period under review. The strategy will drive a methodical process for short, medium and long-term human resource acquisition and retention decisions driven from the organisation's strategic plan and business strategic plans.

A Work-Study project was commissioned through independent external providers, the aim of which is to conduct in-depth job process analyses and work measurement/time standard to improve organisational efficiency. This process is an important driver of productivity, improvement and organisational performance. It is also an important input into the identified organisational development interventions.

5. TRAINING AND DEVELOPMENT

The training and development of employees is an investment for individual growth and organisational effectiveness. To this end, appropriate resources are allocated to ensure that identified training and development needs of employees are catered for. ECSA's Learning and Development Policy provides for a range of formal and informal learning and development opportunities that are consistent with individual needs, operational requirements, and skill requirements.

Employees whose base qualifications do not meet the identified educational requirements are offered study assistance in the form of study fees, books, and time off. The ETDP SETA has been approached for financial support of identified learning and development opportunities. During the period under review, ECSA received some financial support from the SETA.

6. INTERNSHIP PROGRAMME

One of ECSA's social upliftment focus areas is the employment of young, previously disadvantaged graduates in the ECSA Internship Programme. The programme cuts across all disciplines within the administration function.

The internship programme spans over a 12 to 24-month period which ensures that programme participants receive maximum exposure to the working environment and discipline-specific work experience.

For the period under review, five (5) interns were employed, with one (1) placed in Financial Services, two (2) in Strategic Services, and two (2) in the Executive Office of the CEO.

7. EMPLOYEE WELLNESS

The health and wellness of the employees is crucial in ensuring optimal engagement and productivity. Through the Employee Wellness Programme, ECSA is able to proactively cater to and support a broad spectrum of employee wellness needs.

ECSA's Employee Wellness Programme is coordinated through two (2) main service providers, i.e. ICAS and Discovery Health. The corporate wellness day and 702's Walk the Talk continue to be annual events that are supported.

8. HUMAN RESOURCE OVERSIGHT STATISTICS

Table 1: Personnel Cost by Salary Band

Level	Personnel expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	2 230 055,64	4,88%	1	2 230 055,64
Senior Management	6 487 528,47	14,19%	4	1 621 882,12
Professionally Qualified	9 172 156,84	20,06%	9	1 019 128,54
Skilled	12 408 832,63	27,14%	23	539 514,46
Semi-skilled	14 913 918,15	32,62%	57	261 647,69
Unskilled	512 130,94	1,12%	3	170 710,31
TOTAL	45 724 622,67	100,00%	97	

Table 2: Performance Rewards – Complete Personnel Expenditure in Rand Value

Programme/activity/objective	Performance rewards	Personnel expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	104 208,21	2 230 055,64	4,67%
Senior Management	355 000,57	6 357 193,07	5,58%
Professionally Qualified	388 542,19	9 362 181,12	4,15%
Skilled	210 751,51	7 668 295,65	2,75%
Semi-skilled	302 745,34	10 928 640,38	2,77%
Unskilled	15 032,80	512 130,94	2,94%
TOTAL	1 376 280,62	37 058 496,80	4%

Table 3: Training Costs

Programme/activity/objective	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a % of personnel cost	No. of employees trained	Avg. training cost per employee (R'000)
Legitimate Leadership – In house	R24 709 874,72	R309 000,00	1,25%	78	R3 961,54
First aid training & Fire Fighting	R1 144 374,27	R25 000,00	2,18%	4	R6 250,00
Health & Safety Training	R760 332,39	R2 025,01	0,27%	3	R675,00
Tax seminar	R1 290 359,55	R2 100,00	0,16%	1	R2 100,00
SAGE VIP Seminar	R3 096 397,26	R4 500,00	0,15%	2	R2 250,00

Programme/activity/objective	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a % of personnel cost	No. of employees trained	Avg. training cost per employee (R'000)
SAGE VIP -Payroll training	R575 726,77	R2 850,00	0,50%	1	R2 850,00
Labour Law seminar	R3 684 212,01	R6 450,00	0,18%	3	R2 150,00
Knowres Conference 9-11 April 2019	R1 231 348,51	R7 125,00	0,58%	1	R7 125,00
Risk Management Training	R33 280 445,69	R52 600,00	0,16%	72	R730,56
Staff Training Eiffel Corp (Pty) LTD	R1 018 252,31	R94 653,00	9,30%	2	R47 326,50
Training for Quality Management	R587 987,80	R15 700,00	2,67%	1	R15 700,00
Employment equity training	R6 101 230,86	R8 695,65	0,14%	8	R1 086,96

Table 4: Employment and Vacancies

Salary Band	Appointed	Vacant	In process of Appointing	Vacancies Not to Be Appointed
Top Management	0	0	0	0
Senior Management	1	1	1	0
Professionally Qualified	1	1	0	0
Skilled	3	0	0	0
Semi-skilled	7	0	0	0
Unskilled	0	0	0	0
TOTAL	12	2	1	0

Table 5: Employment Changes

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Employment at End of the Period
Top Management	1	0	0	1
Senior Management	6	2	4	4
Professionally Qualified	9	2	2	9
Skilled	20	11	8	23
Semi-skilled	56	18	17	57
Unskilled	3	0	0	3
TOTAL	95	33	31	97

Table 6: Reasons for Staff Leaving

Reason	Total Number of Staff Leaving
Death	0
Resignation	17
Dismissal	3
Retirement	1
Ill health	0

Reason	Total Number of Staff Leaving
Expiry of contract	8
Retrenchment	2
Other	0
TOTAL	31

Table 7: Misconduct and Disciplinary Actions

Nature of Disciplinary Action	Number
Counselling	0
Verbal Warning	3
Written Warning	3
Final Written Warning	2
Dismissal	3

Table 8: Employment Equity (Male)

Level	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1		0		0		0	
Senior Management	3		0		0		0	
Professionally Qualified	1		0		0		0	
Skilled	8		0		1		0	
Semi-skilled	17		0		0		0	
Unskilled	0		0		0		0	
TOTAL	30		0		1		0	

Table 9: Employment Equity (Female)

Level	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0		0		0		0	
Senior Management	1		0		0		0	
Professionally Qualified	7		1		0		0	
Skilled	10		0		3		1	
Semi-skilled	34		3		1		2	
Unskilled	3		0		0		0	
TOTAL	55		4		4		3	

Table 10: Employment Equity (Disabled)

Level	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professionally Qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	0	0	0







PART

E

REGULATORY FUNCTIONS

20. REGULATORY FUNCTIONS

1. REGISTRATION OVERVIEW

The Engineering Professions Act (EPA), 46 of 2000, is ECSA's current founding legislation that empowers ECSA to register persons applying for registration across all professional and candidate categories of registration stipulated in section 18(1) (a) (b) (c) of the EPA; the requirements to be met by applicants are listed in section 19 of the Act.

At the end of the previous financial year (2018/19), ECSA embarked on an initiative called On-Site-Registration, which was geared towards continuous improvements of ECSA's proactive approach to enhance the quality of applications for professional registration and assist candidates in checking their readiness to apply for professional endorsement.

ECSA engaged with various stakeholders, which yielded an overwhelming response and support for the initiative. Stakeholders that were engaged during the period under review include the Council for Scientific and Industrial Research (CSIR), the Department of Transport: KwaZulu-Natal, eThekweni Municipality, Raubex Pr Eng Civil: KZN & Centurion, the Municipal Infrastructure Support Agent (MISA), and the South African National Defence Force (SANDF) to name just a few. The engineering sector is still showing a growing appetite to participate, which inevitably bears testimony to the criticality of such an initiative.

The second intervention that ECSA initiated is to vigorously respond to the industry's requests during this financial year to have mentorship training. Due to the change in the assessment process from the legacy system of categories and disciplines of registration having different requirements on the application process for registration, to the competency outcome-based system of assessing applications towards registration, which has been made uniform across all categories of registration, there was a gap identified in the mentorship process, whereby most mentors who went through the registration process via the legacy system could not adequately assist candidates who are going

through the process via the competency outcome-based system. Requests for ECSA increased towards closing that gap between mentors and candidates, which ECSA responded to immediately by offering mentorship training workshops to a number of stakeholders nationwide using the pools of registered peers, who are also experts in the mentorship space. More initiatives to ease the registration process and provide further support in the candidacy stage of an engineering practitioner development pipeline will be implemented in the coming financial year in a piloting phase.

Towards the end of the 2019/2020 financial year, ECSA also embarked in a data cleansing project in an effort to update personal details of Registered Persons across all categories of registration. This was geared towards increasing contact-ability with all Registered Persons, effective organisational information sharing, and accurate statistics reporting.

During the period under review, ECSA has concluded a Mutual Recognition Agreement with international jurisdictions, like Engineers Ireland and the model agreement; the latter covers all disciplines across all professional categories of registration.

2. REGISTRATION TRENDS

In the 2018/19 financial year, the number of Registered Persons reported was standing at 57 869. During the 2019/2020 financial year, a total of 4 273 new registrations were added on the register due to the data cleansing initiative (exclusion of duplicate records) and some Registered Persons whose registrations were cancelled due to defaulting on annual fees, migration and Registered Persons who are deceased. The total number on the register is standing at 55 733, which, if compared to the previous total reported, shows a drop of 3.7% instead of an increase from the last financial year. This is a positive gesture in terms of the ECSA reporting accurate data going forward.

The main purpose for this registration trend analysis and overview is to project the registration statistics per race and gender during the current reporting period, and also to show the existing trend of registration per race, gender, and category of registration within a period of 5 years.

These statistics are below in the following tables.

3. REGISTRATION STATISTICS

Table 1: Professional Category Registration Statistics

Professional Engineer		Total Registrations	New Registrations	Candidate Transfers	Cancellations	De-registrations
TOTALS		19 523	507	0	0	0
Gender	Male	18 385	408			
	Female	1 138	99			
Race	African	2 176	156			
	White	15 966	263			
	Indian	1 149	75			
	Coloured	232	13			
Professional Engineering Technologist		Total Registrations	New Registrations	Candidate Transfers	Cancellations	De-registrations
TOTALS		6 412	320	0	0	0
Gender	Male	5 923	273			
	Female	489	47			
Race	African	2 011	193			
	White	3 660	74			
	Indian	493	40			
	Coloured	248	13			
Professional Certificated Engineer		Total Registrations	New Registrations	Candidate Transfers	Cancellations	De-registrations
TOTALS		1063	17	0	0	0
Gender	Male	1 057	17			
	Female	6	0			
Race	African	76	11			
	White	940	6			
	Indian	35	0			
	Coloured	12	0			

Professional Engineering Technician						
		Total Registrations	New Registrations	Candidate Transfers	Cancellations	De-registrations
TOTALS		3 848	205	0	0	0
Gender	Male	3 081	166			
	Female	767	39			
Race	African	2 521	168			
	White	950	22			
	Indian	189	7			
	Coloured	188	8			

Figure 1: Professional Category Registration Statistics by Category

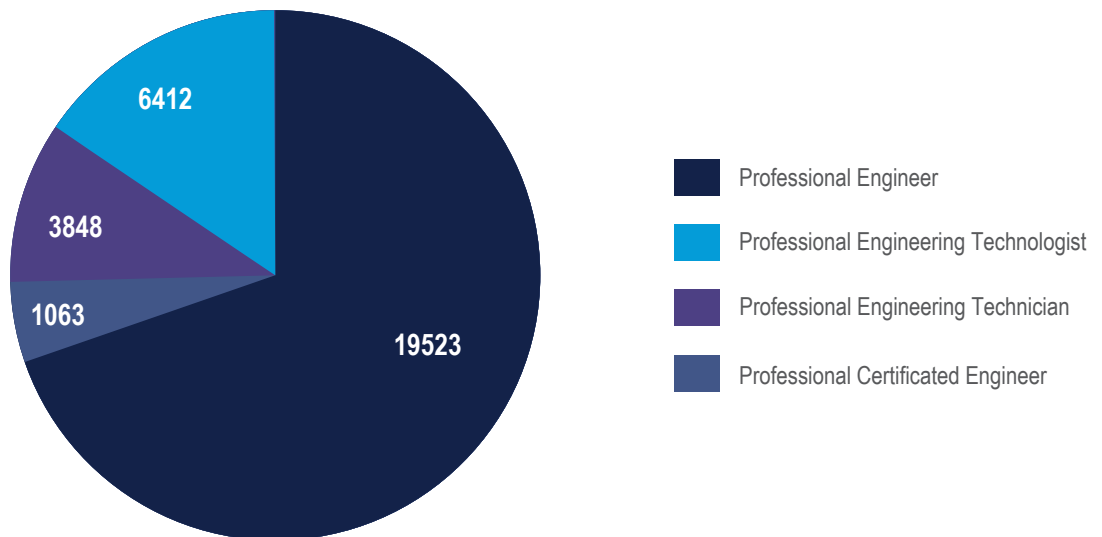


Table 2: Professional Category Registration Statistics by Gender and Category

Category	Male	Female	Total
Professional Engineer	18 385	1 138	19 523
Professional Engineering Technologist	5 923	489	6 412
Professional Certificated Engineer	1 057	6	1 063
Professional Engineering Technician	3 081	767	3 848

Figure 2: Professional Category Registration Statistics by Gender and Category

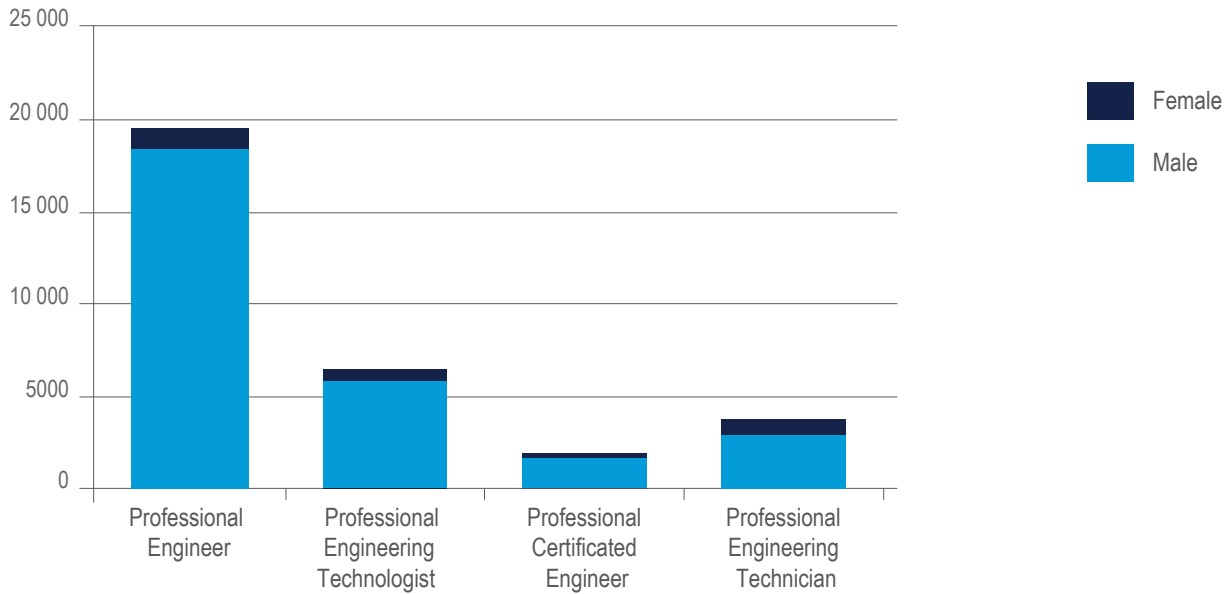


Table 3: Professional Category Registration Statistics by Race and Category

Category	African	White	Indian	Coloured
Professional Engineer	2 176	15 966	1 149	232
Professional Engineering Technologist	2 011	3 660	493	248
Professional Certificated Engineer	76	940	35	12
Professional Engineering Technician	2 521	950	189	188

Figure 3: Professional Category Registration Statistics by Race and Category

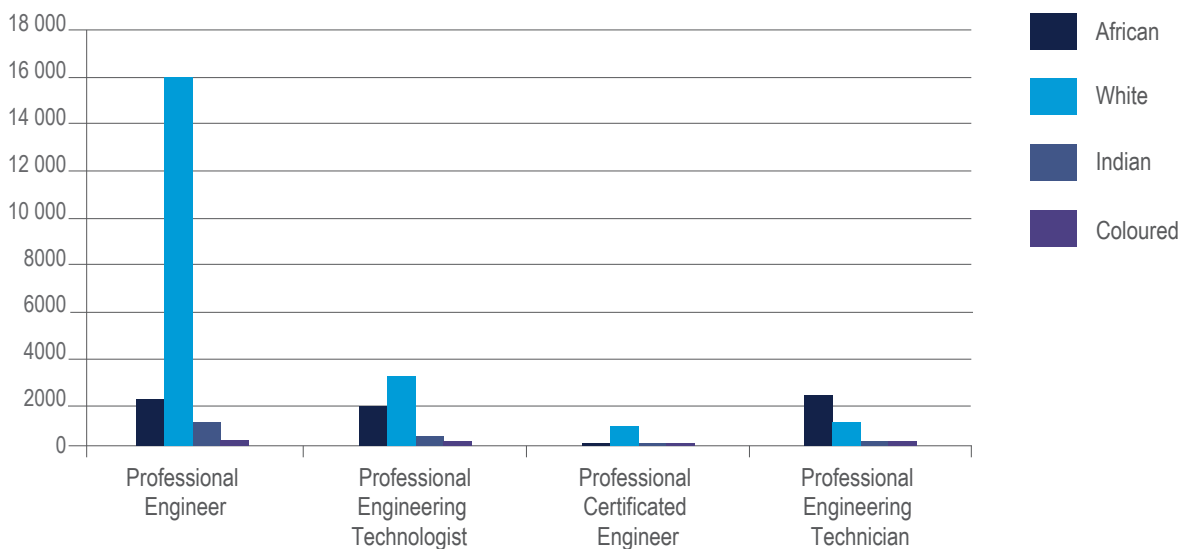


Table 4: Candidate Category Registration Statistics

Candidate Engineer					
		Total Registrations	3 Years and Less	4 - 5 Years	Over 6 Years
TOTALS		10 249	3 999	2 077	3 751
Gender	Male	7 925	3 042	1 584	2 891
	Female	2 324	957	230	860
Race	African	4 282	2 077	893	1 307
	White	4 263	1 239	828	1 788
	Indian	1 388	530	303	422
	Coloured	316	153	53	89
Candidate Engineering Technologist					
		Total Registrations	3 Years and Less	4 - 5 Years	Over 6 Years
TOTALS		5 849	2 853	1 138	1 848
Gender	Male	4 463	2 143	874	1 437
	Female	1 386	711	264	411
Race	African	4 248	2 230	800	1 218
	White	843	280	190	363
	Indian	516	228	106	182
	Coloured	242	115	42	85
Candidate Certificated Engineer					
		Total Registrations	3 Years and Less	4 - 5 Years	Over 6 Years
TOTALS		312	117	52	143
Gender	Male	297	106	50	141
	Female	15	11	2	2
Race	African	178	84	35	59
	White	97	23	12	62
	Indian	24	5	5	14
	Coloured	13	5	0	8
Candidate Engineering Technician					
		Total Registrations	3 Years and Less	4 - 5 Years	Over 6 Years
TOTALS		7 372	3 277	1 370	2 711
Gender	Male	5 192	2 296	940	1 943
	Female	2 180	981	430	769
Race	African	6 026	2 875	760	2 002
	White	681	154	109	392
	Indian	424	144	46	218
	Coloured	241	104	25	99

Figure 4: Candidate Category Registration Statistics by Category

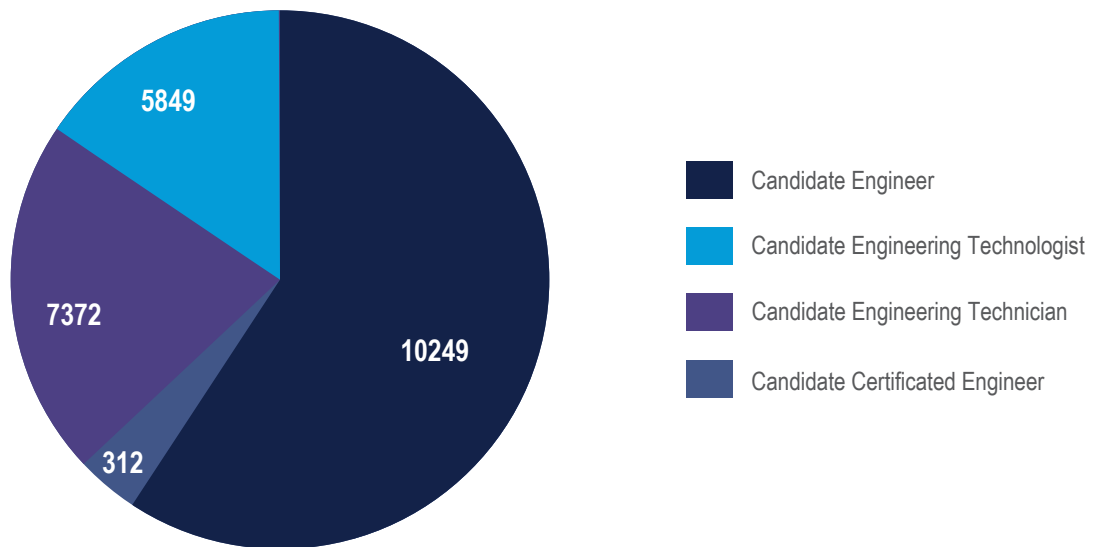


Table 5: Candidate Category Registration Statistics by Gender and Category

Category	Male	Female	Total
Candidate Engineer	7,925	2,324	10,249
Candidate Engineering Technologist	4,463	1,386	5,849
Candidate Certificated Engineer	297	15	312
Candidate Engineering Technician	5,192	2,180	7,372

Figure 5: Candidate Category Registration Statistics by Gender and Category

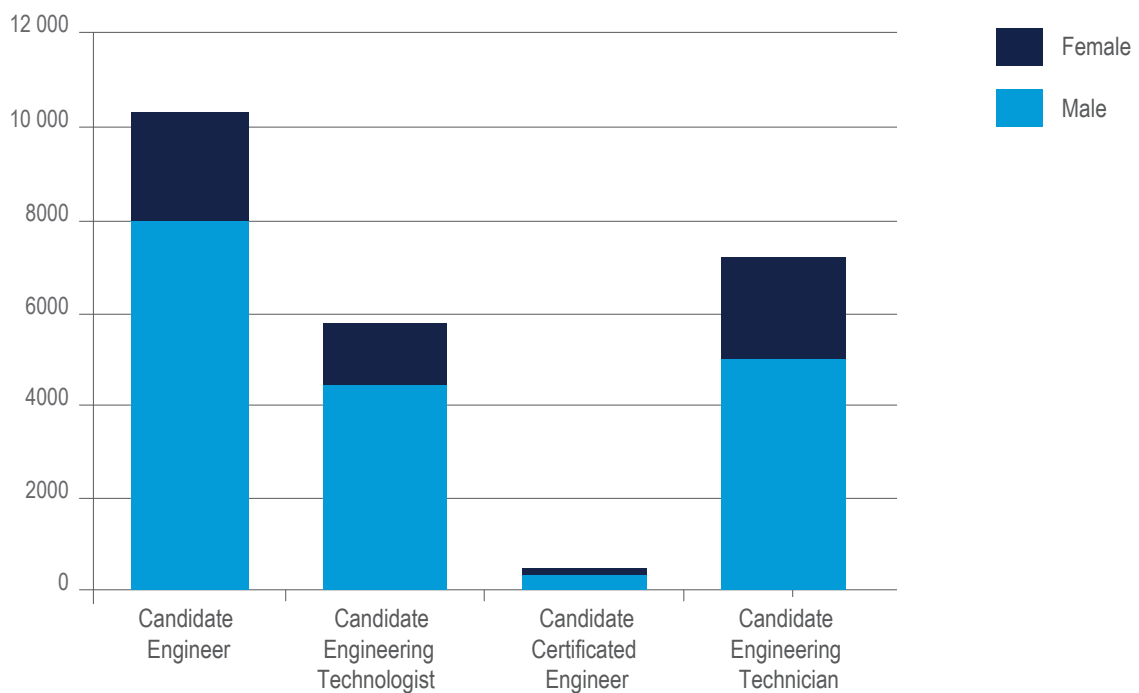


Table 6: Candidate Category Registration Statistics by Race and Category

Category	African	White	Indian	Coloured
Candidate Engineer	4 282	4 263	1 388	316
Candidate Engineering Technologist	4 248	843	516	242
Candidate Certificated Engineer	178	97	24	13
Candidate Engineering Technician	6 026	681	424	241

Figure 6: Candidate Category Registration Statistics by Race and Category

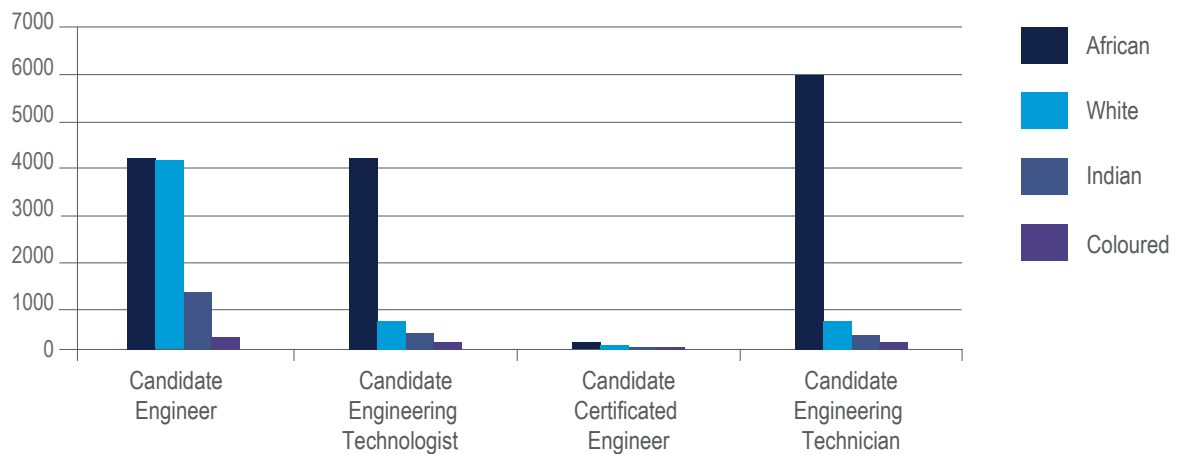


Table 7: Specified Category Registration Statistics

		Total Registrations	Registered Lifting Machinery Inspectors	Registered Medical Equipment Maintainers	Registered Fire Protection Systems Practitioners	Registered Lift Inspectors
TOTALS		1 102	962	3	7	130
Gender	Male	1 090	952	2	7	129
	Female	12	10	1	0	1
Race	African	141	130	1	1	9
	White	863	758	2	5	98
	Indian	56	45	0	0	12
	Coloured	42	29	0	1	11

Figure 7: Specified Category Registration Statistics by Category

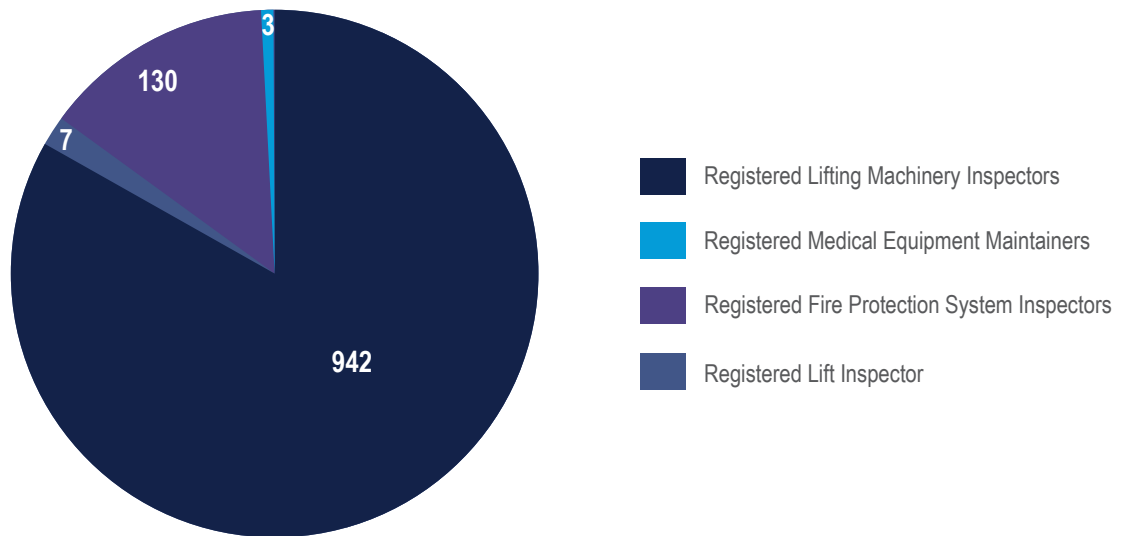


Table 8: Specified Category Registration Statistics by Category

Category	Male	Female	Total
Registered Lifting Machinery Inspectors	952	10	962
Registered Medical Equipment Maintainers	2	1	3
Registered Fire Protection System Inspectors	7	0	7
Registered Lift Inspectors	129	1	130

Figure 8: Specified Category Registration Statistics by Gender and Category

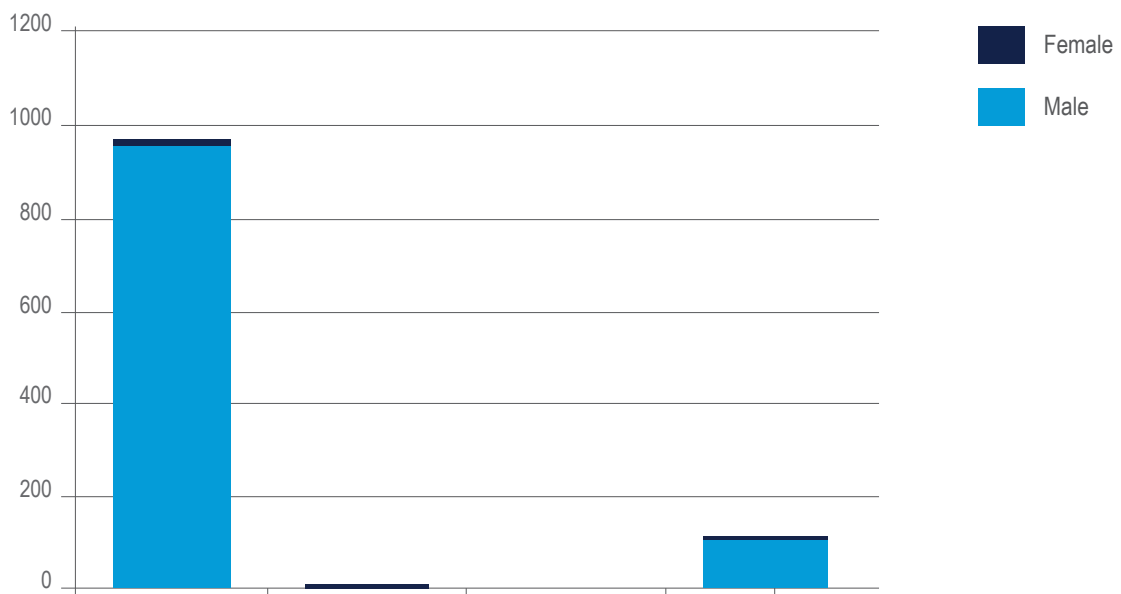


Table 9: Specified Category Registration Statistics by Race and Category

Category	African	White	Indian	Coloured
Registered Lifting Machinery Inspectors	130	758	45	29
Registered Medical Equipment Maintainers	1	2	0	0
Registered Fire Protection System Inspectors	1	5	0	1
Registered Lift Inspectors	9	98	12	11

Figure 9: Specified Category Registration Statistics by Race and Category

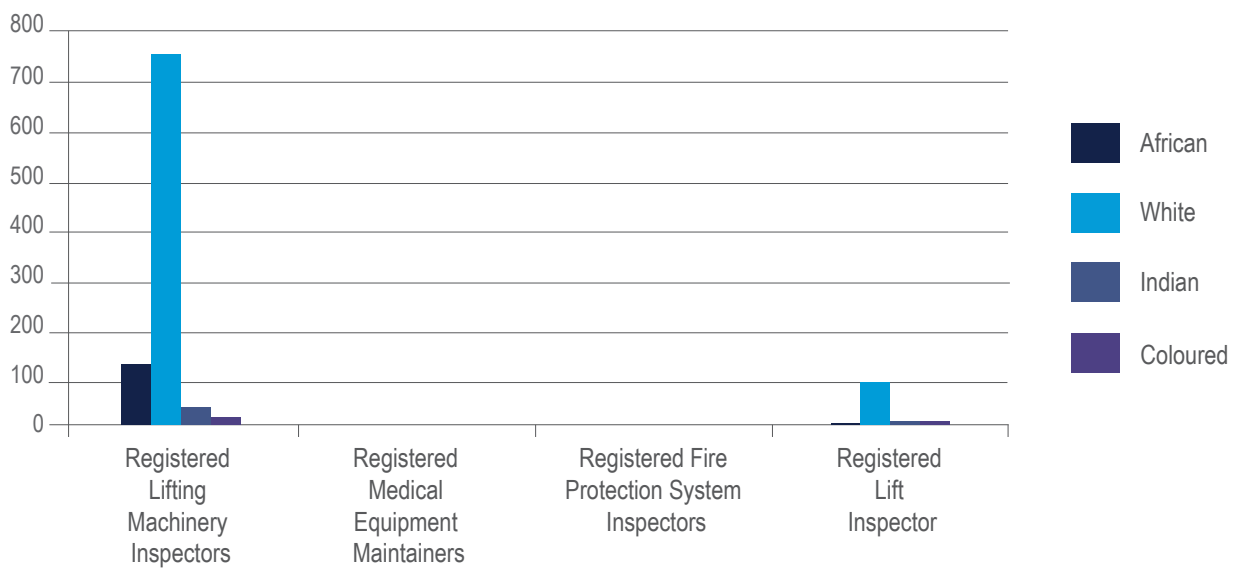


Table 10: New Registration Statistics From 2015 to 2019 (per Financial Year)

Professional Category	2015	2016	2017	2018	2019
Professional Engineer	449	857	443	523	507
Professional Engineering Technologist	359	317	343	304	320
Professional Certificated Engineer	19	20	16	18	17
Professional Engineering Technician	328	306	270	163	205
Candidate Category					
Candidate Engineer	992	1085	1 136	1 348	1 229
Candidate Engineering Technologist	559	579	690	978	959
Candidate Certificated Engineer	34	18	29	50	32
Candidate Engineering Technician	702	668	758	1 117	1 182
Specified Category					
Registered Lifting Machinery Inspectors	51	59	14	53	47
Registered Medical Equipment Maintainers	0	0	0	0	0
Registered Fire Protection System Inspectors	0	0	0	2	2
Registered Lift Inspectors	1	4	6	1	2
International Category					
IPEA	2	2	4	4	1
IETA	2	1	0	0	0
AIET	0	0	0	0	0
Grand Total	4 846	5 374	5 540	5 573	4 503

Figure 10: Professional New Registration Statistics Trends: 2015 to 2019 (per Calendar Year)

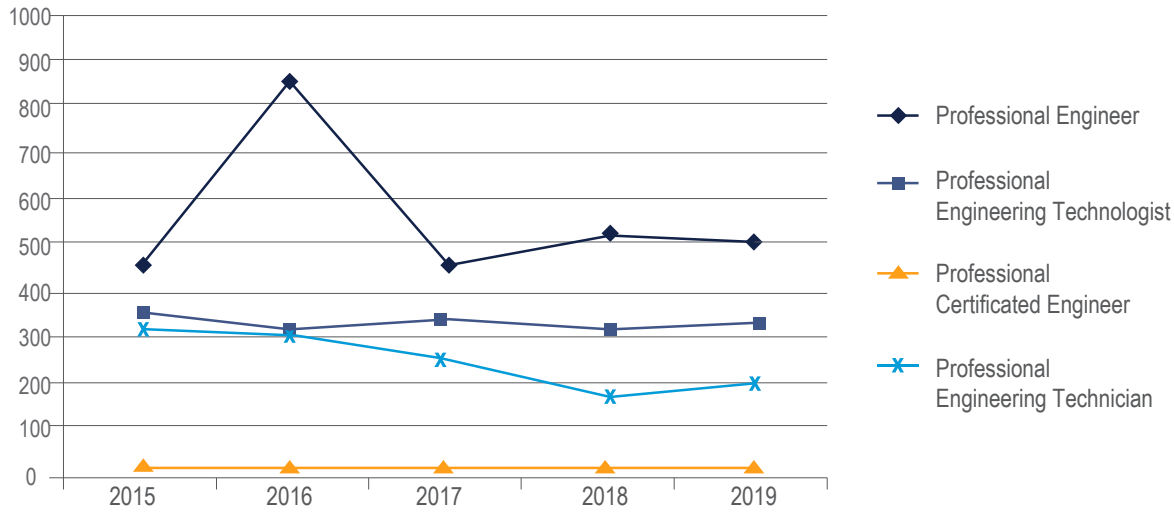


Figure 11: Candidate New Registration Statistics Trends: 2015 to 2019 (per Calendar Year)

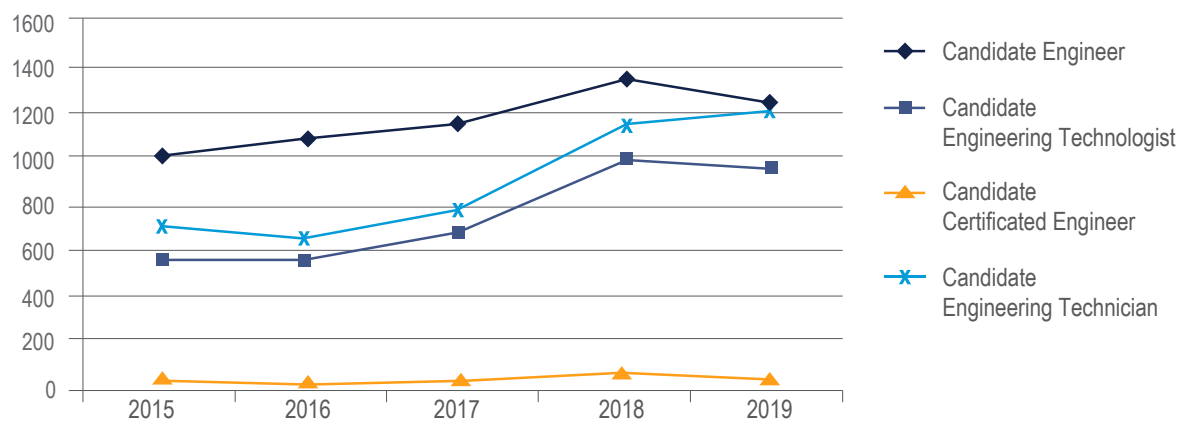


Figure 12: Specified Category New Registration Statistics Trends: 2015 to 2019 (per Calendar Year)

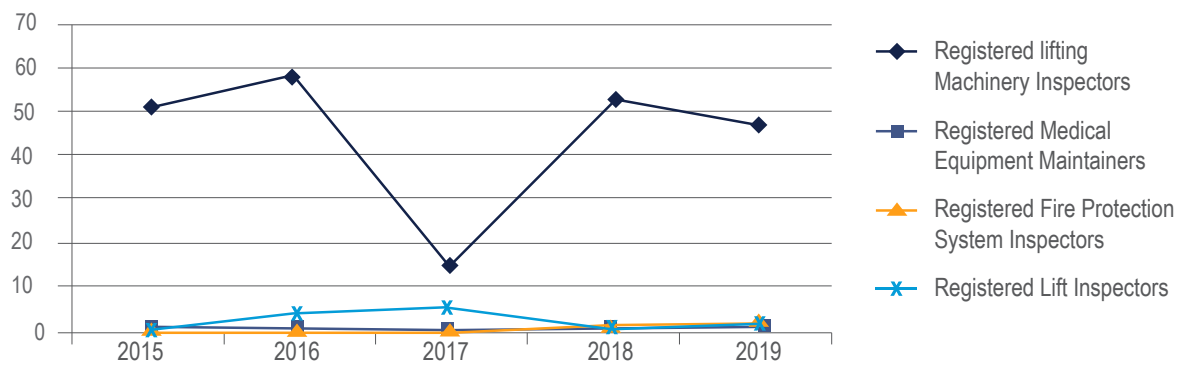


Table 11: Professional Category Age Analysis

Age Groups	African	Coloured	Indian	White
20 - 29	181	16	45	118
30 - 39	3 264	219	748	2 342
40 - 49	2 521	290	701	2 853
50 - 59	653	118	275	3 435
60 - 69	140	30	77	3 537
70+	25	7	20	9 231

Figure 13: Professional Category Age Analysis

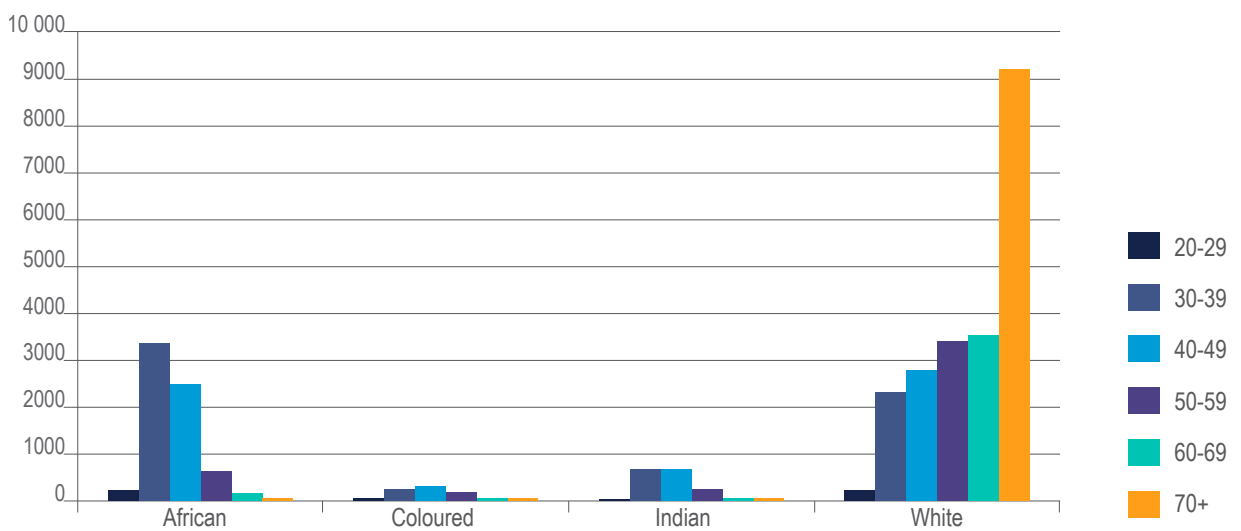


Table 12: Candidate Category Age Analysis

Age Groups	African	Coloured	Indian	White
20 - 29	5 296	367	980	1 965
30 - 39	7 508	350	1 079	2 620
40 - 49	1 705	76	249	659
50 - 59	211	16	38	349
60 - 69	12	3	4	135
70+	2	0	2	156

Figure 14: Candidate Category Age Analysis

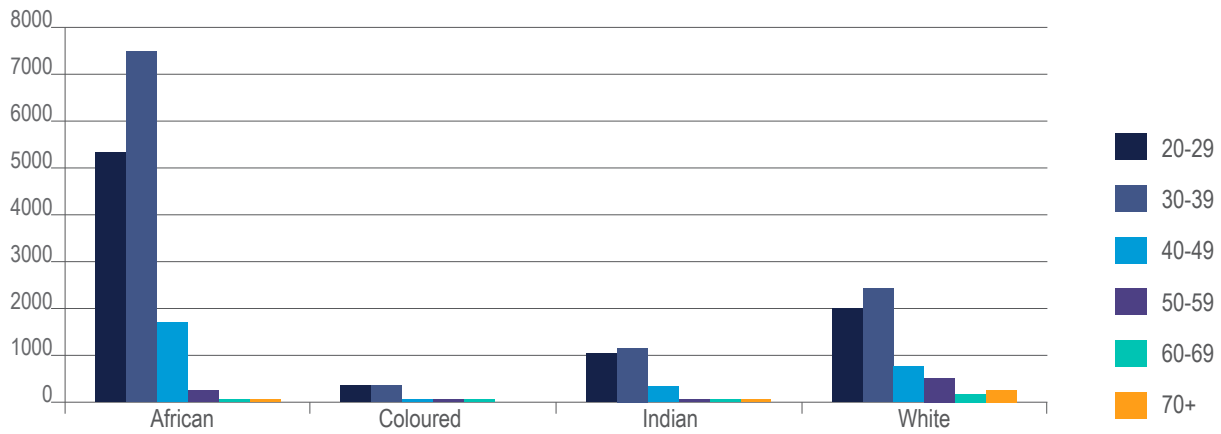
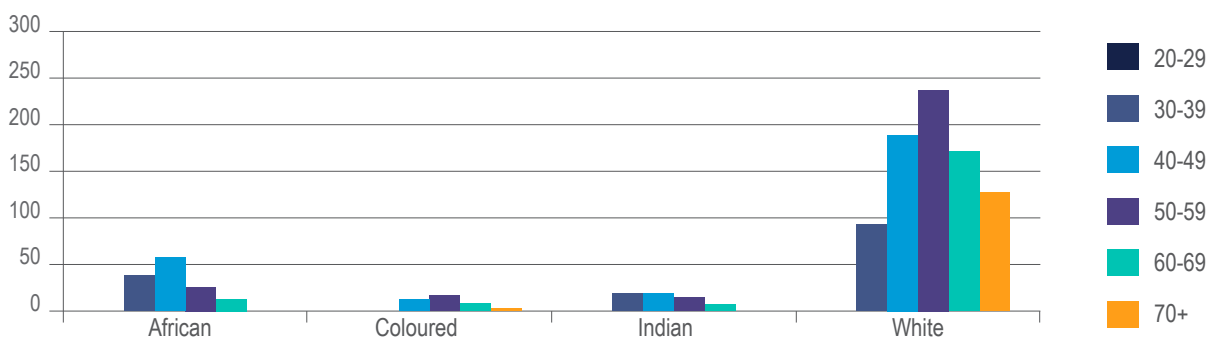


Table 13: Specified Category Age Analysis

Age Groups	African	Coloured	Indian	White
20 - 29	0	0	0	0
30 - 39	41	0	18	95
40 - 49	54	13	17	185
50 - 59	24	16	16	241
60 - 69	7	6	5	173
70+	0	1	0	126

Figure 15: Specified Category Age Analysis



4. EDUCATION OVERVIEW

The Engineering Profession Act, No. 46 of 2000, is a legislative parameter in terms of which ECSA was established to regulate the engineering profession to protect the public, health and safety, and the environment against unsound engineering practices. One of the mechanisms through which ECSA gives effect to its enabling legislative framework is by accrediting engineering, technology, and technician programmes offered by Higher Education Institutions (HEIs), as well as by determining and maintaining standards in the delivery of engineering programmes in the Republic of South Africa.

ECSA is expected to uphold the highest education standards in the execution of its education quality assurance functions and to manage education processes consistent with national and international standards, its policies, and approved processes within the broader parameters of the above legislative framework.

The education and quality assurance mandate of ECSA is derived from section 5 and 6 of the Higher Education Act, 1997 (Act No. 101 of 1997). Section 13 of the Engineering Profession Act enjoins ECSA to collaborate with relevant legislated quality assurance bodies, such as the Council on Higher Education (CHE) and the South African Qualifications Authority (SAQA), in the execution of its mandate.

ECSA maintains the highest standard of quality in engineering education through critical functions, such as accreditation and the evaluation of unaccredited engineering qualifications. Below is a synopsis of what is contained in each of these functions:

4.1 Accreditation

Accreditation is conducted in order to determine if educational engineering requirements towards registration for each of the legislated categories have been complied with.

Accreditation visits are conducted to private and public higher education institutions offering engineering and engineering-related programmes to assess and provide independent assurance to the public that engineering qualifications meet minimum acceptable local and international standards, policies, procedures, and legislative frameworks.

ECSA's accreditation of engineering programmes is a public and statutory acknowledgement that programmes offered by private or public higher education institutions meet defined criteria as set by the regulator consistent with the applicable enabling legislation.

4.2 Evaluation of Educational Qualifications

Qualifications that are not accredited or recognised by ECSA through the International Engineering Alliance (IEA) Accords, namely Washington, Dublin, and Sydney Accords, are subject to an evaluation process in order to determine their substantial equivalence to South African-accredited base engineering qualifications in order to be considered for registration with ECSA.

ECSA is mandated by the Engineering Professions Act, No. 46 of 2000 Section 13 (a to k), to execute quality assurance functions with an utmost degree of integrity, subject to International Standards as prescribed by the International Engineering Alliance (IEA).

5. EDUCATION STATISTICS

5.1 Accreditation Statistics

ECSA Accredited Programmes and Institutions

Programme Types	Number of Programmes	Number of Accreditation Visits
Engineering Programmes	5	12
Technology Programmes	10	68
Total	15	80

5.1.1 Accreditation Visits Conducted

NAME OF THE INSTITUTION	TYPE OF VISIT	NUMBER OF PROGRAMMES	DATE OF VISIT
Walter Sisulu University	Final Visit	3	10 - 11 April, 2019
Mangosuthu University of Technology	Programme Final Visit (1) Programmes Provisional Accreditation Visit (4)	5	27 - 28 May, 2019
Vaal University of Technology	Provisional Accreditation Visit	6	25 - 26 June, 2019
North-West University	Provisional Accreditation Visit	2	18 - 19 July, 2019
Tshwane University of Technology	Provisional Accreditation Visit	3	29 - 30 July, 2019
University of Pretoria	Interim Provisional Accreditation	3	13 August, 2019
Vaal University of Technology (Secunda Campus)	Provisional Visit	2	15 - 16 August, 2019
Cape Peninsula University of Technology	Provisional Accreditation Visit	5	25 – 26 August, 2019
Central University of Technology	Provisional Accreditation Visit	5	10 - 12 September, 2019
University of the Witwatersrand	Interim Accreditation Visit	5	17 September, 2019
University of Kwa-Zulu Natal	Regular Accreditation Visit	1	3 – 4 October, 2019
Nelson Mandela University	Regular Accreditation Visit	1	9 - 10 October, 2019
Nelson Mandela University	Regular Accreditation Visit and Provisional Accreditation Visit	14	23 – 24 October, 2019
Walter Sisulu University	Regular Visit	10	5 – 8 November, 2019
Durban University of Technology	Provisional Accreditation Visit	15	27 - 29 November, 2019

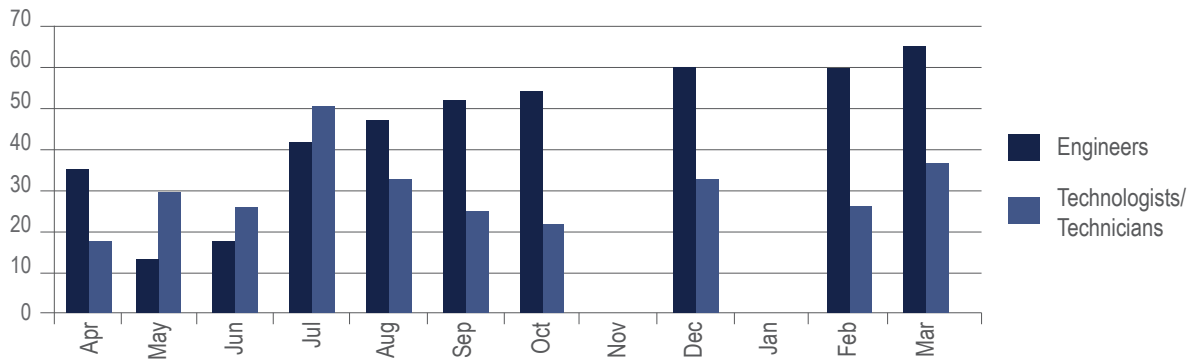
5.2 Evaluation of educational qualification statistics

5.2.1 Foreign Qualification Applications Processed

Table 1: Foreign Qualification Evaluation Applications Processed

Foreign Qualification Evaluation Applications Processed													
Categories	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Engineers	35	14	18	41	48	52	53	0	60	0	60	66	447
Technologists/ Technicians	18	30	26	51	33	25	21	0	33	0	27	36	300
	53	44	44	92	81	77	74	0	93	0	87	102	747

Figure 1: Foreign Qualifications Evaluation Applications Processed

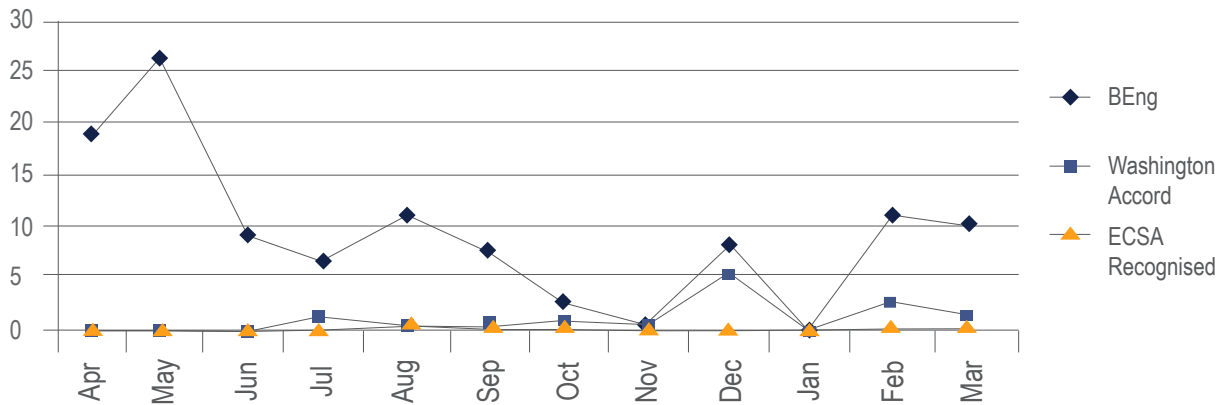


5.2.2 Foreign Qualifications Substantially Equivalent for Engineers

Table 2: Foreign Qualifications Substantially Equivalent for Engineers

Qualifications	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
BEng	19	27	9	6	11	7	2	0	8	0	11	10	110
Washington Accord	0	0	0	1	0	0	0	0	5	0	2	1	9
ECSA Recognised	0	0	0	0	0	0	0	0	0	0	0	0	0
	19	27	9	0	11	7	2	0	13	0	13	11	119

Figure 2: Foreign Qualifications Substantially Equivalent for Engineers

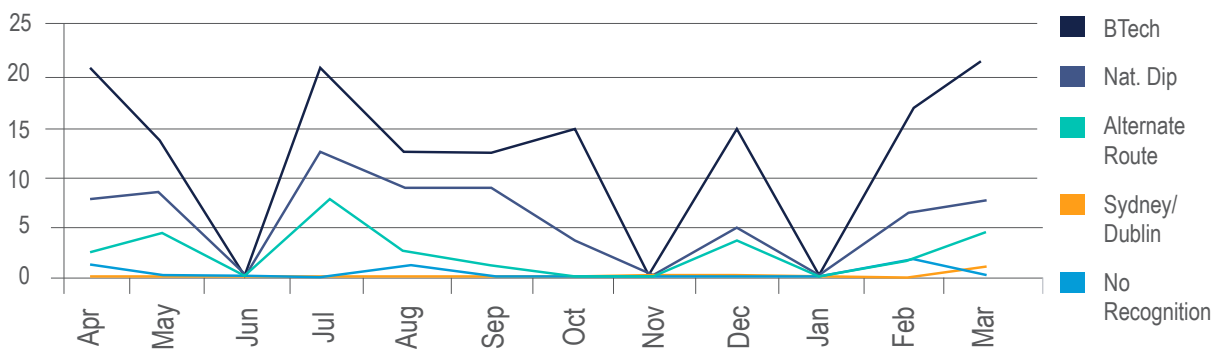


5.2.3 Foreign qualifications substantially equivalent for Technologists/Technicians

Table 3: Foreign qualifications substantially equivalent for Technologists/Technicians

Foreign qualifications substantially equivalent for Technologists/Technicians														
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total	
BTech	21	14	0	21	12	12	15	0	15	0	17	21	148	
Nat. Dip	8	9	0	12	9	9	4	0	5	0	6	7	69	
Alternative Route	2	3	0	8	2	1	0	0	4	0	1	4	25	
Sydney/Dublin	0	0	0	0	0	0	0	0	0	0	0	1	1	
No Recognition	1	0	0	0	1	0	0	0	0	0	1	0	3	
	32	44	0	41	81	77	74	0	93	0	87	102	246	

Figure 3: Foreign qualifications substantially equivalent for Technologists/Technicians

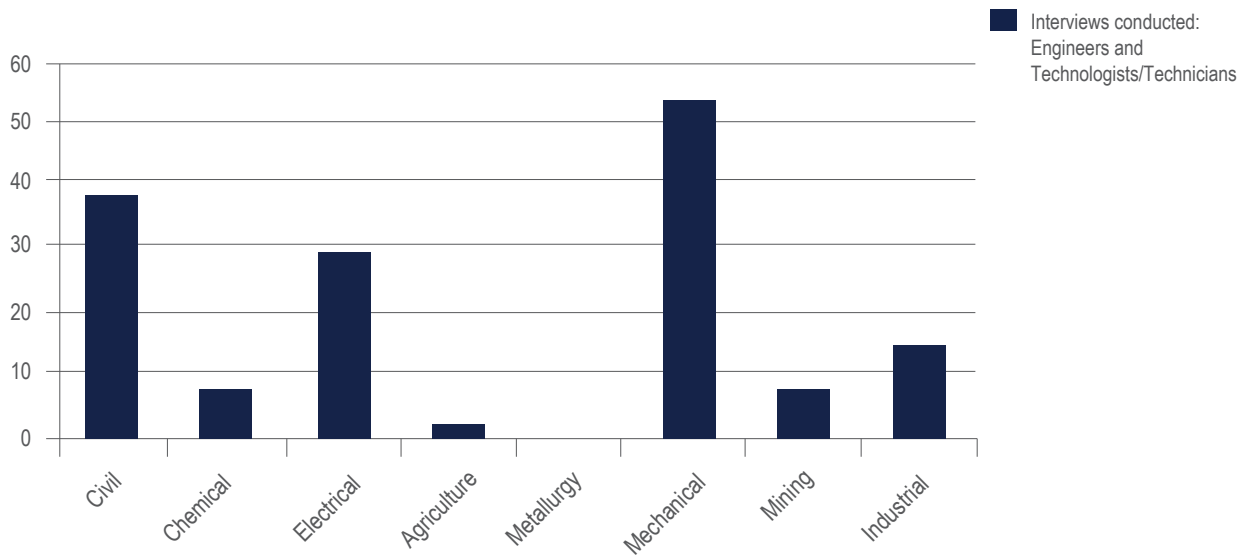


5.2.4 Number of interviews conducted: Engineers and Technologists/Technicians

Table 4: Interviews conducted: Engineers and Technologists/Technicians

Interviews conducted: Engineers and Technologists/Technicians													
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Civil	8	6	7	10	0	5	5	5	1	4	4	4	38
Chemical	11	3	3	2	0	2	0	0	0	0	3	1	8
Electrical/Elec	11	5	3	8	0	5	0	3	0	4	5	4	29
Argricultural	0	3	1	0	0	0	0	0	0	0	0	2	2
Metallurgy	0	0	0	0	0	0	0	0	0	0	0	0	0
Mechanical	12	6	0	7	0	5	4	5	0	9	5	0	53
Mining	2	0	0	0	4	0	0	4	0	0	0	0	8
Industrial/Pro	1	0	5	8	1	0	0	4	0	3	0	0	16
	45	23	19	35	5	17	9	21	1	20	17	11	136

Figure 4: Interviews conducted: Engineers and Technologists/Technicians



6. INTERNATIONAL ACCORDS AND COMPETENCY AGREEMENT MATTERS

The Engineering Council of South Africa has, on behalf of the South African jurisdiction, been elected to be a member of a multiplicity of International Engineering Alliance (IEA) education Accords and Competence Agreements to ensure mobility of registered Engineers, Technologists, and Technicians and, for the latter, practitioners to gain recognition of their qualifications and professional status in other countries. This mandate is consistent with section 13 (e) of the Engineering Profession Act.

South Africa, through the Engineering Council of South Africa, is as a consequence, a signatory to the following international and competency agreements:

INTERNATIONAL AGREEMENTS

- **Washington Accord (WA):** mutual recognition of educational qualifications for the education of engineers.
- **Sydney Accord (SA):** mutual recognition of educational qualifications for the education of engineering Technologists.
- **Dublin Accord (DA):** mutual recognition of educational qualifications for education of engineering Technicians.

COMPETENCE AGREEMENTS

- **International Professional Engineers Agreement (IPEA):** for the Engineers;
- **International Engineering Technologists Agreement (IETA):** for the Technologists; and
- **Agreement of International Engineering Technician (AIET):** for the Technicians.

The reviews of whichever type have the purpose of determining or confirming that the standards and processes of the jurisdiction being reviewed meet the requirements of the Accords or Competency Agreements, are substantially equivalent to those of other members or signatories to IEA Accords and Competency Agreements, and are robust and likely to remain so until the next review. Reviews may be of various types, including:

- **Assessment:** New applicants for full signatory status of an Accord;
- **Evaluation:** New applicants for full membership of an Agreement;
- Periodic review (for renewals); and
- Continuous review (Accords only, for renewals).

ECSA was due for a Sydney and Dublin Accord review in September, 2018. ECSA elected to have a combined review for both IEA Accords. The review was concluded successfully by ECSA and the IEA.

The IEA review team concluded their review report, which was factually corrected by ECSA in February, 2019. The final report was submitted to the IEA for discussion and final determination by all IEA member states in the June IEAM 2019 in Hong Kong, China. At the Education Committee held on 27 June, 2019, the SA/DA ECSA Review Report was tabled, and it was confirmed that the Sydney Accord and Dublin Accords had been renewed for a further six (6) years. It was further noted that the Washington Accord Review would be conducted in 2022.

7. RELATIONSHIP WITH KEY STAKEHOLDERS

7.1 Memorandums of Understanding (MoUs)

ECSCA, as enjoined by section 13 of the Engineering Profession Act, initiated a process of reviewing a Memorandum of Understanding (MoU) with the South African Qualification Authority (SAQA) to rationalise the two entities' education evaluation processes consistent with respective legislative mandates, as well as for the realisation of the spirit and letter of the Intergovernmental Relations Framework's legislative framework.

7.2 Stakeholder Engagement

As part of its strategic imperative, ECSCA, as mandated by its founding legislation, has continuously engaged with recognised Voluntary Associations (VAs) within the engineering sector, as well as with the Deans of Engineering faculties of various universities through the Deans Forum, around a number of strategic initiatives and interventions, including the revised Continuous Professional Development (CPD) Framework, the CPD Implementation Plan, the Voluntary Associations Recognition Framework, and broader strategic and core functional areas.

8. CROSS BORDER ASSISTANCE

ECSCA has, in compliance with its international obligations and cross-border assistance programmes and initiatives, continuously provided assistance to countries outside of its borders by, inter alia, attending meetings and conferences of international bodies and conducting reviews of countries that are signatories to international accords and those aspiring to be members of the IEA. ECSCA has provided capacity building to countries like Botswana, Namibia, and Mauritius.

ECSCA has been instrumental in providing assistance to countries in the South African Development Community (SADC) and Africa as part of the South African Federation of Engineering Organisation (SAFEEO); furthermore, it has participated in the global engineering forums as a member of the World Federation of Engineering Organisation (WFEO).

ECSCA continues to support countries in the region in different forms. The countries that benefitted from mentoring and training in the 2019/2020 financial year include:

Botswana

ECSCA continues to work closely with the Engineering Registration Board (ERB) Botswana; recently, ECSCA provided names of experts to a college in Botswana with the intention to assist with the realignment of their curriculum to the ECSCA standards and policies.

Namibia

ECSCA continues to work closely with the International University of Management (IUM) in Namibia after a desktop assessment was completed and tabled at EC. It was determined that IUM still requires support in meeting ECSCA standards and policies.

Zambia

On the 24th of May, 2020, ECSCA met with the three leadership members of the Engineering Institution of Zambia (EIZ). The EIZ expressed interest in being mentored by South Africa to become a member of the International Engineering Alliance as a Washington Accord signatory. An MOU has been finalised and signed off between ECSCA and the EIZ.

Mauritius

Over the past three years, ECSCA has been building strong relations with the Institution of Engineers Mauritius (IEM) and the Engineering Accreditation Board (EAB) Mauritius. During these engagements with Mauritius, it was identified that the IEM/EAB is interested in becoming a member of the International Engineering Alliance as a Washington Accord signatory and that a training/mentoring need existed.

ECSCA has been assisting Mauritius in two areas, namely capacity building and accreditation. In terms of capacity building, ECSCA has signed an MOU with the IEM and the EAB in order to assist towards signatory status with the IEA for the Washington Accord. In terms of accreditation, ECSCA has

been approached by the University of Mauritius (UOM) to accredit its engineering programmes. ECSA's accreditation policies have been followed to ensure compliance and currently, a provisional accreditation visit to UOM is scheduled in 2020 for the six (6) identified programmes.

ECSA has been instrumental in providing assistance to countries in SADC and Africa as part of SAFEO; furthermore, it has participated in the global engineering forums as a member of WFEO.

9. CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

9.1 Background

All professional and specified category registered practitioners registered with ECSA have an obligation to comply with the rules on Continuous Professional Development and Renewal of Registration.

The requirement to make use of CPD as a mechanism to determine the renewal of registration of all professionals, including professionals registered under specified category, is congruent with section 22 (1) and (2) of the Engineering Profession Act, Act 46 of 2000.

9.2 ECSA Online System

ECSA developed an online system geared towards the effective implementation of CPD system for registered practitioners. Developed to improve the functionality of the ECSA, the online system continues and remains the catalyst for the efficiency of the ECSA's CPD architecture.

9.3 Revised CPD Structure

The CPD Rules were amended, finalised, and approved by Council on 16 March, 2017, and were published on 19 May, 2017, in the Government Gazette, No. 40847, as Board Notice 86 of 2017.

On the 23rd of September, 2018, the first revision of the procedure, which includes the licensing, verification, validation, and audit processes, were tabled and approved by the RPS Committee. It was decided that the implementation of the CPD standard will commence in the 2019/2020 financial year.

The successful implementation of the CPD Rules and associated Standard will ensure that ECSA, as the sole authority and regulator for CPD in the engineering sector, closely monitors, oversees, and regulates CPD functions such as the verification of providers and validation of activities as currently managed by VAs, Accredited Tertiary Institutions and any other private providers who will, henceforth, be known as CPD Licensing Bodies. The CPD Rules specify that ECSA will have the sole authority over CPD. They will, however, delegate certain functions, such as verifications of providers and validation of activities to ECSA-recognized Voluntary Associations and Accredited Tertiary Institutions, which will now be known as Licensing Bodies. ECSA will, however, still be responsible for the monitoring, evaluation, and auditing functions of CPD activities and their providers. ECSA, as delegator, reserves the right to verify any provider and validate their CPD activities (local and/or international).

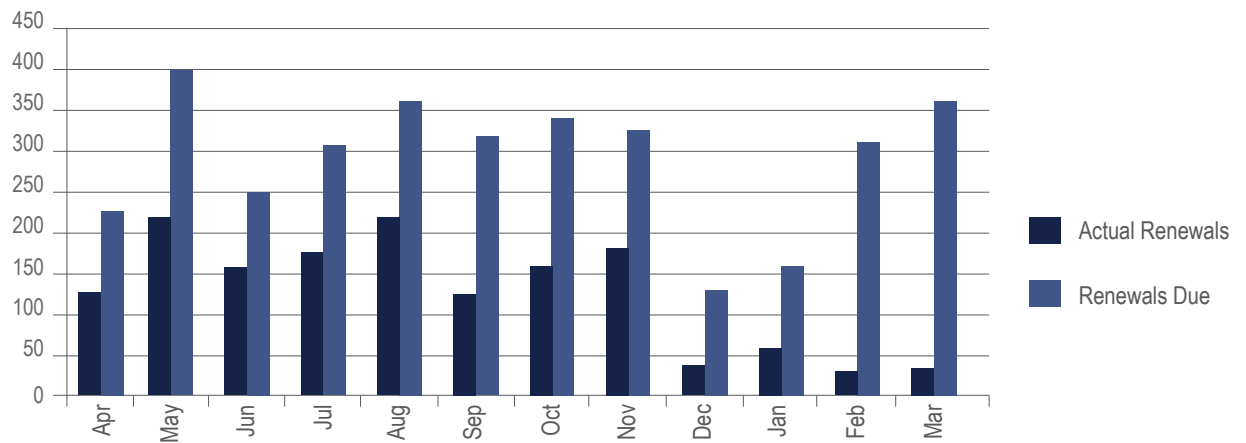
9.4 CPD Statistics

ECSA received co-operation from registered practitioners whose registration became due for renewal during the 2019/2020 financial year. Of the 3 529 Registered Persons due for renewal, 1 984 renewed their registration with the Council. The renewal rate received per month for the 2019/2020 financial year is as per the below.

Table 5: Renewal rate received per month for the 2019/2020 financial year

CUMULATIVE TOTALS															
Submissions due for 2019/2020	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Renewals Due	Outstandings	Renewals rate
Apr	46	64	67	80	99	107	113	116	117	119	122	123	228	105	53,9%
May	X	27	39	66	104	119	172	163	204	211	220	222	399	177	55,6%
Jun	X	X	49	113	136	149	151	152	152	156	160	161	255	94	63,1%
Jul	X	X	X	61	76	85	138	155	162	171	176	179	309	130	57,9%
Aug	X	X	X	X	107	172	202	213	220	230	232	232	369	137	62,9%
Sept	X	X	X	X	X	11	38	61	66	77	102	125	318	193	39,3%
Oct	X	X	X	X	X	X	51	74	96	114	155	162	342	180	47,4%
Nov	X	X	X	X	X	X	X	76	104	129	166	175	334	159	52,4%
Dec	X	X	X	X	X	X	X	X	19	31	40	42	133	91	31,6%
Jan	X	X	X	X	X	X	X	X	X	24	47	55	162	107	34,0%
Feb	X	X	X	X	X	X	X	X	X	X	11	32	314	282	10,2%
Mar	X	X	X	X	X	X	X	X	X	X	X	37	366	329	10,1%

Figure 5: Renewals Due vs Actual Renewals



10. RESEARCH, POLICY, AND STANDARDS

10.1 OVERVIEW

The regulation of the engineering profession entails the Engineering Council of South Africa ensuring that its policies and standards are updated, relevant and aligned to the applicable frameworks. This process is guided by research initiatives, which include:

- Conducting research to inform the development of regulatory policies and standards;
- Conducting impact assessment research on identified activities;
- Conducting research that aims at improving professional registrations;
- Reviewing existing policies, standards, documents, templates, guidelines and procedures;
- Establishing new disciplines/specified categories; and
- Maintaining ECSA's signatory status in the International Engineering Alliance.

The Engineering Council of South Africa is also responsible for the development of instruments that will strengthen the regulation of the engineering profession. Section 27(1) of the Engineering Profession Act (Act 46 of 2000) empowers ECSA to draw up a code of conduct for Registered Persons and that ECSA may draw up a code of practice. Section 27(2) stipulates that ECSA is responsible for administering these codes and must ensure that the codes are available to all members of the public at all reasonable times. Section 27(3) further states that registered persons must comply with the code of conduct and the code of practice; failure to do so constitutes improper conduct.

10.2 RESEARCH INITIATIVES

The Engineering Profession Act (Act 46 of 2000) commands ECSA in terms of section 14(f) to encourage and undertake research into matters relating to the engineering profession. Therefore, ECSA conducted preliminary research for the introduction of new disciplines and/or categories, with the intent to grow the profession and broaden the scope of engineering. Furthermore, other research activities were conducted other than the feasibility studies targeted at determining new categories for ECSA. ECSA had included this target in the Annual Performance Plan (APP) so that the engineering profession could be grown and not be stagnant due to the preoccupation with the old or previously identified categories and scope. The need to look into new and uncharted disciplines and categories had been as a result of a flurry of requests from the engineering industry to look into other categories of registration, which ECSA, since its inception, had never considered but which have recently become critical for ECSA to be responsive to the societal demands. In line with this mandate and the APP target, ECSA has conducted the following research activities within the 2019/20 financial year:

- a. Mechatronic Engineering Feasibility Study**
- b. Computer Engineering Feasibility Study**
- c. Engineering Management Feasibility Study**

The findings and recommendations of the above research items had informed ECSA on the need to seriously consider the introduction of Mechatronic Engineering and Computer Engineering. These were added to the existing disciplines upon approval thereof by the Research, Policy, and Standards Committee and final endorsement by Council. Over and above these disciplines, an additional specified category of Engineering Management was added to the existing suite of specified categories of registration.

d. Research to Identify Challenges for Registration from Candidate to Professional Registration

This research was concluded with the report suggesting the prevalence of a multiplicity of challenges, such as familiarity with the New Registration System (NRS) requirements. The other challenge posed was mentoring, as most of the mentors were registered in the legacy system. The research report revealed that the NRS system developed should thus be used as a basis for encouraging mentorship and registration. The study has also confirmed, across all candidate categories, that their work is more Engineering Management-related and that they need more knowledge related to Project Management, Finances, Contracts, Tenders, etc. It can also be inferred from the findings that ECSA should revisit the requirements, especially related to traditional engineering activities and design. There should be recognition that the engineering economy in South Africa has moved away from the traditional activities and that more premium should be placed on the management of engineering projects.

e. Engineering Education Programme Accreditation (EEPA) Research

The research suggested that the accreditation policy E-10-P, under section 5, should be extended to explicitly cater for online engineering education programmes. The accreditation policy's recognition of online engineering education programmes should be accompanied by a specific set of standards and procedures, including the development of training manuals for assessors and service providers, which should specifically deal with the following;

- Which type of online platforms will be accepted by ECSA, whilst respecting the autonomy of institutions of higher learning; and
- Which 'teaching and learning processes' and which mixture of laboratory platforms would be supported amongst the branches/disciplines of engineering, if using an accepted online education platform.

f. The ECSA Research Strategy

The ECSA Research Strategy is a plan of action that gives direction to the Research Unit and enables researchers to conduct research systematically in the short, medium and long term.

The short-term project goals include but are not limited to a research project on the impact of the fourth industrial revolution on educational outcomes, ECSA research framework, research on candidates value proposition, development of research agenda and the number of feasibility studies conducted to introduce new disciplines

The medium-term goals include monitoring and evaluation of the implementation of the short-term research activities, monitoring and evaluation of the implemented research activities, research topics of economic relevance (topic that creates social impact on communities) and the environment and conducting an environmental scan to determine the prevalence of unaccredited programmes/institutions.

Lastly, the long-term goals include conducting research on the recommendations for a cost and time efficient registration model, researching and introducing globally competitive education standards in engineering professions and doing an impact assessment of the implemented short- and medium-term research .

10.3 DEVELOPMENT OF DOCUMENTS

10.3.1 Codes of Practice

The Council, during the 2018/2019 financial year, had approved a framework for Developing the Codes of Practice and the Road Map for Developing the Code of Practice. During that financial year, the Research, Policy, and Standards division appointed Working Groups to develop the codes of practice and the Steering Committee to oversee that process and provide an advisory role. Three draft codes have since been produced as follows:

- Overarching Code of Practice for the Performance of Engineering Work;
- Structural Code of Practice for the Performance of Engineering Work; and
- Geo-technical Code of Practice for the Performance of Engineering Work.

These draft codes will be gazetted for broader consultation, and the process for consultation is scheduled for completion in the year 2020, including final approval by ECSA Council.

10.3.2 Specified Categories

In an effort to grow the engineering profession, the Engineering Council of South Africa developed two sub-discipline training guides for Enterprise Integration Practitioners and Rational Designers as new specified categories of registration. The latter follows the endorsement of the Feasibility Study for Rational Designers (Fire Specialist). The Enterprise Integration Practitioners Feasibility Study was endorsed in 2017 as Manufacturing Operations Management, a name that changed when the sector further consulted. The developed guides are:

- Sub-Discipline-Specific Training Guide for Enterprise Integration Practitioners; and
- Sub-Discipline-specific Training Guide for Candidate Engineers and Candidate Engineering Technologists in Rational Design (Fire Specialist).

The chart below shows the five developed documents.

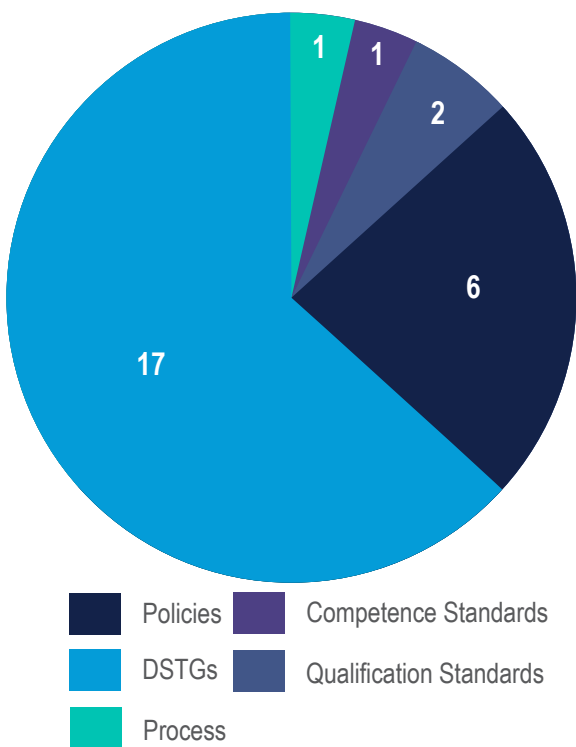


Figure 2: Developed documents

10.4 DOCUMENTS REVIEW

The Council approved the Policy and Standards Development Framework on ECSA Policies in its first June Council meeting of 2019/2020 of the previous financial year. The framework is meant to ensure consistency/uniformity when developing or reviewing ECSA documents. Following this the Engineering Council of South Africa in September 2019, hosted training for experts who are interested in developing and reviewing ECSA documents in line with the approved Framework, Six (6) ECSA Regulatory Policies were reviewed and aligned to the approved framework.

In 2017, the Council had approved the Discipline Specific Training Guide (DSTG) Framework for developing new DSTGs and reviewing existing ones. Seventeen (17) DSTGs that were not aligned to the framework were aligned, and all DSTGs are now aligned to the framework. They are as follows:

- 2 x Candidate Professional Engineers;
- 5 x Candidate Professional Engineering Technologists;
- 9 x Candidate Professional Engineering Technicians; and
- 1 x Candidate Specified Category Practitioner.

The Engineering Council of South Africa is also responsible for the development of qualification standards for engineering, which are developed in consultation with the Council on Higher Education. Currently, ECSA has eleven (11) approved qualification standards; two (2) were due for review in this financial year and were both reviewed as follows:

- Qualification Standard for Diploma in Engineering: NQF Level 6; and
- Qualification Standard for Advanced Diploma in Engineering: NQF Level 7.

In addition to the above, the Division reviewed 1 x process for training engineering candidates towards professional registration under a commitment and undertaking and 1 x competency standard for registration in a specified category.

The chart that follows is a depiction of documents that were reviewed during this financial year.

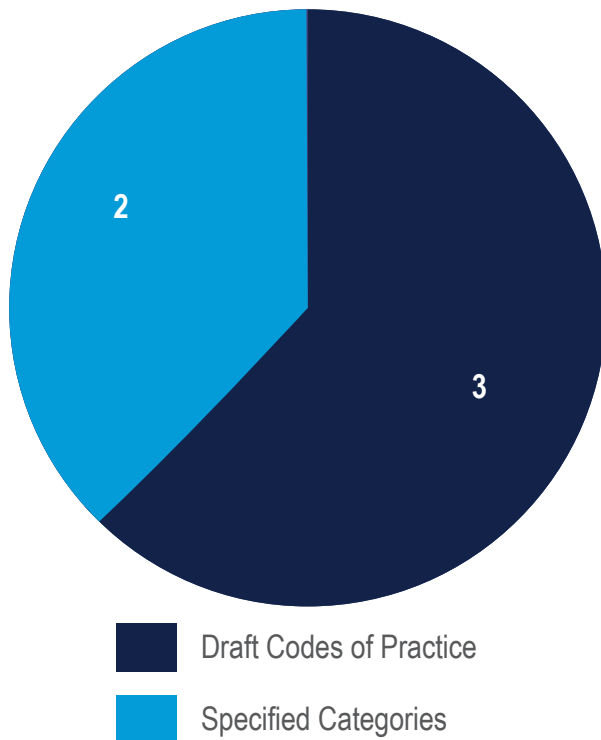


Figure 3: Reviewed documents

10.5 REVIEW OF REGULATION 45 OF THE NATIONAL WATER ACT, 1998: REGULATIONS REGARDING THE SAFETY OF DAMS IN TERMS OF SECTION 123(1)

The Engineering Council of South Africa reviewed Regulation 45 of the National Water Act, 1998: Regulations Regarding the Safety of Dams in Terms of Section 123(1). A Steering Committee comprising ECSA and the Department of Water and Sanitation representatives was established to review Regulation 45, which specifies ECSA's role in the appointment of Approved Professional Persons by the Minister of Water and Sanitation. The review was triggered by a lack of representativity/ limited transformation according to the country's demographics in the list of Approved Professional Persons (APPs). The Steering Committee did not identify anything in the Regulation that inhibits any

professional persons from being an APP, and the outcome of the review was communicated with the Department.

The Engineering Council of South Africa then reviewed the Policy on Evaluation of the Competencies of Approved Professional Persons (APPs): The Professional Persons on Dams. A call for expression of interest was sent out and from the received expression of interest and nominations from the stakeholders, a new Dams Committee was established. The latter is currently operational and continues to assess applications for Approved Professional Persons as received from the Department of Water and Sanitation from time to time and makes recommendations, on behalf of ECSA, for their appointment by the Minister.

10.6 INTERNATIONAL ENGINEERING ALLIANCE

South Africa, through ECSA, has continued to comply with the requirements for the International Engineering Alliance. ECSA participated in the International Engineering Alliance meeting, which took place in Hong Kong, China; prepared and submitted annual reports as required by IEA; and also submitted nominations for reviewers to participate in the IEA reviews of other countries, like Bangladesh.

South Africa was reviewed by the IEA in the IEAM in June, 2019, and the Engineering Council of South Africa's recognition was confirmed for the next six (6) years based on the IEA review conducted at Durban University of Technology and Tshwane University of Technology. It was also confirmed that ECSA's standards leading to competency outcomes are substantially equivalent to those recognised by IETA: for the Technologists Agreement.

IEA established six (6) Working Groups, and ECSA made a submission to indicate the ones it was going to participate in. Out of those Working Groups, ECSA is participating in the Working Group for WFEO/IEA and represented by CEO, Sipho Madonsela, Pr. Eng.



Members of the IEA at the 2019 Meeting in Hong Kong





PART

F

FINANCIAL INFORMATION

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
AUDITORS	Rakoma and Associates Inc Registered Auditors

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COUNCIL'S RESPONSIBILITIES

The Council is responsible for maintaining adequate accounting records and for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Council to ensure that the annual financial statements fairly present the state of affairs of the Council as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Council acknowledges 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 to meet these responsibilities, the Council sets standards for internal control aimed at reducing the risk of error or deficit 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 is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Council has reviewed the cash flow forecast for the year ended 31 March 2021 and, in light of this review and the current financial position, they are satisfied that the ECSA has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Council's annual financial statements. The annual financial statements have been examined by the Council's external auditors and their report is presented on pages 115-116.

The Council submits their report for the year ended 31 March 2020.

1. REVIEW OF ACTIVITIES

Main business and operations

The Engineering Council of South Africa (ECSA) is established in terms of the Engineering Profession Act (No. 46 of 2000). The Act empowers ECSA to perform the following functions, in order to protect the health and safety of citizens and the environment from the risks associated with engineering work:

- Set standards for engineering education and professional competency;

COUNCIL'S FIDUCIARY REPORT AND APPROVAL

- Accrediting engineering education programmes, offered by public and private providers, that meet with the educational requirements for registration in the various categories;
- Register persons in professional categories who demonstrate competency against the standards for the categories;
- Evaluate educational qualifications that are not already accredited or recognised;
- Register persons who meet educational requirements in candidate categories;
- Establish specified categories of registration to meet specific health and safety licensing requirements and registered persons in these categories;
- Require registered persons to renew registration at intervals and under conditions that the Council prescribes;
- Enter into international agreements for the recognition of educational programmes and registration;
- 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;
- Recognise Voluntary Associations;
- Recommend to the Council for the Built Environment (CBE), ECSA's identification of the type of the engineering work which may be performed by persons registered in any category.

Address

1st Floor Waterview Corner Building 2 Ernest Oppenheimer Avenue Bruma Lake Office Park Johannesburg 2198

2. REVENUE

The operations of ECSA are mainly funded by revenue from exchange transactions, being annual fees, application fees and accreditation visits.

3. GOING CONCERN

During the year under review, ECSA has reported an operating loss of R28.2 million which resulted in the reduction in accumulated reserves of the organisation from R64.8 million in 2018/19 to R36.6 million. The loss was a result of significant write-offs of fees that were determined uncollectable as well as providing for those fees whose collectability was deemed doubtful due to the data cleansing exercise of the database of the registered persons and the consistent year-on-year negative economic outlook.

In determining the appropriate basis of preparation for the 2019/2020 Annual Financial Statements, the Council and management have assessed whether ECSA can continue in operational existence for the foreseeable future. With the conclusion and implementation of the changes in Annual Performance Plan and revision to the 2020/21 budget and associated cash flow forecasts, the Council is satisfied that ECSA can continue in operational existence for the foreseeable future.

4. EVENTS AFTER THE REPORTING DATE - IMPACT OF COVID-19

From an assessment conducted by management, COVID-19 is not expected to have a significant impact on the entity. Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. It expects that COVID-19 might have some impact, though not significant, for example, in relation to expected future performance, or the effects on some future asset valuations. Council concurs with management views.

5. COUNCIL MEMBERS

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

Mr CV Gamede (President)	Mr NM Myataza
Dr KI Jacobs (Vice President)	Ms L Njomane
Ms SRM Buthelezi	Ms T Nkambule
Mr K Chetty	Mr N Nqandela (Resigned 19 November 2019)
Ms TL Chili	Dr K Nyembwe
Mr JHE Daniels	Mr KR O'Jageer
Mr DR Daries	Ms T Ramagofu
Mr M Gxamza	Mr M Ramahulu
Mr ME Jele	Ms N Sampson
Mr RE Jennings	Mr AM Sentsho
Mr S Keswa	Mr AH Sommer
Mr M Lebea	Mr CP Stuurman
Ms RP Madiba	Mr M Thunzi
Mr L Mahlangeni	Ms SA Tire
Mr MP Maisela Ka Mdluli (Resigned 16 July 2019)	Mr MR Tlala
Ms TP Maphumulo	Dr N Tutu
Mr TD Memela	Dr CAA van Zyl
Ms SP Morejwane	Mr NS Zimu
Ms RH Motsotsoane	
Ms O Mthethwa	
Ms HA Mtshali	

6. SECRETARY

The duties of a Council secretary of the ECSA are fully fulfilled by Chief Executive Officer.

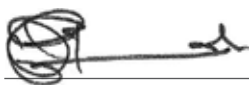
7. AUDITORS

Rakoma and Associates Inc

8. LEGAL FORM

A statutory body established in terms of the Engineering Profession Act 46 of 2000.

The annual financial statements set out on pages. 117-149 which have been prepared on the going concern basis, were approved by Council on 15 September 2020 and signed on its behalf by



CV Gamede, Pr.Eng.
President



Dr. KI Jacobs
Vice President

REPORT OF THE AUDIT, RISK AND COMPLIANCE COMMITTEE

We are pleased to present the report for the financial year ended 31 March 2020.

ARC is a subcommittee of Council and it consists of independent and non-executive Council members. Its overall objective is to assist the Council with its responsibility of ensuring that adequate systems and controls are in place, thus ensuring the safe guarding of assets, assessing the going concern status, reviewing the financial information and overseeing the preparation of the annual financial statements.

The Committee also assists the Council in fulfilling its responsibilities of risk management by ensuring that management identifies and addresses significant risks impacting on its strategic objectives and the environment within which the Council operates.

The Committee meets at least four times a year as per its approved terms of reference. Management, internal auditors and external auditors attend these meetings by invitation. Since this is an advisory committee, it does not perform any management functions nor does it assume any management responsibilities. Its role is that of an independent and objective advisor and it operates as an overseer, making recommendations to the Council for approval. During this reporting period six meetings were held. Meeting attendance appears on page 64 of the annual report.

Committee responsibility

The committee has operated within its terms of reference, and discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of internal controls applied by the Council over financial and risk management is effective, efficient and transparent. From the various reports of the internal auditors and the external auditors' independent audit report on the annual

financial statements, it was noted that no significant findings or noncompliance with prescribed policies and procedures has been reported. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective. The committee is satisfied with the expertise and adequacy of resources within the Finance unit which is responsible for the finance function of the Council. The committee relies on feedback received from external and internal audit to make these assessments.

Risk management

The Council is committed to a process of risk management that is aligned to the principles of good corporate governance. The Council has delegated certain aspects of its authority to the ARC committee. In terms of good corporate governance, an organisational strategic risk assessment must be conducted and a plan developed to address the identified risks. The committee is satisfied with the existing risk management processes whilst a revised risk management strategy, incorporating a Fraud Prevention Policy, is being developed.

Evaluation of annual financial statements

The committee has:

- reviewed and discussed with the external auditors the audited annual financial statements to be included in the annual report;
- reviewed the external auditors' management report and management's responses thereto;
- reviewed changes in accounting policies and practices, where applicable, of which there were none;
- reviewed possible significant adjustments resulting from the audit, of which there were none;
- reviewed the information on predetermined objectives as reported in the annual report.

The committee concurs and accepts the external auditors' conclusions on the annual financial statements and is of the opinion that the audited annual financial statements should be accepted and read together with the report of the external auditors.

Internal audit

The committee is satisfied that the internal audit function is operating effectively and that its internal audit procedures address the risks pertinent to ECSA.

External audit

The audit committee has met with the external auditors to ensure that there are no unresolved differences.

Going concern

Due to the reported trading loss for the year under review as a result of the significant write-off and impairment of the Trade Receivables from Exchange Transactions as well as the degree of uncertainty associated with COVID-19, we have

considered the ECSA going concern assessment as prepared by management. We also reviewed the reasonability of management's plans which include the revision to the Annual Performance Plan, the budget and associated cash flow forecasts for the next financial year. Based on all these, we are in agreement with management's view that ECSA does have sufficient resources to continue as a going concern. In that regard, we also concur with management that the going concern assumption is appropriate in the preparation of these annual financial statements.

Appreciation

I wish to express my appreciation to the members of the committee for their commitment and support in the year under review.



Mr S Keswa
Chairperson of the Risk and Audit Committee

Date: 15 September 2020

INDEPENDENT AUDITOR'S REPORT

To the Council of The Engineering Council of South Africa

We have audited the financial statements of the Engineering Council of South Africa set out on pages 117 to 148, which comprise the statement of financial position as at 31 March 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Engineering Council of South Africa as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA GRAP) and the requirements of the Engineering Profession Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. 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 are independent of the council in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together with the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities as applicable in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional

Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Council is responsible for the other information. The other information comprises the information included in the document titled Engineering Council of South Africa Annual Financial Statements for the year ended 31 March 2020 which includes Council's Fiduciary Report and Approval, Report of the Audit, Risk and Compliance Committee, Part B- Performance Information and the Detailed income statement. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 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 for the Financial Statements

The Council is responsible for the preparation and fair presentation of the annual financial statements in accordance with the SA GRAP and the requirements of the Engineering Profession Act and for such internal control as the Council

determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the company 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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud

is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Collins Malunga

**Collins Malunga
Partner
Registered Auditor**

30 September 2020
Ground Floor Building B, Monte Circle Office Park
178 Monte Casino Boulevard
Fourways
Johannesburg
2191



STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

Figures in Rand	Note(s)	2020	2019
Assets			
Non-Current Assets			
Property, plant and equipment	3	10 608 482	10 770 229
Intangible assets	4	3 943 553	5 143 662
Investments	5	13 232 244	14 156 692
Retirement benefit asset	6	6 443 000	6 673 000
		34 227 279	36 743 583
Current Assets			
Receivables from exchange transactions	7	61 627	25 066 184
Prepayments	28	1 333 169	1 312 046
Cash and cash equivalents	8	24 453 446	22 121 964
		25 848 242	48 500 194
Total Assets		60 075 521	85 243 777
Liabilities			
Current Liabilities			
Trade and other payables	9	22 276 987	18 736 075
Provisions	10	1 205 814	1 729 662
		23 482 801	20 465 737
Total Liabilities		23 482 801	20 465 737
Net Assets		36 592 720	64 778 040
Accumulated surplus		36 592 720	64 778 040
Total Liabilities And Accumulated Surplus		60 075 521	85 243 777

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2020	2019
Revenue from exchange	12	130 982 929	119 655 957
Other income	13	2 489 209	3 282 162
Total revenue		133 472 138	122 938 119
General expenses	15	(52 595 941)	(46 525 672)
Personnel expenses	16	(53 239 232)	(54 671 892)
Other expenses	17	(57 662 561)	(17 199 170)
Operating surplus/(deficit)		(30 025 596)	4 541 385
Investment revenue	14	5 874 028	5 995 606
Fair value adjustments	24	-	204 473
Actuarial gains / (losses)	6	(880 000)	(720 000)
Investment Loss		(1 091 881)	-
Finance costs	18	(2 061 871)	(2 114 000)
(Deficit) / surplus for the year		(28 185 320)	7 907 464

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 April 2018	56 870 576	56 870 576
Changes in net assets		
Surplus for the year	7 907 464	7 907 464
Total changes	7 907 464	7 907 464
Balance at 01 April 2019	64 778 040	64 778 040
Changes in net assets		
Deficit for the year	(28 185 320)	(28 185 320)
Total changes	(28 185 320)	(28 185 320)
Balance at 31 March 2020	36 592 720	36 592 720

CASH FLOW STATEMENT

Figures in Rand	Note(s)	2020	2019
Cash flows from operating activities			
Receipts			
Cash receipts from customers		126 950 879	105 402 318
Interest income		2 836 225	5 995 606
		<u>129 787 104</u>	<u>111 397 924</u>
Payments			
Cash payments to suppliers		(125 984 276)	(122 091 170)
Net cash flows from operating activities	20	3 802 828	(10 693 246)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(1 471 346)	(1 478 403)
Purchase of other intangible assets	4	-	(557 117)
Net cash flows from investing activities		(1 471 346)	(2 035 520)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		22 121 964	34 850 730
Cash and cash equivalents at the end of the year	8	24 453 446	22 121 964

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Figures in Rand	Approved budget	Actual amounts on comparable basis	Difference between final budget and actual
Statement of Financial Performance			
Revenue			
Revenue from exchange transactions			
Annual Fees	113 489 834	115 999 897	2 510 063
Application Fees	12 383 716	11 119 885	(1 263 831)
Accreditation Visits	6 198 595	3 863 147	(2 335 448)
Bad Debts Recovered	4 085 051	2 028 089	(2 056 962)
Third party contributions	-	383 050	383 050
Disciplinary fines	25 000	47 826	22 826
Other income	100 000	29 244	(70 756)
Profit on sale of fixed assets	-	1 000	1 000
Total revenue from exchange transactions	136 282 196	133 472 138	(2 810 058)
Expenditure			
Personnel	(64 150 555)	(53 239 232)	10 911 323
Depreciation and amortisation	-	(2 833 190)	(2 833 190)
Impairment loss/ Reversal of impairments	(10 292 369)	(54 829 371)	(44 537 002)
Finance costs	-	(2 061 871)	(2 061 871)
Repairs and maintenance	(5 782 732)	(5 368 141)	414 591
Contracted Services	(943 564)	(943 564)	-
General Expenses	(56 898 216)	(46 284 236)	10 613 980
Total expenditure	(138 067 436)	(165 559 605)	(27 492 169)
Operating surplus / (deficit)	(1 785 240)	(32 087 467)	(30 302 227)
Investment revenue	1 800 000	5 874 028	4 074 028
Actuarial gains/(losses)	-	(880 000)	(880 000)
Realignment of assets backing the ESA as per the 2017 actuarial valuation	-	(1 091 881)	(1 091 881)
	14 760	(28 185 320)	(28 200 080)

Please refer to note 25 for explanations on material differences.

ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rands.

1.1 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Trade receivables, loans and other receivables

The Council assesses its trade receivables, loans and other receivables for impairment where there are possible indicators for impairment. In determining whether an impairment loss should be recorded as surplus or deficit, the Council makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables and other receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national

and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio.

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The Council determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Council considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. The assumptions used are consistent with assumptions used in the statutory valuation. However, GRAP 25 requires the valuation to be carried out on a prescribed market value basis and a number of the assumptions therefore differ from those used in the statutory valuation. Valuation rate of interest – GRAP 25 requires rates to be determined by reference to the current market yield of government bonds. The bulk of the liabilities have a short term, whilst one remaining pensioner has a potentially very long remaining outstanding term.

Allowance for doubtful debts

An impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is calculated as a percentage of net trade receivables. The percentage is based on historical data.

ACCOUNTING POLICIES

1.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

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

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

Property, plant and equipment is initially measured at cost.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	50 years
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Computer servers	Straight line	6 years
Other property, plant and equipment	Straight line	10 years

The depreciable amount of an asset is usually allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of financial performance during the financial period in which they are incurred.

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Property, plant and equipment is tested for impairment on an annual basis.

service potential are expected to be consumed by the Council. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

ACCOUNTING POLICIES

1.2 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Council assesses at each reporting date whether there is any indication that the Council expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the Council revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

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

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

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

1.3 INTANGIBLE ASSETS

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the entity or from other rights and obligations.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits or service potential;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

ACCOUNTING POLICIES

1.3 INTANGIBLE ASSETS (CONTINUED)

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, internally generated	5 years
Computer software, other	5 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount, and is recognised in surplus or deficit when the asset is derecognised.

1.4 FINANCIAL INSTRUMENTS

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

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account)

for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

ACCOUNTING POLICIES

1.4 FINANCIAL INSTRUMENTS (CONTINUED)

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - » receive cash or another financial asset from another entity; or
 - » exchange financial assets or financial liabilities with another entity under conditions that are favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Classification

The Council has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class

Category

Cash and cash equivalents

Financial asset measured at amortised cost

Trade and other receivables

Financial asset measured at amortised cost

Investments

Financial asset measured at amortised cost

The Council has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class

Category

Trade and other payables

Financial liability measured at amortised cost

Initial recognition

The Council recognises a financial asset or a financial liability in its statement of financial position when the Council becomes a party to the contractual provisions of the instrument.

Initial measurement of financial assets and financial liabilities

The Council measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

ACCOUNTING POLICIES

1.4 FINANCIAL INSTRUMENTS (CONTINUED)

Subsequent measurement of financial assets and financial liabilities

The Council measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an entity calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

Reclassification

The Council does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the Council reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

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

ACCOUNTING POLICIES

1.4 FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, 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 directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

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, the previously recognised impairment loss is reversed directly or by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Derecognition

Financial assets

The Council derecognises financial assets using trade date accounting. The Council derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived; the Council transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the Council, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of

the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the Council :

- derecognises the asset; and
- recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

ACCOUNTING POLICIES

1.4 FINANCIAL INSTRUMENTS (CONTINUED)

If a transfer does not result in derecognition because the Council has retained substantially all the risks and rewards of ownership of the transferred asset, the Council continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the Council recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

1.5 LEASES

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

Operating leases - lessor

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

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

Income for leases is disclosed under Other Income in the Statement of Financial Performance.

1.6 DISCONTINUED OPERATIONS

Discontinued operation is a component of an council that has been disposed of and:

- represents a distinguishable activity, group of activities or geographical area of operations;
- is part of a single co-ordinated plan to dispose

- of a distinguishable activity, group of activities or geographical area of operations; or
- is a controlled council acquired exclusively with a view to resale.

A component of an council is the operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the council.

1.7 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

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

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

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

Provisions are not recognised for future operating surplus.

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

ACCOUNTING POLICIES

1.8 REVENUE

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Fee income consists of annual fees, applications fees and accreditations of universities. Professional fees are payable by members who are in the Professional or Registered categories. Fee income is recorded in the financial statements in the period to which it relates.

Candidate fees are payable by members who are not yet qualified Professional or Registered persons.

Application fees are once-off fees payable on submission of an application form. These fees are to compensate for the costs incurred during the evaluation process and are recognised when received.

1.9 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

An exchange transaction is one in which the entity receives assets or services, or has liabilities

extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Accreditation visit revenue is recognised as revenue from exchange transactions.

Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.10 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a Council either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another Council without directly receiving approximately equal value in exchange.

Application and annual fees are recognised as revenue from non-exchange transactions

ACCOUNTING POLICIES

1.10 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the Council.

When, as a result of a non-exchange transaction, the Council recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

1.11 BORROWING COSTS

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

1.12 BUDGET INFORMATION

Council is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which it sets for itself, as defined in its Delegation of Authority Framework.

General purpose financial reporting by council shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget covers the fiscal period from 2019/04/01 to 2020/03/31.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.13 RELATED PARTIES

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

ACCOUNTING POLICIES

1.13 RELATED PARTIES (CONTINUED)

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the council, including those charged with the governance of the council in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the council.

Only transaction with related parties not at arm's length or not in the ordinary business disclosed.

2. RISK MANAGEMENT

Capital risk management

The Council's objectives when managing capital are to safeguard the Council's ability to continue as a going concern in order to provide services as enacted by the Engineering Profession Act 2000, (Act no 46 of 2000) and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Council consists of debt, which includes the cash and cash equivalents disclosed in note 9, and equity as disclosed in the Statement of Financial Position. All borrowings relating to the purchasing of office space in Waterview Corner, Bruma, have been paid up.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

The Council's activities expose it to a variety of financial risks: market risk (including fair value and interest rate risk), credit risk and liquidity risk. The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Council's financial performance. Risk management is carried out by an audit and risk committee under policies approved by the council. The council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk and credit risk and investment of excess liquidity.

Liquidity risk

Cash flow forecasting is performed by the Council. The Council's finance division monitors rolling forecasts of the Council's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The Council invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.

Interest rate risk

As the Council has no significant interest-bearing assets, the Council's income and operating cash flows are substantially independent of changes in market interest rates.

The Council analyses its interest rate exposure on a regular basis. Interest rate fluctuations that could impact on its surplus or deficit are the rates earned on Council's short-term investments. It is not foreseen that the actual revenue earned compared

ACCOUNTING POLICIES

to the budgeted revenue will negatively deviate by more than R200,000 per annum. This translates into a possible fluctuation of 0.1% to 0.2% in total revenue.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The council only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. Refer to table below for credit ratings.

Standard Bank

National long-term credit rating AA+ (ZAF)

National short-term credit rating A1+ (ZAF)

National long-term credit rating AA (ZAF)

National short-term credit rating A1+ (ZAF)

Trade receivables comprise a widespread customer base, mainly being registered persons. Management evaluates credit risk relating to registered persons on an ongoing basis. The Council has to comply with statutory obligations and no choice is exercised on the registered person's ability to pay membership fees.

NOTES TO THE FINANCIAL STATEMENTS

	2020	2019
Figures in Rand	R	R

3. PROPERTY, PLANT AND EQUIPMENT

	2020			2019		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	7 691 993	(2 075 522)	5 616 471	7 691 993	(1 921 682)	5 770 311
Furniture and fixtures	2 684 628	(1 790 404)	894 224	2 597 922	(1 617 500)	980 422
Motor vehicles	347 273	(62 509)	284 764	347 273	-	347 273
Office equipment	1 302 985	(864 733)	438 252	1 241 542	(691 931)	549 611
IT equipment	3 403 679	(2 032 420)	1 371 259	2 121 281	(1 458 746)	662 535
Computer servers	2 645 252	(1 677 067)	968 185	2 645 252	(1 437 047)	1 208 205
Other property, plant and equipment	3 036 670	(2 001 343)	1 035 327	3 017 742	(1 765 870)	1 251 872
Total	21 112 480	(10 503 998)	10 608 482	19 663 005	(8 892 776)	10 770 229

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Total
Buildings	5 770 311	-	(153 840)	5 616 471
Furniture and fixtures	980 422	86 706	(172 904)	894 224
Motor vehicles	347 273	-	(62 509)	284 764
Office equipment	549 611	61 443	(172 802)	438 252
IT equipment	662 535	1 304 269	(595 545)	1 371 259
Computer servers	1 208 205	-	(240 020)	968 185
Improvements to property	1 251 872	18 928	(235 473)	1 035 327
	10 770 229	1 471 346	(1 633 093)	10 608 482

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	5 924 151	-	-	(153 840)	5 770 311
Furniture and fixtures	1 000 849	164 490	(720)	(184 197)	980 422
Motor vehicles	19 806	347 273	(19 806)	-	347 273
Office equipment	431 606	283 463	-	(165 458)	549 611
Computer equipment	756 567	349 062	-	(443 094)	662 535
Computer software	1 448 225	-	-	(240 020)	1 208 205
Improvements to Property	1 166 685	334 115	-	(248 928)	1 251 872
	10 747 889	1 478 403	(20 526)	(1 435 537)	10 770 229

NOTES TO THE FINANCIAL STATEMENTS

	2020	2019
Figures in Rand	R	R

Buildings - Section title deeds held

	Square Metres	2020	2019
		R	R
Section 5 (First Floor)	631	-	-
Section 6 (First floor)	383	-	-
Section 7 (First floor)	237	-	-
Section 8 (First floor)	456	-	-
T013126/2009 Purchased 29 Apr 2009	-	6 275 750	6 275 750
Section 9 (Second floor)	212	-	-
Section 10 (Second floor)	329	-	-
T57554/1999 Purchased 30 Sep 1999	-	1 411 243	1 411 243
Section 16 (Basement)	5	-	-
T044549/2005 Purchased 10 Aug 2005	-	5 000	5 000
	2 253	7 691 993	7 691 993

4. INTANGIBLE ASSETS

	2020			2019		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, internally generated	5 384 771	(2 096 599)	3 288 172	5 384 771	(1 180 449)	4 204 322
Computer software, other	833 435	(717 298)	116 137	833 435	(571 957)	261 478
Quality system	693 087	(153 843)	539 244	693 087	(15 225)	677 862
Total	6 911 293	(2 967 740)	3 943 553	6 911 293	(1 767 631)	5 143 662

Reconciliation of intangible assets - 2020

	Opening balance	Amortisation	Total
Computer software, internally generated	4 204 322	(916 150)	3 288 172
Computer software, other	261 478	(145 341)	116 137
Quality system	677 862	(138 618)	539 244
	5 143 662	(1 200 109)	3 943 553

NOTES TO THE FINANCIAL STATEMENTS

	2020	2019
Figures in Rand	R	R

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Amortisation	Total
Computer software, internally generated	5 040 877	75 382	(911 937)	4 204 322
Computer software, other	406 819	-	(145 341)	261 478
Improvements to property	211 352	481 735	(15 225)	677 862
	5 659 048	557 117	(1 072 503)	5 143 662

5. INVESTMENTS

Designated at fair value

Strategic Investment Services Inflation (SIS) Plus 1-3 investment	13 232 243	14 156 692
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Non-current assets

Strategic Investment Services (SIS) Inflation Plus 1-3 portfolio - opening balance	14 156 692	13 626 370
Fair value adjustment - current year recognised in surplus / (deficit)	(1 091 881)	204 473
Earnings recognised in surplus / (deficit) for the period net of earnings and admin fees	167 433	325 849
Fair value at end of the year	13 232 244	14 156 692

6. RETIREMENT BENEFIT ASSET

Defined benefit plan

Balance sheet obligations for Pension benefits

- non-current liabilities	17 443 000	20 236 000
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Income statement charge for Employee benefit expense

- wages and salaries	53 239 232	54 671 892
- pension cost - defined benefit plan	230 000	114 000
	53 469 232	54 785 892

Actuarial losses/(gains) recognised in the statement of financial performance	-	6 834 000
Cumulative actuarial losses/(gains) recognised in statement of financial performance	-	(2 433 000)
	-	4 401 000

Pension benefits

Plan assets are held in a Sanlam Matrix 50 portfolio and the return is based on the performance of the portfolio. The assets underlying the Employer Surplus Account and the Solvency Reserve have been included in the asset value. The funds are administered by a separate legal entity and as a result, the assets belonging to the Fund are credit remote.

NOTES TO THE FINANCIAL STATEMENTS

	2020	2019
Figures in Rand	R	R

6. RETIREMENT BENEFIT ASSET (CONTINUED)

Carrying value		
Present value of the defined benefit obligation-wholly unfunded	(17 443 000)	(20 236 000)
Fair value of plan assets	23 886 000	26 909 000
	6 443 000	6 673 000

Net asset amount recognition was determined on the following basis:

The definitions of the Fund provide for the establishment of an Employer Surplus Account ("ESA"). Rule 13.3.3 states that future surplus be allocated between the ESA and Member Surplus Account in proportions as determined by the trustees.

In these circumstances, AC 504 states that the present value of the economic benefits available to the employer (par. 68(b) of GRAP 25) is the value of the ESA plus the accounting surplus available as a reduction in future contributions. As confirmed by Absa Consultants and Actuaries, the value of the ESA was R6 443 000 as at 31 March 2020. Furthermore, since there are no active Defined Benefit members in the Fund (as per the valuation report), accounting surplus available as a reduction in future contributions is zero. The present value of the economic benefits available to the employer is therefore R6 443.

The value of the asset reflected on the balance sheet should be determined in terms of par. 68 of GRAP 25. This states that the net asset recognised should be the lower of the value determined under par. 64 and the present value of the economic benefits available to the employer (par. 68(b)). The values for the past three years are as follows (the actuary provided the ESA balance as at each date):

The value determined under par. 64 was R6 443 000 as at 31 March 2020 and the value of par. 68(b) was R6 443 000. Therefore, the net asset as at 31 March 2019 should be limited to R6 443 000.

The value determined under par. 64 was R6 673 000 as at 31 March 2019 and the value of par. 68(b) was R6 673 000. Therefore, the net asset as at 31 March 2019 should be limited to R6,673,000.

The value determined under par. 64 was R6 787 000 as at 31 March 2018 and the value of par. 68(b) was R6 787 000. Therefore, the net asset as at 31 March 2018 should be limited to R6 787 000.

The fair value of plan assets includes:

Sanlam Matrix 50 portfolio The assets underlying the Employer Surplus Account and the Solvency Reserve have been included in the asset value.

Assets not recognised (GRAP 25, paragraph 68(b)).

NOTES TO THE FINANCIAL STATEMENTS

	2020	2019
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6. RETIREMENT BENEFIT ASSET (CONTINUED)

The amounts recognised in the statement of financial position are as follows:

Movement in the defined benefit obligation are as follows:

Opening balance	20 236 000	21 723 000
Contributions by plan participants	2 050 000	2 114 000
Exchange differences	(3 062 000)	(1 758 000)
Benefits paid	(1 781 000)	(1 843 000)
	17 443 000	20 236 000
Net gain / (expense) recognised in the statement of financial performance		
Interest cost	650 000	606 000
Actuarial (gains) losses	(880 000)	(720 000)
	(230 000)	(114 000)
The movement in the fair value of plan assets are as follows		
Opening balance	26 909 000	28 510 000
Expected return	2 700 000	2 720 000
Actuarial gains (losses)	(3 942 000)	(2 478 000)
Benefits paid	(1 781 000)	(1 843 000)
	23 886 000	26 909 000

Key assumptions used The principal actuarial assumptions used were as follows:

Discount rates used	11,97 %	9,75 %
Expected rate of return on assets	10,76 %	10,20 %
Expected rate of return on reimbursement rights	6,76 %	6,20 %

The assumptions used are consistent with assumptions used in the statutory valuation. However, GRAP 25 requires the valuation to be carried out on a prescribed market value basis and a number of the assumptions therefore differ from those used in the statutory valuation.

Valuation rate of interest – GRAP 25 requires rates to be determined by reference to the current market yield of government bonds. The yield of the R209 government bond was 11.97% and the long-term liability on the yield of the R202 government bond 4.88% at 31 March 2020. The implied long-term inflation assumption in 6.76% per annum, which was derived from the R209 and R202. Rates given are the weighted average rates. The expected return on assets are based on an average balances portfolio.

NOTES TO THE FINANCIAL STATEMENTS

	2020	2019
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The expected long term real return is 4%, calculated as follows:

	Portfolio	Real return	Weighted return
Equity	70 %	4,50 %	3,10 %
Bonds	30 %	3,00 %	0,90 %
	100,00 %	7,50 %	4,00 %

In accordance with the Pension Increase Policy, increases should be granted equal to the increase in the Consumer Price Index, subject to affordability.

In respect of the period after retirement, the published Actuarial Association of SA (ASSA) a(55) tables for males and females have been used. The number of pensioners as at 31 March 2019, their annual pension and weighted average age, compared to that as at 31 March 2018 were as follows:

Number of pensioners	6	7
Annual pension	1 496 000	1 613 000
Pension weighted average age	54,9	50,4

7. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade debtors and other debtors	33 375 301	40 640 063
Employee costs in advance	(10 195)	(27 400)
Deposits	47 832	47 832
Operating lease receivables (if immaterial)	(10)	-
Impairment for bad debts	(33 351 301)	(15 594 311)
	61 627	25 066 184

Fair value of trade and other receivables

Trade and other receivables	61 637	25 066 184
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Trade and other receivables impaired

The amount of the provision was (R33 351 301) as of 31 March 2020 (2019: R15 594 311).

The uncollectable debt amounting to R15 594 311. It relates to unpaid annual fees raised in the previous financial year of registered persons.

The provision for impairment amount of R33 351 301 on 31 March 2020 represents 100% of the net trade receivable balance on that date.

NOTES TO THE FINANCIAL STATEMENTS

	2020	2019
Figures in Rand	R	R

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	100	2 105
Bank balances	24 453 346	22 119 859
	24 453 446	22 121 964

9. TRADE AND OTHER PAYABLES

Trade payables	4 243 913	3 286 404
South African Revenue Services - VAT	1 631 052	3 214 562
Trade debtors with credit balances	5 353 517	4 763 846
Other accrued expenses	9 693 886	6 181 061
Other payables	1 354 619	1 290 202
	22 276 987	18 736 075

10. PROVISIONS

RECONCILIATION OF PROVISIONS - 2020	Opening balance	Change in discount factor	Total
Leave pay provision	1 729 662	(523 848)	1 205 814

RECONCILIATION OF PROVISIONS - 2019	Opening balance	Change in discount factor	Total
Leave pay provision	1 850 016	(120 354)	1 729 662

11. FINANCIAL INSTRUMENTS

Categories of financial instruments

2020

FINANCIAL ASSETS	At fair value	At amortised cost	Total
Investments	13 233 244	-	13 233 244
Trade and other receivables from exchange transactions	-	61 637	61 637
Consumer debtors	-	24 453 446	24 453 446
	13 233 244	24 515 083	37 748 327

11. FINANCIAL INSTRUMENTS (CONTINUED)

FINANCIAL LIABILITIES	At amortised cost	Total
Trade and other payables from exchange transactions	9 597 430	9 597 430
Taxes and transfers payable (non-exchange)	1 354 691	1 354 691
	10 952 121	10 952 121

NOTES TO THE FINANCIAL STATEMENTS

	2020	2019
Figures in Rand	R	R

2019

FINANCIAL ASSETS	At fair value	At amortised cost	Total
Investments	14 156 692	-	14 156 692
Trade and other receivables from exchange transactions	-	25 066 184	25 066 184
Cash and cash equivalents	-	22 121 964	22 121 964
	14 156 692	47 188 148	61 344 840

FINANCIAL LIABILITIES	At amortised cost	Total
Trade and other payables from exchange transactions	8 050 250	8 050 250
Taxes and transfers payable (non-exchange)	1 290 202	1 290 202
	9 340 452	9 340 452

12. REVENUE FROM EXCHANGE

The amount included in revenue arising from exchanges of goods or services are as follows:

Accreditation visits	31	115 999 897	107 776 118
Application fees	31	11 119 885	9 450 312
Accreditation visits		3 863 147	2 429 527
		130 982 929	119 655 957

13. OTHER INCOME

Income from marketing activities		383 050	-
Bad debts recovered		2 028 089	2 836 987
Disciplinary fines		47 826	110 000
Other income (SETA payments and other)		29 244	294 832
Proceeds from the sale of fixed assets		1 000	40 343
		2 489 209	3 282 162

14. INVESTMENT REVENUE

Interest revenue

Interest from short term investments		2 836 225	2 787 457
Interest long term investments		337 803	488 149
Expected return on Defined Benefit assets		2 700 000	2 720 000
		5 874 028	5 995 606

15. GENERAL EXPENSES

Auditors remuneration - Internal		588 762	191 241
Accounting services		-	20 264
Auditors remuneration - External		432 943	500 449
Bank charges		660 285	452 824
Consulting and professional fees		2 920 067	2 141 472
Legal expenses		1 837 802	1 152 443

NOTES TO THE FINANCIAL STATEMENTS

	2020	2019
Figures in Rand	R	R
Insurance	331 465	302 104
IT expenses	772 674	1 010 303
Motor vehicle expenses	27 068	52 447
Placement fees	299 640	285 310
Printing and stationery	542 780	813 364
Marketing and Branding	3 218 393	1 607 779
Strategic projects	1 049 379	1 464 483
Repairs and maintenance	5 368 141	5 017 701
Rent paid - satellite offices	500 530	425 404
Security	41 406	55 015
Staff welfare	478 361	1 676 992
Subscriptions and membership fees	33 499	351 901
Telephone and fax	619 564	744 281
Training	557 599	814 058
Travel - staff	2 319 686	2 860 711
Acquisition of small assets	77 067	16 243
Electricity	1 714 412	1 603 232
Contracted Services	943 564	-
Staff study assistance	88 004	137 801
Casual labour	123 509	31 717
Office expenditure	542 047	500 140
Investment fees	170 371	162 301
Rental expense	452 103	458 004
Council and committee meetings	25 784 113	21 584 044
Committee room expenses	100 707	91 644
	52 595 941	46 525 672

NOTES TO THE FINANCIAL STATEMENTS

	2020	2019
Figures in Rand	R	R
16. PERSONNEL EXPENSES		
Basic salary	46 737 674	49 231 915
Medical aid - company contributions	1 036 057	1 066 534
UIF	163 276	168 201
SDL	453 546	467 795
Other short term costs	133 477	71 312
Defined contribution plans	3 460 702	3 666 135
Meal Allowance	1 254 500	-
	53 239 232	54 671 892
17. OTHER EXPENSES		
Provision for impairment of trade and other receivables	54 107 009	13 945 992
Operating lease charges (Contractual amounts)	722 362	745 136
Amortisation on intangible assets	1 200 108	1 072 503
Depreciation on property, plant and equipment	1 633 082	1 435 539
	57 662 561	17 199 170
18. FINANCE COSTS		
Other interest: Pension benefit	2 061 871	2 114 000
19. AUDITORS' REMUNERATION		
Fees - External Auditors	432 943	500 449
Fees - Internal Auditors	588 762	191 241
	1 021 705	691 690
20. CASH GENERATED FROM (USED IN) OPERATIONS		
(Deficit) surplus	(28 185 320)	7 907 464
Adjustments for:		
Depreciation and amortisation	2 833 190	2 508 042
Income from equity accounted investments	(167 433)	(325 848)
Fair value adjustments	1 091 881	(204 473)
Movements in retirement benefit assets and liabilities	230 000	114 000
Movements in provisions	(523 848)	(120 354)
Fixed assets impaired	-	20 526
Changes in working capital:		
Receivables from exchange transactions	25 004 557	(15 217 587)
Prepayments	(21 111)	(8 190)
Payables from exchange transactions	3 540 912	(5 366 826)
	3 802 828	(10 693 246)

NOTES TO THE FINANCIAL STATEMENTS

	2020	2019
Figures in Rand	R	R
21. COMMITMENTS		
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	520 723	690 473
- in second to fifth year inclusive	-	411 040
	520 723	1 101 513

All photocopier machines were replaced during the financial year. The leases on the new machines all have a duration of 36 months. The rent is fixed with no escalation. No contingent rent is payable.

22. GOING CONCERN

ECSA has reported a trading loss of R28.2 million for the year which resulted in a reduction in the accumulated reserves from R64.8 million to R36.6 million.

The loss was a result of material write-off and provision for impairment of Trade Receivables.

Material write-off and provision for impairment of Trade receivables to the total of R54.1 million

Trade receivables and other fees due to ECSA applies the simplified approach to calculating allowance for trade receivables based on the incorporation of historical debt as well as forward-looking information. During the year, a detailed analysis of the outstanding fees was conducted with a view to quantify the extend of the non-collection for write-off and further impairment provision.

The write-off of R20.7 million was mainly as a result of the following

cleaning up of the database of the registered persons resulting from of the sub-optimal migration from the old ICT database engine to a new one during the 2017/2018 financial year whose effects came to the fore during the year under review and

based on the negative economic climate that characterised the South African economy over a number of years and its dire effects on the construction sector, the fees that remain

outstanding for well in excess of two years were deemed uncollectable.

In addition, an amount of R33.4 million was a provision for impairment of the fees that were outstanding for the year and well in excess of the credit terms of the Council. Based on the negative economic climate that characterised the South African economy over a number of years and further exacerbated by the COVID-19 outbreak, the collectability of these fees was assessed as doubtful and as result, were impaired.

Significant reduction in accumulated surplus

Because of the underlying impact on revenues and consequent adverse impact on cash, this has resulted in the reduction of the trading surplus from R 64.8 million in 2018/2019 to R 36.6 million in 2019/2020.

Going concern risk mitigation interventions implemented by management

Management has assessed and considered all the going concern underlying risks and acted swiftly to mitigate these risks by revising the Annual Performance Plan for the 2020/2021 year as well as the budget and cash flow forecasts. These revisions focused on ensuring business continuity and sustainability, securing liquidity and stability, and optimising the organisation's cash position. Thereafter, attention turned to the actions necessary to return to a more realistic trading position that is adequate to cover the operations, particularly

NOTES TO THE FINANCIAL STATEMENTS

with regard to the adjustment of the budget and re-alignment of expenditure. Projected cash outflows were minimised through the immediate postponement of certain projects, placing a moratorium on new appointments and cancelling all discretionary expenditure. These adjustments and changes were done on the principle that there would not be any compromise to the regulatory mandate of the Council.

24. FAIR VALUE ADJUSTMENTS

Other financial assets

- Investments (Designated as FV through P&L)

- 204 473

25. BUDGET DIFFERENCES

Material differences between budget and actual amounts

Revenue

Total Revenue for the twelve (12) months period ended 31 March 2020 is R136.6 million. This is R1.5 million (1%) below the annual budgeted revenue of R 138.1 million.

This negative variance is attributable to the following:

1. Annual Fees:

Annual Fees are R2.5 million (2%) better than budget. The annual fees budget was based on the previous year's count of registered persons and did not take into account those registered persons who were cancelled in the prior year but subsequently re-instated during the year.

2. Application Fees:

The actual Application Fees are below the annual budgeted amount reflecting negative 10% variance (R1.3 million). Due to the uncertainty that arose from early January 2020 relating to COVID-19, ECSA

23. EVENTS AFTER THE REPORTING DATE

COVID-19 is not expected to have a significant impact on the entity. Management has determined that there are no material uncertainties that cast doubt on the entity's ability to continue as a going concern. Even though the COVID-19 pandemic might have some impact, the impact is however, deemed not significant in relation to the expected future performance of the organisation or material effects on future asset valuations.

realised a lower than projected rate of applications for ECSA registrations.

3. Investment income:

Investment income exceeded the annual budgeted amount by R 1.4 million (76%)

3.1 Short Term Investment income:

Due to the improved cash flow management during the period which resulted in lesser withdrawals from the interest-bearing money market accounts, interest earned was R 1 million (58%) better than the annual budget amount.

3.2 Long term Investment income:

Income from these investments was inadvertently omitted when the 2019/20 budget was set. As a result, because of a zero budget, actual income received accounts for the 100% positive variance. In future this item will be budgeted in accordance with the ECSA required returns as per the mandate given to the investment managers. The ECSA required return on the invested funds is CPIX plus 1 to 3%.

NOTES TO THE FINANCIAL STATEMENTS

25. BUDGET DIFFERENCES (CONTINUED)

4. Accreditation & Other Revenue:

The bulk of the budget for Accreditation and Other Revenue is made up of R 6.2 million for Accreditation Visits of academic institutions and R 4.1 million for Recoveries from prior years cancelled members. In terms of historical trends, the Accreditation Visits of academic institutions normally happens towards the end of the calendar year whilst the Recoveries of prior years' membership cancellations normally takes place toward the end of the financial year. The annual budget was determined on a basis of this historical trend.

Actual Accreditation fees are below the annual budget due to accreditation visits that were anticipated but did not take place due to the uncertainties related to COVID-19.

Recoveries from cancelled registration is below the annual budget due to the afore-mentioned historical trend of members reinstating their cancelled membership towards the end of the financial year. We expect that the recoveries will improve significantly during the last two months of the financial year and is expected to be in line with the budget. Once more, the uncertainties of COVID-19 from January 2020 had a major impact on this trend and hence the non-realisation of these Recoveries.

Other Revenue comprise of ad-hoc income from ECSA boardroom bookings, fines levied and member appeals.

Expenses

The total Expenses for the twelve (12) months period is R 107.6 million and is 16.3% (R20.9 million) below the annual budget of R 128.6 million.

5. Payroll Expenditure:

Payroll Expenditure is R52.4 million which is 19% (R12.1 million) below the annual budget of R 64.5 million. This positive variance is as a result of the

staff vacancies which were not timeously filled as well as the outsourcing of the Call Centre whose related services were previously performed in-house.

6. Personnel Expenses:

Under-expenditure in Personnel Expenses for the year to date is R1.8 million being 28% below the pro-rata budget. As this expenditure has a direct correlation to the head-count, the positive variance herein is as per above, due to vacant positions not being timeously filled.

7. Stationery, Printing & Duplicating Expenses:

52% under-expenditure of R 589 644 also related to headcount as well as improved electronic communication methods, i.e. email and Wi-Fi which resulted in the reduced use of paper.

8. Maintenance Costs:

This comprises mainly of the software licences, support to the CRM as well as the rentals for printers and copiers. Actual expenditure is R6.2 million against the budgeted annual amount R8.3 million. The under-expenditure of 25% (R2.1 million) is mainly due to reduced IT System Maintenance.

9. Expenses Council & Committee Meetings:

A total of 2% under-expenditure of R0.5 million.

This under-expenditure is as a result of the combined effects of:

Honoraria- Council & Committee Members: Under-expenditure of R 917 774 due to the cancellations of various High Impact Committees meeting in the month of March 2020 due to COVID-19.

The above saving is however offset by the overspend on the Travel for Council & Committee Members of R 89 856 which was largely due to the increase in travel fees and hotel accommodations above projected inflation rate

NOTES TO THE FINANCIAL STATEMENTS

	2020	2019
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25. BUDGET DIFFERENCES (CONTINUED)

10. Departmental Expenses: 54% saving of R5.0 million:

The main expenditure items under this expense category are Corporate Affairs and Strategic Projects.

During the period under review, Corporate Affairs spent R 3.2 million against annual budget of R6.2 million, a R3 million (48%) under expenditure. Due to covid19, the activities did not take place.

The expenditure Strategic Projects is R1.1 million against annual budgeted amount of R2.8 million.

This is mainly due to delays in the implementation of the planned projects e.g. Retention Strategy, Welcome Pack Promotional Material and Capacity Building Initiatives. These delays are largely occasioned by the departure during the period of the Manager who would have overseen their implementation.

11. Financial expense:

The expenditure of R 1.9 million against annual budgeted amount of R 0.9 million. The variance of

R 1 million (111%) over the annual budget due to long-term investment performing negatively during covid19 in March 2020.

12. Impairment losses:

The actual expense, albeit a paper expense, is far higher than expected. The poor economy has resulted in far less annual fees payments being made by registered persons. Council has had to increase the provision account for the impairment of trade receivable quite considerably.

13. Finance costs:

A similar paper entry to the note on investment revenue. In this case it relates to expenses incurred by the Pension funds. As in the case with the revenue, Council has no control over the transaction and does not budget for it.

14. Depreciation and amortisation:

Council's budget has always been an operating budget for cash revenues and expenses. For that reason Council did not budget for non-cash movements.

Depreciation and amortisation amounted to R2.833 million for the year.

26. KEY PERSONNEL EMOLUMENTS

REMUNERATION PAID TO KEY PERSONNEL - 2020	Months employed	Emoluments	Contributions to retirement plan	Total
SE Madonsela	12	2 129 047	195 130	2 324 177
Z Khoza	12	1 653 392	152 646	1 806 038
EL Nxumalo	12	1 646 049	108 447	1 754 496
GB Mokgoro	6	610 077	-	610 077
C Tsatsawane	10	1 204 447	97 674	1 302 121
J Cato	5	1 653 845	56 953	1 710 798
	57	8 896 857	610 850	9 507 707

NOTES TO THE FINANCIAL STATEMENTS

	2020	2019
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26. KEY PERSONNEL EMOLUMENTS (CONTINUED)

REMUNERATION PAID TO KEY PERSONNEL - 2019	Months employed	Emoluments	Contributions to retirement plan	Total
SE Madonsela	12	2 037 689	182 364	2 220 053
JH Cato	12	1 422 329	127 746	1 550 075
Z Khoza	12	1 681 573	142 660	1 824 233
EL Nxumalo	12	1 456 557	127 099	1 583 656
Z Ntsaluba	10	1 292 210	118 883	1 411 093
CN Tsatsawane	12	1 355 152	121 713	1 476 865
	70	9 245 510	820 465	10 065 975

27. CONTINGENCIES

The council is defending the matter brought before court for the claim between R1 630 396 - R3 260 792. Management is however of the view that ECSA's defense will be successful.

There are no other matters that Council is aware of.

28. PREPAYMENTS

Prepaid expenses at year-end	128 591	510 245
Prepaid VAT on unallocated receipts	1 204 579	801 801
	1 333 170	1 312 046

29. OTHER INCOME

Other income 1	29 244	294 832
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30. IMPAIRMENT OF ASSETS

Impairments

Trade and other receivables

Describe the events and circumstances that led to the recognition or reversal of the impairment loss. The recoverable amount or [recoverable service amount] of the asset was based on its fair value less costs to sell or [its value in use.]	54 107 009	13 945 992
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Borrowings

Describe the events and circumstances that led to the recognition or reversal of the impairment loss. The recoverable amount or [recoverable service amount] of the asset was based on its fair value less costs to sell or [its value in use.]	722 362	745 136
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	54 829 371	14 691 128
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NOTES TO THE FINANCIAL STATEMENTS

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31. CHANGE IN ACCOUNTING POLICY

On 31 March 2020, the Council adopted the following GRAP standard, effective for financial year ending on or after 31 March 2020. The restatement did not have any material impact on the statement of financial position and statement of cash flow.

GRAP 9: Revenue from Exchange Transactions

GRAP 9: Revenue from Exchange transactions (replacing GRAP23: Revenue from Non- Exchange transactions: Recognition and Measurement) addresses the classification and measurement of Revenue from Exchange transactions. The key impact of GRAP 9 for the Council is due to the Council having reviewed, assessed and evaluated revenue transactions (application fees, annual fees and accreditation visits) as at 31 March 2020. based

on the facts that existed at that date, the Council concluded that revenue constitute an exchange transaction as defined in GRAP 9 Par 6, as they reflect exchange of equal value of an asset in the form of cash or cash equivalent on the one hand and the right of association with the Council on the other hand . The initial application of GRAP 23 has had the following impact on the Council's financial position with regard to their classification.

Effect of adopting GRAP 9: Revenue from Exchange transactions

The Council has elected to apply the impact of GRAP 9 retrospectively with an adjustment to the re-classification of now revenue from exchange transactions, therefore comparative information for the 2019 Reporting Period has been restated.

The correction of the error(s) results in adjustments as follows:

STATEMENT OF FINANCIAL POSITION EXTRACT	As originally presented 31 March 2019	GRAP 9 Adjustment	Restated 31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	10 770 229	-	10 770 229
Intangible assets	5 143 662	-	5 143 662
Investments	14 156 692	-	14 156 692
Retirement benefit asset	6 673 000	-	6 673 000
	36 743 583	-	36 743 583
Current assets	-	-	-
Receivable from exchange transactions	-	25 066 184	25 066 184
Receivables from non-exchange transactions	25 066 184	(25 066 184)	-
Prepayments	1 312 046	-	1 312 046
Cash and cash equivalents	22 121 964	-	22 121 964
	48 500 194	-	48 500 194
Total Assets	85 243 777	-	85 243 777

NOTES TO THE FINANCIAL STATEMENTS

	2020	2019
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31. CHANGE IN ACCOUNTING POLICY (CONTINUED)

Statement of Financial Performance extract

The change in classification of Revenue from Exchange transactions has no effect on the statement on financial performance, except for the classification as per note 13.

32. RELATED PARTIES

All related party transactions that occurred during the financial year were in the normal course of business, in accordance with the mandate of ECSA

Related party balances

Netted-off against the annual fees included in the revenue from exchange transactions is a payment to the CBE in terms of section 4(S) of the CBE Act	1 139 838	1 168 671
Council for the Build Environment (CBE)		
Annual fees paid on behalf of parties related to the organisation, who are registered persons		
CV Gamede (President)	3 550	3 275
KI Jacobs (Vice President)	3 550	3 275
SE Madonsela (CEO)	3 550	3 275
J Cato (Executive Regulatory Function)	3 550	3 275
L Mazibuko (Quality Manager)	1 690	1 045
	1 155 728	1 182 816





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