ENGINEERING COUNCIL OF SOUTH AFRICA

ECSA

Annual Report 2012/13

Table of Contents

Abbreviations and Acronyms

ARC	Audit, Risk and Compliance
BE	Built Environment
CBE	Council for the Built Environment
CEO	Chief Executive Officer
CERTAC	Certificated Engineer Accreditation Committee
CETA	Construction Education and Training Authority
CHE	Council on Higher Education
CIM	Communication, Information and Marketing
COP	Code of Practice
CPD	Continuing Professional Development
CPUT	Cape Peninsula University of Technology
CRC	Central Registration Committee
C&U	Commitment and Undertaking
CUT	Central University of Technology
DHET	Department of Higher Education and Training
DMR	Department of Minerals Resources
DoL	Department of Labour
DPW	Department of Public Works
DSTGs	Discipline-Specific Training Guides
DUT	Durban University of Technology
EC	Education Committee
ECN	Engineering Council of Namibia
ECSA	Engineering Council of South Africa
ECZ	Engineering Council of Zimbabwe
EMF	Engineers Mobility Forum (recently renamed IPEA)
EP	Engineering Profession
EPA	Engineering Profession Act, 2000 (Act No 46 of 2000)
EPAC	Engineering Programme Accreditation Committee
EPQEC	Engineering Programme Qualifications and Examinations Committee
ESGB	Engineering Standards Generating Body
ETMF	Engineering Technologists' Mobility Forum (recently renamed IECA)
EXCO	Executive Committee
F&S	Finance and Staff Committee
HEQC	Higher Education Quality Committee
HEQF	Higher Education Qualifications Framework
HESA	Higher Education South Africa

IAC	International Affairs Committee
IC	Investigating Committee
ICE	Institution of Civil Engineers
IECTA	International Engineering Technologists Association
IDoEW	Identification of Engineering Work
IFEES	International Federation of Engineering Education Societies
IFRS	International Financial Reporting Standards
IPEA	International Professional Engineers Association
IT	Information Technology Committee
JIC	Joint Implementation Committee
LMI	Lifting Machinery Inspectors
MerSETA	Manufacturing, Engineering and related Services SETA
MFMA	Municipal Finance Management Act
MoU	Memorandum of Understanding
MQA	Mining Qualifications Authority
MUT	Mangosuthu University of Technology
NATED	National Technical Education
NC	National Certificate
NHBRC	National Home Builders' Registration Council
NQF	National Qualifications Framework
NRCS	National Regulator for Compulsory Specifications
NRS	News Registration System
OFO	Organising Framework for Occupations
PAC	Professional Advisory Committee
PFMA	Public Finance Management Act
PICC	Presidential Infrastructure Coordinating Committee
QCTO	Quality Council for Trades and Occupations
SAC	Strategic Advisory Committee
SACPE	South African Council for Professional Engineers
SAICE	South African Institution of Civil Engineering
SALGA	South African Local Government Association
SAPS	South African Police Service
SAQA	South African Qualifications Authority
SASEE	South African Society of Engineering Education
SAYEP	South African Youth into Engineering Programme
SETA	Sector Education and Training Authority
SIPs	Strategic Integrated Projects
TECHNO SGG	Technology Standards Generating Group
TPAC	Technology Programme Accreditation Committee
TPQEC	Technology Programme Qualifications and Examinations Committee
TUT	Tshwane University of Technology
UCT	University of Cape Town
UK	United Kingdom
UKZN	University of KwaZulu-Natal
VA	Voluntary Association
VC	Vice-Chancellor
WA	Washington Accord
WG	Candidacy Phase Working Group
WSU	Walter Sisulu University

1 Report Parameters

The annual report provides a corporate profile with the following elements:

- ***legislative and regulatory framework;***
- ***the Council's strategy with risk management framework;***
- ***governance report;***
- ***organisational performance;***
- ***a detailed report on the mandated and discretionary business of the Council; and***
- ***stakeholders and the financial report.***

This annual report is prepared for the 2012/13 financial year. During the year under review, there has been an overlap of the office of two engineering Councils. The term of the third Council came to an end in July 2012 with the inauguration of the fourth Council. This report covers for the period 01 April 2012 to 31 March 2013, in compliance with section 4(v) of the Council for the Built Environment Act, Act 43 of 2000 that reads "The Council may receive and assimilate the annual reports of the Councils for the Professions and submit a summary to the Minister" and section 15(7)(a) of the Engineering Profession Act, Act 46 of 2000 (EPA) that reads "The Council must annually prepare a statement of income and expenditure and a balance sheet showing its financial position as at the close of the financial year which it relates".

2 Corporate Profile

Professional regulation of engineering in South Africa dates from the Professional Engineers' Act, 1968 (Act 81 of 1968) that provided for the registration of Professional Engineers. The Engineering Profession Act, 1990 (Act No. 114 of 1990) expanded registration to Engineering Technologists, Engineering Technicians and Certificated Engineers. The EPA established the ECSA in its present form and gave professional status to Engineering Technologists, Engineering Technicians and Certificated Engineers.

2.1 Legislative and regulatory framework

The Engineering Council of South Africa (ECSA) is a statutory body established in terms of the Engineering Profession Act, 2000 (Act No. 46 of 2000) (EPA). Professional regulation of engineering in South Africa dates from the Professional Engineers' Act, 1968 (Act 81 of 1968) that provided for the registration of Professional Engineers. The Engineering Profession Act, 1990 (Act No. 114 of 1990) expanded registration to Engineering Technologists, Engineering Technicians and Certificated Engineers. The EPA established the ECSA in its present form and gave professional status to Engineering Technologists, Engineering Technicians and Certificated Engineers. The ECSA exists as a regulatory body for the profession of engineering because of the recognition that, while engineering activity is essential and beneficial to society and the economy, substantial risks to health, safety and the environment accompany engineering activity that must be managed by competent professionals. In addition, engineering services must be of adequate quality in the interests of the economy and avoidance of waste.

With these objectives in mind, the EPA requires and empowers the 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 toward registration in each of the professional categories;
- Register persons in professional categories who demonstrate competency against the standards for the categories;
- Evaluate educational qualifications that are not accredited or recognised;
- Register persons who meet educational requirements in candidate categories;
- Establish specified categories of registration to meet specific health and safety licencing 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;
- Annually publish guideline professional fees and scope of work;
- Recognise voluntary associations (VAs); and
- Recommend to the Council for the Built Environment (CBE) the ECSA's identification of the type of engineering work which may be performed by persons registered in any category.

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

2.2 Mission, Vision and Values

Vision

Ensuring that South Africa enjoys all the benefits of a strong, competent, growing, sustainable and representative Engineering Profession, able to provide all the expertise necessary for the socio-economic needs of the country and to exert a positive influence in South Africa.*

Mission

Creating circumstances where society is confident that the Engineering Profession South African is able to carry out the necessary functions for the socio-economic growth in the country.

The ECSA achieves its mission through:

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

Values

- A service orientation
- Integrity
- Transparency of criteria and processes
- Impartiality and non-discrimination in decision making
- Confidentiality with regard to personal information, and
- Innovation and responsiveness*

** Source ECSA Strategic Plan 2010-2014*

2.3 The ECSA's strategy

Strategy Programme	Strategy Objectives
Enhancement of the **quality** of the Engineering Profession	■ Effective Registration and CPD ■ Programme Accreditation ■ Investigations and disciplinary processes ■ International Recognition ■ IDoEW
Growing the **quantity** of the Engineering Practitioners	■ Engineering Skills Pipeline and give direction on needs ■ Registrations drive for new persons ■ Attract learners to the Engineering Profession
Repositioning the Profession	■ Public and Environmental safety ■ Provide expert advice to policy makers ■ Research ■ Stakeholder Engagement
Effective **operations**	■ Effective and Efficient Operations ■ Sustainability

2.4 Integrated risk management

The ECSA has in the recent past developed a risk management framework that is intended to strengthen the organisational performance in achieving its strategic objectives. The risk management framework underpins good management and decision making at all levels of the organisation. The Council is the ultimate accountable governance structure for integrated risk management and have delegated to the Audit, Risk and Compliance (ARC) Committee the responsibility to monitor risks on a quarterly basis. The ARC is one of the nine High Impact committees of the Council responsible for, amongst others, the adoption and application of an internationally acceptable risk management framework, audit responsibility, development and application of a combined assurance framework, governance and compliance. The ECSA's comprehensive risk management levels and categories including definitions are detailed in table 1 below:

Levels	Definition
Strategic	Risk that affects the achievement of the ECSA's strategic objectives.
Tactical	Risk that affects the achievement of a Department or Divisional objectives.
Operational	Risk that affects management's ongoing processes.
Project	Risk that may cause a failure to meet the project's objectives, or limits the achievements of the objectives as defined at the outset of the project.

Categories	Definition
Financial risks	Effective control procedures and related systems to ensure that all financial transactions are complete, accurate, authorised and valid for example, financial management, cash flow and fund management, irrecoverable debts and asset management.
Process and service delivery	Process risk arises when business processes are not clearly defined and poorly aligned with business strategies.
Human Resources	Inadequately skilled personnel pose a risk to the achievement of the ECSA's business objectives. The Human Resources function must support the ECSA in identifying adequately skilled personnel required to ensure excellence.
Regulatory	Regulatory risk is as a result of the organisation's failure to comply with laws, regulations and contractual arrangements that govern business processes including corporate governance.
Environmental/ Economic and political	A) External risks related to mandate B) Strategic priority C) Competitors D) Expectation gap regarding delivery
Information and Technology	This is the risk regarding information technology used to support strategic, operational and financial decisions. The technology must be relevant, reliable and timely.

Table 1: Risk Management Framework


Cape Town Interna

SECTION 1

3 GOVERNANCE

3.1 President's report

3.2 CEO's report

3.3 The ECSA Council

3.4 Meetings of the ECSA Council

3.5 The ECSA Committees

3.6 Code of Conduct for Council and Committee Members

3.7 Meeting attendance report

President's Report

CYRIL GAMEDE Pr Eng PRESIDENT

During the year under review the ECSA pursued its mission to advance the engineering profession, protecting the public safety and promoting a vibrant engineering profession. The ECSA made significant inroads in establishing itself as a key advisor to government in matters involving engineering, in particular the areas of infrastructure, addressing the skills shortage, driving the training and development agenda for municipalities, and promoting quality assurance in engineering education.

3.1 President's Report

It has been an honour and a privilege to serve as president of the Engineering Council of South Africa (ECSA) since July 5, 2012. I look back at what the Council has accomplished over the reporting period.

One of the first things that the Council looked at was how it could contribute to the advancement of the engineering profession, taking into account transformation and partnering with government on priority areas of national importance.

On 5 July 2012, the fourth ECSA Council was installed by the honourable Minister of Public Works, Mr Thembelani Waltermade Nxesi and committed to advancing the transformation agenda of the engineering profession which calls for active and equitable participation of engineers of all race groups.

During the year under review, the ECSA pursued its mission to advance the engineering profession, protecting public safety and promoting a vibrant engineering profession. The ECSA made significant inroads in establishing itself as a key advisor to government in matters involving engineering. The areas of focus were infrastructure, addressing the skills shortage, driving the training and development agenda for municipalities, and promoting quality assurance in engineering education.

On 12 October 2012, one of the nation's most innovative skills conferences was convened by the ECSA and the Department of Higher Education and Training (DHET). The aim of the conference was to collectively come up with a national strategy to increase the national engineering graduate throughput. Discussion themes covered student selection, curriculum, student support, funding, work integrated learning and also included the articulation pathway from Further Education and Training (FET) Colleges to Higher Education Institutions, particularly Universities of Technology. The summit recommendations were subsequently tabled before the Minister of Higher Education, Dr Blade Nzimande. Consequently, a task team has been formed to look into the recommendations and to propose implementation strategies emanating from the summit recommendations. It must be remembered that engineering education is dependent on primary and secondary education. Therefore, the ECSA will continue to influence any intervention that can have a direct positive impact on engineering education. When implemented, these interventions will aid the country in significantly increasing the throughput of engineering graduates which will translate into an adequate engineering pool that is needed to drive the government's massive infrastructure programmes.

The ECSA signed a Memorandum of Intent (MOI) with the Presidential Infrastructure Coordinating Commission (PICC). This MOI committed both parties to working together and developing an agenda of activities that will enable the engineering profession to contribute to the government's infrastructure programme. Looking into the year ahead, the partnership will see the ECSA and the PICC working together to explore options for improving engineering capacity in the public sector.

The ECSA and the Municipal Infrastructure Support Agency (MISA) signed a Memorandum of Understanding (MoU) in November 2012 to provide technical training and mentoring programmes for municipal officials. The aim of this initiative is to improve the level of professional engineering skills in the local government sector. This will include mentoring for candidate municipal engineers. The ECSA will facilitate the availability of professionally registered mentors for the professional registration of municipal officials and graduates.

Another significant milestone in the year under review is that the ECSA and the Council on Higher Education (CHE) have established a framework for cooperation to promote a coherent and effective quality assurance system for higher education institutions' engineering programmes.

The ECSA will co-operate with the CHE in the development of standards for engineering higher education qualifications. This partnership will ensure that engineering programmes offered at higher education institutions are of premium quality.

The ECSA commenced a series of roadshows in November 2012, to engage stakeholders, and to communicate the ECSA's strategic initiatives and its transformation agenda to the engineering profession.

Growing the pool of registered professionals is essential for the effective regulation of the profession and maintaining public safety. I am pleased to report a 6.6% growth in the number of registered professionals as the database of registered professionals increased from 38 578 on 31 March 2012 to 41 125 on 31 March 2013.

The ECSA is working closely with the Council for the Built Environment (CBE) to bring to finality the Identification of Engineering Work (IDoW) principle as espoused in the Built Environment legislation.

I wish to express my gratitude and appreciation to the Council, outgoing CEO, Dr. Oswald Franks Pr Eng, the ECSA management and staff and Voluntary Associations for their immeasurable commitment in supporting the ECSA's committees that are pivotal in running the organisation. I would also like to thank the Vice-President and Chairpersons of High Impact committees for their leadership and commitment

The contents of the report will provide additional information about the scope and depth of work undertaken by the ECSA in the 2012/2013 period. Our projects, initiatives and reports have been conceived and executed to pursue commitment in the advancement of the engineering profession. These will further contribute to the socio-economic development of our communities and the country.

Cyril Vuyani Gamede, Pr Eng, President

CEO's Report

OSWALD FRANKS PhD Pr Eng CEO

The ECSA convened a high level discussion with leading engineering practitioners and "captains of industry" to explore interventions which the engineering profession could undertake to align with President Zuma's call to "join government in a massive infrastructure development drive that will boost the level of the economy and create job opportunities".

3.2 Chief Executive Officer's Report

Governance

The transition from the third to the fourth ECSA Council was effected on 5 July 2012. This transition completed the process, of appointing a new ECSA Council, as prescribed by the Court Order issued by the North Gauteng High Court in December 2011.

My thanks is conveyed to the President of the third Term of Council, Mr Christopher Campbell Pr Eng, and members of the third Council for the visionary work done in respect of repositioning the ECSA as a relevant and efficient organisation, able to contribute to building a representative profession and our national capability.

Mr Cyril Gamede Pr Eng was elected as the President of the fourth Council and he led the charge along with his fellow Council members to build on the platform laid by the previous Council and to take the organisation to the next level in accomplishing its vision and mandate.

Governance of the ECSA has further been enhanced through three key interventions.

Firstly, in response to a request from the Minister of Public Works to be compliant with the prescripts of the Public Management Finance Act, Act 1 of 1999 (PFMA), the ECSA adopted a transition plan for the organisation's migration to full compliance with the PFMA by the commencement of the 2015 financial year.

Secondly, in line with the quest to continuously enhance governance and mitigate risk, the ECSA established an internal audit capability through the appointment of Deloitte as its internal audit partner. By adopting a combined assurance model, the internal auditors will work in collaboration with the external auditors, PWC, and senior management to ensure that the key risks throughout the organisation are identified and that the necessary steps are taken to mitigate their potential impact.

Thirdly, the Council approved the establishment of a committee hierarchy in which all subordinate committees would report to the Council via one of the nine high impact committees, as depicted in figure 3 of the annual report.

The strategic imperative of creating an ECSA which is relevant to the profession and society

A number of initiatives were undertaken in order to advance the profession and to signal the ECSA's commitment to contributing to the broader developmental goals of government and society.

A pioneering national engineering skills summit was held, in partnership with the Department of Higher Education and Training, the Manufacturing, Engineering and related Services SETA (MerSETA), and the South African Society of Engineering Educators (SASEE), in October 2012. This summit, which was attended by representatives from all the relevant stakeholder groups, built on the research which the ECSA conducted in 2011 and which examined the barriers to students succeeding in attaining an engineering qualification. The summit report is available on the ECSA website (www.ecsa.co.za) and makes a number of recommendations which were presented to the Minister of Higher Education and Training for consideration. The Ministry subsequently established a joint working group in order to consider the recommendations and to propose implementation strategies for the summit recommendations.

This intervention, championed by the ECSA, has the potential to significantly increase the number of engineering graduates from the Higher Education system and to contribute to increasing the necessary engineering skills capacity required to build a capable state as suggested by the National Development Plan.

The ECSA convened a high level discussion with leading engineering practitioners and "captains of industry" to explore interventions which the engineering profession could undertake to align with President Zuma's call to "join government in a massive infrastructure development drive that will boost the level of the economy and create job opportunities". The ECSA concluded a formal Memorandum of Intent (MoI) with the PICC in November 2012. This MoI commits the engineering profession, via the ECSA, to working with government, represented by the PICC, to exploring collaboration in two areas, i.e. the development of engineering skills and capacity; and the enhancement of the state's infrastructure procurement policies and practices.

The ECSA further engaged various state entities, including the Public Protector, CBE, and the MISA, through concluding formal agreements which commits the signatories to collaborating in the national interest.

The ECSA's strategic partnership with the Council on Higher Education (CHE) was formalised by way of a Memorandum of Understanding (MoU) signed in November 2012. This MoU commits the organisations to collaboration in areas of quality assurance related to engineering higher education; the development of standards for engineering higher education qualifications; and the monitoring of and evaluation of engineering higher education.

The ECSA maintains collaboration with its 44 recognised Voluntary Associations (VAs) via a Presidents' Forum meeting held twice per annum. Additionally, in December 2012, the ECSA commenced a series of "roadshows" which were planned for each of the major cities across the country. The purpose of the visits was to establish opportunities for the ECSA to engage directly with registered engineering professionals and to convey key messages of developments in the profession. A further intervention, viz a Thought Leadership Forum, is being planned as a further way in which the VAs could be involved in the co-construction of an agenda of strategic initiatives the profession should express a view on.

The fourth ECSA Council established the Transformation Committee as a High Impact committee which indicates Council's commitment to advancing the transformation of the ECSA. The Transformation Committee developed an ambitious implementation plan which could significantly contribute to the advancement of the engineering profession and build a representative engineering profession.

The work to position the ECSA as a relevant organisation in the national context is ongoing and, with the support of the Council, will ensure that the ECSA builds sound relations with key stakeholders.

Consolidating the core statutory functions of the ECSA

The core function of the ECSA as defined in the EPA includes the setting of standards for engineering education, accreditation of engineering programmes, registration of engineering practitioners in a range of categories, development and the enforcement of a code of conduct, enforcement of a system of continuous professional development of registered persons, and the development of regulations in respect of identifying engineering work.

The ECSA, in consultation with academia, state entities, and industry, concluded the development of seven whole engineering qualification standards aligned with the Higher Education Qualifications Framework (HEQF). These qualifications are now available for adoption and implementation by the Higher Education providers as they consider the options in building a diverse range of qualifications in order to address the needs of industry and commerce.

Twelve accreditation visits, including full and follow-up visits, were conducted against a planned number of 10 visits. Accreditation remains one of the ECSA's core competencies and efforts are underway to ensure that all aspects of accreditation are continuously improved.

As a signatory of the Washington, Sydney and Dublin Accords, the ECSA's accreditation visits and related processes are reviewed every four to five years. In 2012, the Sydney and Dublin Accords were represented by a three-person delegation to observe the ECSA accreditation visits to the Cape Peninsula University of Technology and the University of Johannesburg. The delegation's report was submitted to the International Engineering Alliance (IEA) and all indications were that the ECSA would be recommended for continued membership of both the Sydney and Dublin Accords.

The performance of the ECSA's statutory obligations i.e. investigation of complaints against registered persons and where necessary imposing sanction, remains a key function in the building of an engineering profession which is committed to upholding the highest standards as dictated by the professional code of conduct. The ECSA, through its Investigation Committee ensures that new complaints are attended to promptly and finalised where possible while simultaneously addressing the backlog of more complex and time-consuming matters carried over from prior years. The executives are satisfied that the legal department, working with the appropriate committee, has achieved optimally given the resource challenges experienced.

I am pleased to report that the important task of finalising the regulations pertaining to the Identification of Engineering Work (IDoEW) is at an advanced stage, thanks to the efforts of the consultant appointed by the CBE, who has worked closely with the ECSA representatives to ensure the production of a set of regulations which could accommodate the requirements of the ECSA as well as the need for a greater degree of legal certainty. I am confident that the IDoEW regulations will be concluded and published in the next financial year and that this will be to the benefit of both the public and the engineering profession.

Support for the ECSA strategic and core functions

The ECSA is able to perform its mandated and discretionary functions essentially by virtue of the fees it collects from applicants, registered persons, as well as higher education institutions, in respect of costs related to accreditation visits.

In the aftermath of the negative economic pressure at both a global and national level, the ECSA was in a sound financial position as at 31 March 2013 with an operation surplus of R5,537,245. This financial position is a consequence of meticulous planning by management and the efforts of staff to continuously improve efficiency and to drive down cost in every function.

To enhance financial sustainability, the ECSA must decrease over-reliance on fees from registered members and diversify its income streams.

During the year under review the Human Resources Department undertook various initiatives aimed at improving staff performance and wellness. An employee wellness programme was introduced in order to assist employees with making healthy life choices which in turn may lead to improved work performance and a general sense of well-being.

Under the auspices of the HR department, the ECSA undertook a project in conjunction with Deloitte in order to develop job descriptions for each position. All jobs descriptions were graded in Peromnes.

The Information Technology department worked diligently with the external service provider to develop the IT registration platform which will be used to process registration applications more efficiently. The project has suffered setbacks due to the level of complexity and consequently the implementation will be delayed. The ECSA IT system has laboured due to a historical under-expenditure and this initiative will go a far way to ensure that the IT platform is able to meet the demands of a state-of-the-art registration system.

Acknowledgements

The activities and initiatives recorded in this report signals the collective effort of the ECSA Councils, staff, and importantly the hundreds of volunteers who contribute to the many facets of the ECSA's multiple functions in order to advance the organisation's strategic and operational agenda.

I wish to, on behalf of the ECSA staff, acknowledge the support we have enjoyed from the respective Presidents and Councils which presided in the period under review. Council sets the direction and we were privileged to be able to contribute to the accomplishment of the organisation.

I wish to extend a sincere gratitude to the volunteers who along with our staff are the unsung heroes of the ECSA success. The ECSA is a unique institution where the number of volunteers exceeds the full-time staff by a ratio of more than 10:1. Thank you again to the army of ECSA ambassadors we call volunteers.

Finally, I wish to extend my gratitude and thanks to all our staff who work diligently, tirelessly, and at great personal sacrifice to get the task done against tight deadlines and resource constraints.

Oswald Franks PhD Pr Eng

Chief Executive Officer

1st Row:
(Sitting) L to R: Ms T Nkambule; Dr T Mathe; Ms P Mangakane; Prof T Marwala; Mr A Peters; Mr C Gamede.

2nd Row:
Mr R Patel; Mr K Greenwood; Mr R Vogt; Mr C Stuurman; Mr T B Maswanganyi; Dr B Mwaka.

3rd Row:
Mr S Makhetha; Mr N Myataza; Mr N Van den Burg; Mr DJ Van Niekerk; Mr S Jacobs; Prof B Van Wyk; Mr W Burger; Mr M Thunzi;

1st Row:
(Sitting) Ms R Botha; Dr A Lawless; Ms N Magubane; Dr N Tutu; Ms T Zuma; Ms A M Sassenberg.

2nd Row:
Mr P Erasmus; Adv. A Singh; Mr R Moloisane; Ms T Phiri; Prof L Masu; Ms M Padayachee-Saman; Mr M Ngcobo; Mr O Leburu.

3rd Row:
Dr K Jacobs; Mr K Mistry; Mr E Sabela; Mr P Petlane; Mr M Gxamza..

Absent from the photo:
Mr G Mofokeng; Mr D Matthee; Mr T Maphumulo; Mr Y Brijmohan; Prof B Lacquet; Mr K Nyangoni; Mr R Jennings; Mr C Soga; Mr L Dhlamini; Mr N Nqandela; Mr M Jele; Mr L Mashile.

ECSA Council

The demographics of Council have improved since 2001 from a transformation perspective. Black (African, Indian, and Coloured) members have increased as follows for the last four councils: 44%, 50%, 60%, 76%. The percentage of the female members has increased from 22% to 24% since 2001.

3.3 The ECSA Council

The composition of the ECSA Council is in terms of the provision of Section 3 of the EPA. It consists of 50 members appointed by the Minister of Public Works as the Executive authority as follows:

- Section 3(1)(a) – 30 registered persons, excluding candidates, of whom at least 20 are actively practicing in the Engineering Profession;
- Section 3(1)(b) – ten (10) persons in the service of the state; and
- Section 3(1)(c) – ten (10) members of the public nominated through an open process of public participation.

Third term Council members for the period April 2012 – July 2012 are as listed in table 2 below:

NO	Appointed Council Members I	Category	Representivity		
		Profession	Geo	Gender	Race
1	Mr CJ Campbell (President)	3(1)(a)	GP	M	C
2	Prof T Majozi (Vice-President)	3(1)(a)	GP	M	A
3	Mr SAS Amod	3(1)(a)	GP	M	I
4	Mr D Argyrakis	3(1)(a)	EC	M	W
5	Ms RA Botha	3(1)(a)	GP	F	C
6	Dr JA Cruise	3(1)(a)	GP	M	W
7	Mr JW Cunnington	3(1)(a)	GP	M	W
8	Mr K Greenwood	3(1)(a)	GP	M	W
9	Mr RA Harker	3(1)(a)	WC	M	W
10	Mr AJ Hay	3(1)(a)	GP	M	W
11	Ms ES Jakuszko	3(1)(a)	GP	F	W
12	Ms J Janjic	3(1)(a)	GP	F	W
13	Mr GH Jansen van Rensburg	3(1)(a)	GP	M	W
14	Prof EP Kearsley	3(1)(a)	GP	F	W
15	Mr M Kibido	3(1)(a)	EC	M	A
16	Dr A Lawless	3(1)(a)	GP	F	W
17	Mr HE Makwarela	3(1)(a)	NW	M	A
18	Mr MM Maliba	3(1)(a)	GP	M	A
19	Ms P Mangakane	3(1)(a)	GP	F	A
20	Mr TN Maphumulo	3(1)(a)	KZN	M	A
21	Dr E N Mbuli	3(1)(a)	GP	M	A
22	Mr IS McKechnie	3(1)(a)	GP	M	W
23	Mr KC Mistry	3(1)(a)	GP	M	I
24	Mr PS Moncur	3(1)(a)	GP	M	W
25	Mr PD Naidoo	3(1)(a)	GP	M	I
26	Mr CM Norden	3(1)(a)	GP	M	W
27	Mr BP O'Connor	3(1)(a)	GP	M	W
28	Mr VP Padayachee	3(1)(a)	GP	M	I
29	Ms M Padayachee-Saman	3(1)(a)	GP	F	I
30	Mr N Smuts	3(1)(a)	EC	M	W

NO		STATE	Geo	Gender	Race
1	Mr PJ Joubert	3(1)(b)	GP	M	W
2	Mr PJ Madondo	3(1)(b)	GP	M	A
3	Ms FP Makhubu	3(1)(b)	GP	F	A
4	Mr MG Marsden	3(1)(b)	WC	M	W
5	Mr MA Ngcobo	3(1)(b)	MP	M	A
6	Mr LS Nolo	3(1)(b)	MP	M	A
7	Mr K O'Jageer	3(1)(b)	GP	M	I
8	Mr AM Peters	3(1)(b)	KZN	M	I
9	Mr AT van Coller	3(1)(b)	GP	M	W
10	Mr M Zondi	3(1)(b)	GP	M	A

NO		PUBLIC	Geo	Gender	Race
1	Mr N Alli	3(1)(c)	GP	M	I
2	Mr H Bengu	3(1)(c)	KZN	M	A
3	Mr Y Brijmohan	3(1)(c)	GP	M	I
4	Mr CT Camane	3(1)(c)	GP	M	A
5	Ms MM Leshabane	3(1)(c)	GP	F	A
6	Mr TC Madikane	3(1)(c)	KZN	M	A
7	Adv KG Mapotse	3(1)(c)	GP	M	A
8	Dr DR Mkhize	3(1)(c)	GP	F	A
9	Mr J Phiri	3(1)(c)	GP	M	A
10	Ms BG Sudano	3(1)(c)	WC	F	W

Table 2: List of Council members for the third term

Third term Council members for the period July 2012 – March 2013 are as listed in table 3 below:

NO	Appointed Council Members	Category	Representivity		
		Profession	Geo	Gender	Race
1	Mr CV Gamede (President)	3(1)(a)	GP	M	A
2	Mr DN Matthee	3(1)(a)	GP	M	C
3	Dr ZT Mathe	3(1)(a)	GP	M	A
4	Mr NP van den Berg	3(1)(a)	EC	M	W
5	Ms M Padayachee-Saman	3(1)(a)	GP	F	I
6	Dr A Lawless	3(1)(a)	GP	F	W
7	Mr RJ Moloisane	3(1)(a)	GP	M	A
8	Ms AM Sassenberg	3(1)(a)	FS	F	W
9	Mr MA Ngcobo	3(1)(a)	MPU	M	A
10	Ms TP Maphumulo	3(1)(a)	GP	F	A
11	Mr Y Brijmohan	3(1)(a)	GP	M	I
12	Ms T Nkambule	3(1)(a)	KZN	F	A
13	Mr BP Petlane	3(1)(a)	GP	M	A
14	Prof BJ van Wyk	3(1)(a)	GP	M	W
15	Mr CP Stuurman	3(1)(a)	GP	M	C
16	Mr PM Erasmus	3(1)(a)	GP	M	W
17	Ms RA Botha	3(1)(a)	GP	F	C
18	Prof BM Lacquet	3(1)(a)	GP	F	W
19	Ms P Mangakane	3(1)(a)	GP	F	A
20	Mr K Greenwood	3(1)(a)	GP	M	W
21	Mr RT Vogt	3(1)(a)	GP	M	W
22	Mr NM Myataza	3(1)(a)	KZN	M	A
23	Mr K Nyangoni	3(1)(a)	GP	M	A
24	Prof T Marwala	3(1)(a)	GP	M	A
25	Prof ML Masu	3(1)(a)	GP	M	A
26	Mr OL Leburu	3(1)(a)	NW	M	A
27	Dr KI Jacobs	3(1)(a)	WC	M	C
28	Mr KC Mistry	3(1)(a)	GP	M	I
29	Mr RE Jennings	3(1)(a)	GP	M	W
30	Mr DJ van Niekerk	3(1)(a)	GP	M	W

NO		STATE	Geo	Gender	Race
1	Mr A Peters (Vice-President)	3(1)(b)	KZN	M	I
2	Ms H Anderson (Resigned)	3(1)(b)	GP	F	w
3	Mr CM Soga	3(1)(b)	GP	M	A
4	Mr M Gxamza	3(1)(b)	GP	M	A
5	Mr LT Dhlamini	3(1)(b)	GP	M	A
6	Mr W S B Burger	3(1)(b)	GP	M	W
7	Dr B L Mwaka	3(1)(b)	GP	M	A
8	Mr S S Jacobs	3(1)(b)	KZN	M	W
9	Ms T Phiri	3(1)(b)	GP	F	A
10	Mr N Nqandela	3(1)(b)	GP	M	A
11	Mr T Maswawangani	3(1)(b)	LP	M	A

NO		PUBLIC	Geo	Gender	Race
1	Mr R Patel	3(1)(c)	KZN	M	I
2	Dr A Singh	3(1)(c)	GP	M	I
3	Mr M Jele	3(1)(c)	FS	M	A
4	Mr L Mashile	3(1)(c)	MPU	M	A
5	Ms T Zuma	3(1)(c)	LP	F	A
6	Dr N Tutu	3(1)(c)	KZN	F	A
7	Mr M Thunzi	3(1)(c)	WC	M	A
8	Ms NVB Magubane	3(1)(c)	GP	F	A
9	Mr S Makhetha	3(1)(c)	EC	M	A
10	Mr M Mofokeng	3(1)(c)	GP	M	A

Table 3: List of Council members for the fourth term

The demographics of the Council have improved since 2001 from a transformation perspective. Black (African, Indian, and Coloured) members have increased as follows for the last four councils: 44%, 50%, 60%, 76%. The percentage of the female members has increased from 22% to 24% since 2001.

Council No.	Year of appointment	Race				Gender	
		W	A	C	I	Male	Female
1	2001	28	15	3	4	39	11
2	2005	25	13	4	8	39	11
3	2009	20	19	2	9	39	11
4	2012	12	28	4	6	38	12

Table 4: The race and gender composition of the ECSA Council from 2001 to 2012

3.4 Meetings of the ECSA Council

During the year under review the outgoing ECSA Council met two times and the incoming Council met four times. All members of the ECSA Council are non-executive and independent. All governance committee meetings are attended by the CEO, the executives and managers, as necessary.

3.5 The ECSA Committees

The Council appoints an Executive Committee (EXCO) that has defined powers to act between Council meetings. The Chairpersons of nine High Impact committees serve on the Executive Committee, while the Vice-Chairpersons of these High Impact committees serve as alternate EXCO members. Council establishes a number of standing committees with defined functions.

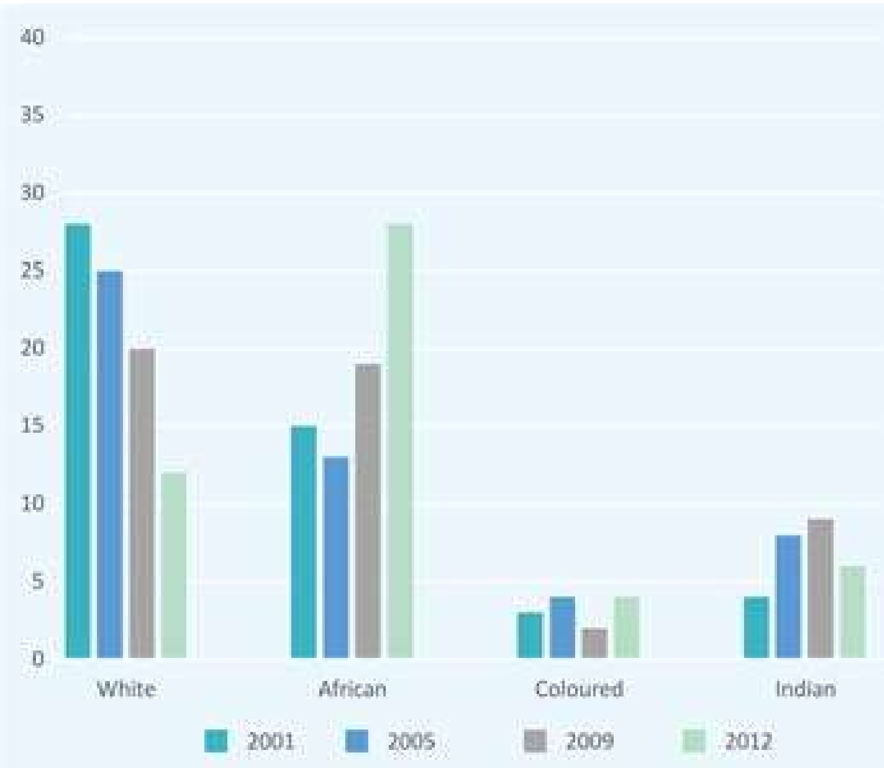

Figure 1: Racial comparation of Council over four terms

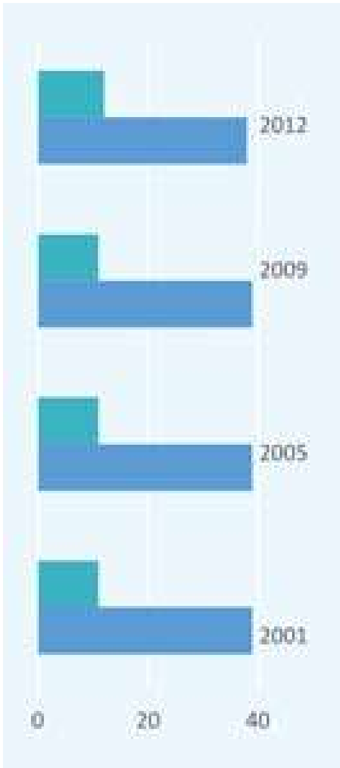

Figure 2: Gender comparation of Council over four terms

An organogram of the ECSA's Committees is presented below in figure 3.

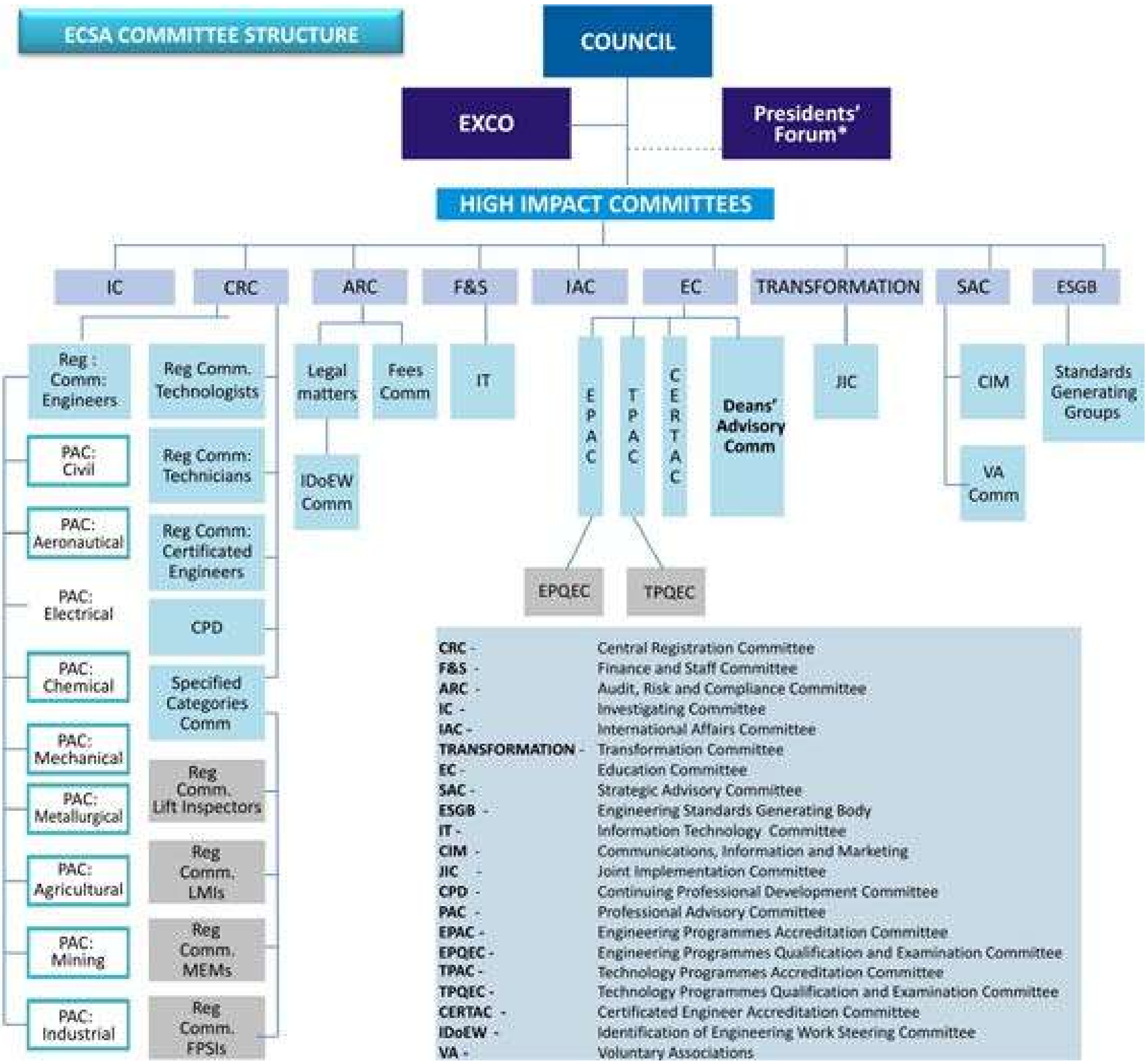

Figure 3: ECSA's Committees Structure

* Forum for the ECSA President to engage with VA President on matters of mutual interest

3.6 Code of Conduct for Council and Committee Members

In support of the Council's commitment to sound corporate governance, the Council approved that all its members and the ECSA's Committees would be required to commit to, by signature, the ECSA Code of Conduct for Council and Committee members.

The Council has led this initiative by example and 96% of Councillors have completed the relevant undertaking.

The Code of Conduct document is under review by the Legal Matters Committee.

3.7 Meeting attendance report

3.7.1 The third term Council meeting attendance (April 2012 – July 2012)

NAME	COUNCIL	EXCO	IC	CRC	ARC	EC	TRANS	ESGB	FI&ST	IAC	SAC
REGISTERED PERSONS					N/A		N/A				
1. Mr Campbell CJ (President)	1/2	0/1								1/1	1/1
2. Prof Majozi T (Vice-president)	2/2	0/1				0/1					0/1
3. Mr Alli N	0/2	0/1									
4. Mr Amod SAS	1/2										
5. Mr Argyrakis D	2/2	1/1	1/1					0/1			
6. Mr Bengu H	2/2		1/1								1/1
7. Ms Botha RA	2/2								1/1		
8. Mr Brijmohan Y	1/2	1/1							1/1		
9. Mr Camane CT	2/2	0/1									1/1
10. Dr Cruise JA	2/2										
11. Mr Cunnington JW	2/2										0/1
12. Mr Greenwood K	2/2										
13. Mr Harker RA	2/2			1/1		1/1				0/1	
14. Mr Hay AJ	2/2	0/1		0/1						1/1	1/1
15. Ms Jakuzsko E	1/2		1/1	0/1							
16. Ms Janjic J	1/2										
17. Mr Jansen van Rensburg GH	1/2		1/1								
18. Mr Joubert PJ	1/2								1/1		
19. Prof Kearsley EP	2/2	1/1		1/1							
20. Mr Kibido M	1/2								1/1		0/1
21. Dr Lawless A	1/2			1/1							1/1
22. Ms Leshabane M	0/2										0/1
23. Mr Madikane TC	2/2								1/1		
24. Mr Madondo P	0/2										
25. Ms Makhubu FP	1/2	0/1									
26. Ms Makwarela HE	0/2			0/1		0/1					
27. Mr Maliba MM	0/2										
28. Ms Mangakane	0/2										
29. Mr Maphumulo TN	1/2	1/1	1/1								
30. Adv Mapotse KG	0/2										
31. Mr Marsden MG	0/2										
32. Dr Mbuli EN	2/2										
33. Mr McKechnie IS	2/2								1/1		
34. Mr Mistry K	2/2										
35. Dr Mkhize DR	0/2	1/1				0/1				0/1	
36. Mr Moncur PS	1/2			1/1				0/1		1/1	1/1
37. Mr Naidoo PD	1/2										
38. Mr Ngcobo MA	1/2										
39. Mr Nolo LS	1/2										
40. Mr Norden CM	2/2										0/1
41. Mr O'Connor BP	0/2							0/1			
42. Mr O'Jageer K	0/2										0/1
43. Mr Padyachee VP	2/2	0/1							0/1		
44. Mrs Padayachee-Saman M	2/2										
45. Mr Peters A	1/2		0/1								
46. Mr Phiri J	1/2										
47. Mr Smuts N	1/2		0/1								
48. Ms Sudano BG	1/2										
49. Mr van Coller A	0/2										
50. Mr Zondi M	1/2										

Table 5: Third term Council members meeting attendance

3.7.2 Fourth term Council meeting attendance (July 2012 – March 2013)

Name	Council	EXCO	IC	CRC	ARC	EC	TRANS	ESGB	FI&ST	IAC	SAC
1. Mr Gamede C (President)	4/4	1/1									
2. Mr Peters A (Vice-President)	2/4	1/1	4/4								
3. Ms Anderson H (Resigned)	2/2										
4. Ms Botha RA	4/4	1/1	2/3						1/3		
5. Mr Brand Burger WS	4/4										
6. Mr Brijmohan Y	2/4	1/1			3/3				1/2		2/2
7. Mr Dhlamini L	3/4	1/1			1/2		1/2		1/2		
8. Mr Erasmus P	4/4			4/4				1/1			2/2
9. Mr Greenwood K	4/4										
10. Mr Gxamza M	4/4										
11. Dr Jacobs K	2/4	*1/1						2/2		2/2	
12. Mr Jacobs SS	4/4		2/2								
13. Mr Jele M	2/4										
14. Mr Jennings R	2/4							1/1			1/1
15. Prof Lacquet B	3/4					2/3		0/1		1/2	
16. Dr Lawless A	3/4			0/3	1/3						
17. Mr Leburu O	4/4			3/3							
18. Ms Magubane NVB	4/4	1/1			3/4						
19. Mr Makhetha S	4/4										
20. Ms Mangakane P	2/4				1/2				1/2		1/1
21. Ms Maphumulo T	4/4		1/2								
22. Prof Marwala T	2/4	1/1				2/2					
23. Mr Mashile L	3/4						1/2				1/1
24. Prof Masu L	2/4										
25. Mr Maswanganyi TB	1/1										
26. Dr Mathe ZT	3/4	0/1		3/3							
27. Mr Matthee DN	2/4										
28. Mr Mistry K	4/4										
29. Mr Mofokeng M	4/4				2/2					2/2	
30. Mr Moloisane R	4/4	*1/1		3/4		1/1					0/1
31. Dr Mwaka BL	3/4										
32. Mr Myataza N	4/4										
33. Mr Ngcobo MA	4/4				4/4						
34. Mr Nqandela N	2/2										
35. Mr Nyangoni K	3/4								2/2		
36. Ms Nkambule T	3/4						1/2		1/2		1/1
37. Ms Padayachee-Saman M	4/4										
38. Mr Patel R	4/4										
39. Mr Petlane P	4/4		1/2								
40. Ms Phiri T	2/4										
41. Ms Sassenberg A	4/4										
42. Dr Singh A	3/4		1/1							2/2	1/1
43. Mr Soga C	4/4										1/1
44. Mr Stuurman C	4/4					1/1					
45. Mr Thunzi M	3/4										
46. Dr Tutu N	4/4	1/1					2/2				0/2
47. Mr van den Berg N	4/4										
48. Mr van Niekerk DJ	4/4	1/1								2/2	
49. Prof van Wyk B	3/4					2/2		1/1		0/1	
50. Mr Vogt RT	4/4										
50. Ms Zuma T	2/4										
* Alternate Member of EXCO											

Table 6: Fourth term Council members meeting attendance


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SECTION 2

4. STAKEHOLDER ENGAGEMENT

4.1 Presidential Infrastructure Coordination Committee (PICC)

4.2 Public Protector Partnership

4.3 Engineering Skills Summit

4.4 Municipal Infrastructure Support Agency (MISA) Partnership

4.5 Council for the Built Environment (CBE) Partnership

4.6 Council on Higher Education (CHE) partnership

4.7 Presidents' Forum

4.8 Repositioning Roadshow

4 Stakeholder Engagement

The Engineering Council is committed to establishing new strategic partnerships and continues to strengthen relationships with stakeholders. During the year under review, the ECSA engaged a number of stakeholders on various initiatives and below are the highlights of key engagements.

4.1 Presidential Infrastructure Coordination Committee (PICC)

President Zuma in his State of the Nation address on 9 February 2012 stated:

"For the year 2012 and beyond, we invite the nation to join government in a massive infrastructure development drive. We are going to launch a huge campaign of building the infrastructure nationwide. This will boost the level of economy and create job opportunities".

In response to the invitation from the State President, the ECSA convened a forum of a diverse constituencies in the engineering industry to formulate a discussion paper on "developing an essential partnership" and presented the document to the PICC which culminated in the signing of a Memorandum of Intent (MoI) on 19 October 2012. The MoI between the ECSA and the PICC commits both parties to develop strategies in the following two key areas:

- The development of engineering skills and capacity across the profession to support the rollout of the National Infrastructure Plan, and
- The development of procurement policies and practices, which will ensure "value for money".

4.2 Public Protector Partnership

The ECSA and the office of the Public Protector entered into a Memorandum of Understanding (MoU) on 3 October 2012 to provide a framework for cooperation in sharing information and enhancing the effectiveness of the two institutions. The focus of the cooperation is mainly in the two areas listed below:

- Case referral system - where a party receives a complaint, which falls under the purview of the other party's mandate, the receiving party shall refer the complaint to such a party for consideration or assistance.
- Information sharing - the parties will share information that have an impact on their respective mandate including support systems, procedures, best practices, trends and training and development.

4.3 Engineering Skills Summit

In October 2012, the ECSA recorded a significant milestone when it co-hosted a historic Engineering Skills Summit with the Department of Higher Education and Training (DHET) and the Manufacturing, Engineering and related services SETA (MerSETA), and the South African Society of Engineering Education (SASEE).

The summit was convened to "Develop a national strategy to increase engineering graduate output". 230 delegates representing students, engineering practitioners, academics and government representatives, attended the meeting. Discussion themes covered student selection, curriculum, student support, funding, work integrated learning and articulation of pathways from FET Colleges to Higher Education Institutions, particularly Universities of Technology. The summit outcomes and recommendations were tabled before the Minister of Higher Education, Dr Blade Nzimande in February 2013. The ECSA intends to keep playing a major role to influence policy and practice of Higher Education Institutions with regards to engineering education.

The Engineering Skills Summit received major media coverage, which includes:

- Skills Portal;
- Engineering News;
- The New Age;
- SA Builder Magazine; and
- SAFM.

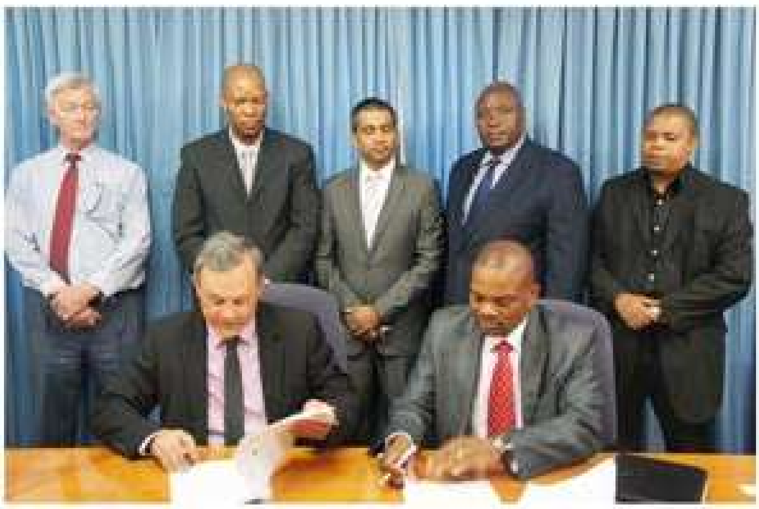



Engineering Skills Summit

4.4 MISA Partnership

The Municipal Infrastructure Support Agency (MISA) is one of the key partners that the ECSA has entered into a Memorandum of Understanding (MoU) with to provide technical training and mentoring programmes for Municipal Technical officials. MISA is a national government agency accountable to the Minister of Cooperative Governance and Traditional Affairs. The ECSA has committed to cooperate with the MISA by:

- Supporting candidate engineers in the employ of the Municipality with mentorship; and
- Facilitating the availability of professionally registered mentors to support candidates.



ECSA - MISA MoU Signing

4.5 CBE Partnership

The ECSA and the Council for the Built Environment (CBE) have forged closer ties to jointly cooperate towards strengthening delivery of their respective mandates and to improve organisational effectiveness of both the CBE and ECSA. A memorandum of agreement was signed in Pretoria on 30 November 2012 by Dr. Oswald Franks, the CEO of ECSA and Ms Gugu Mazibuko, the CEO of CBE. The two Councils seek to implement a mentoring programme for young professional engineers through this agreement.

ECSA - CBE MoU Signing

4.6 CHE partnership

The ECSA and the Council on Higher Education (CHE) signed a Memorandum of Understanding (MoU) on 19 November 2012. The parties formalised collaboration to further the objectives of the National Qualifications Framework Act, (Act 67 of 2008) and the Higher Education Act, (Act 101 of 1997) with a focus on advancing engineering education. The MoU sets a framework for cooperation to:

- Promote a coherent and effective quality assurance system for Higher Education Institutions' engineering programmes;
- Develop standards for the engineering higher education qualifications; and
- Ensure quality accreditation of engineering programmes as well as monitoring and evaluation of engineering education at Higher Education and Training (HET) and Further Education and Training (FET) institutions.

ECSA - CHE MoU Signing

4.7 Presidents' Forum

The ECSA hosted two Presidents' Forums during the year under review. The Presidents' Forum is a stakeholder engagement forum composed of the Presidents of the recognised Voluntary Associations in terms of section 25 of the EPA. The forum is a collaborative platform to deliberate issues aimed at advancing the engineering profession.

Presidents' Forum

4.8 Repositioning Roadshow

In an effort to engage stakeholders and communicate a repositioning strategy, the ECSA hosted its first repositioning roadshow in KZN in November 2012. The roadshow provided a forum to communicate the ECSA's strategy to diverse stakeholders and afford them an opportunity to raise issues of concern. The platform was used to profile some of the ECSA's strategic initiatives and programmes such as:

- The Presidential Infrastructure Initiative;
- Give feedback on the outcomes of the Engineering Education Summit; and
- Registration and Candidacy matters.

The ECSA will host more roadshows to other provinces in the next financial year.


REFEREE

SECTION 3

5. ORGANISATION PERFORMANCE 2012-13

5 Organisation Performance

Key Strategic Performance areas

- Enhancement of the quality of the Engineering Profession
- Growing of registration number of practitioners
- Promotion and positioning of the Profession, and
- Strengthening of the business operations

The methodology used for managing the set key strategic performance areas entailed monitoring of planned performance as set. The table below highlights significant milestones per key strategic area.

Key Performance area	Milestone achievement
Enhancement of the quality of the Engineering Profession	ECSA and CBE broad agreement on the approach in the Development of the Identification of Engineering Work, after seven years of engagement with stakeholders.
Growing of registration number of practitioners	Registered 41 125 Engineering Practitioners as at 31 March 2013.
Promotion and positioning of the Profession	Approval of the ECSA Transformation strategy
	Forged a strategic partnership with the PICC
Strengthening of the business operations	Development of an online registration regimen

Table 7: Highlights of milestone achievements per key strategic performance area

Performance information 2012/2013

Key:

- Green – Achieved
- Orange – Largely achieved above 80%
- Red – Not achieved
- Not due for reporting

Strategic Programmes	Objective	Measure	Target	Actual Performance	Explanatory notes
1. Provision, enhancement and upholding of the quality of the Engineering Education, competence of Engineering Practitioners and Professional conduct	Review the Code of Conduct for RegisteredPersons to enhance the regulation of Engineering Practice	Approve a revised Code of Conduct for Registered Persons	Review and approve a revised Code of Conduct for Registered Persons by March 2013	A revised Code of Conduct for Registered Persons was published for comment in the Government Gazette in 2012. Comments received are under consideration by the ECSA's Legal Matters Committee	The Code of Conduct for Registered Persons should be approved by Council in 2013
	Resolve issues pertaining to anti-competitive nature of guideline fees for Engineering Practitioners	Prepare and submit an application for exemption for professional guideline fees to the Competition Commission	To submit an application for exemption for professional guideline fees to the Competition Commission via CBE by March 2013	An application for exemption for professional guideline fees was submitted by the ECSA on 15 March 2013 to the CBE for onward submission to the Competition Commission	
	Ensure compliance with Continuing Professional Development (CPD) Policy	Number of persons who complied with the CPD requirements	100% CPD compliant members	Generally, 66% compliance across all four categories of registration	Registration is voluntary; only after the IDoEW is enforced will 100% compliance be achievable
	Development of engineering practitioners through accreditation of engineering programmes	Number of accreditation visits and adherence to time schedule	Ten (10) accreditation visits by March 2013	Twelve (12) accreditation visits were conducted: (nine) 9 for technology programmes and three (3) for engineering programmes	
		Accreditation workshops conducted	Three (3) accreditation training workshops by March 2013	Four (4) workshops were conducted: Two (2) for technology programmes and two (2) for engineering programmes	
		Development and approval of qualification standards for technology programmes that are aligned to the revised HEQF	Develop seven (7) whole qualification standards that are aligned to the revised HEQF which must be approved by the ECSA Council by March 2013	All seven qualification standards were developed and approved by the Council	
		Workshops presented to educational institutions on the approved qualifications	Two (2) workshops to be conducted by the end of March 2013	Two workshops (2) were conducted	
		Number of new assessors recruited and trained to increase assessor pool	Ten (10) assessors recruited and trained by the end of March 2013	Thirty-five (35) assessors recruited and trained. This includes Engineering and Technology programmes	
	Regulation of practice by investigating complaints and disciplinary processes	Improved turnaround time for investigating complaints and processes	To finalise between 20% to 50% of new investigations (new investigations means investigations opened during the current reporting period)	11 (31,42%) of the 35 new investigations were finalised	
			To conclude 20% of existing investigations, i.e. those from the previous reporting period	72 (100%) investigations were active at the beginning of the financial year of which 31 (43%) were finalised	
			Reduce backlog of disciplinary cases older than one year by 25%	12 (29,3%) of the 41 backlog disciplinary hearings were finalised	

Strategic Programmes	Objective	Measure	Target	Actual Performance	Explanatory notes
	That South African registered engineering practitioners are recognised when measured against international standards	Improved processing of applications for the evaluation of foreign educational qualifications	Process 400 applications for the evaluation of foreign educational qualifications by the end of March 2013	403 applications for the evaluation of foreign educational qualifications were processed by the end of March 2013. Of the 403 applications, 238 were for Engineering Technology qualifications	
		Turnaround time for processing new qualifications for educational evaluations	All complete applications to be processed within six weeks of receipt	21 Engineering applications were finalised by the EPQEC within six weeks 217 Engineering Technology applications were finalised by TPQEC within six weeks.	
		Approval of criterion referenced evaluation with recording of credits	Develop criterion referenced evaluation with recording of credits by June 2013	The new E-17-P document was finalised and approved in 2012	
	Finalise the ECSA's recommendations on the IDoEW with the CBE	Approved Identification of Engineering Work (IDoEW) regulations	To finalise the IDoEW with CBE consultant by February 2014	Consultation process with CBE Service Provider is at an advanced stage	
	Improve turn around times in registering applicants in all four categories	Period in weeks	4-8 weeks for Professional Technicians, Technologist and Certificated Engineers	Eight weeks for all complete applications	
			12-20 weeks for Civil Engineering	20 weeks for all complete applications	
			12-16 weeks for all Engineering disciplines except Civil	16 weeks for all complete applications	
			2-4 weeks for candidates	3-4 weeks for all complete applications	
2. Growing the number of registered Engineering Practitioners	Determine engineering skills requirements for the country and provide direction and solutions to the pipeline for engineering skills development	Engenius project reaching previously disadvantaged girl children in rural areas	Reach out to 9 000 disadvantaged children from rural areas through the Engenius project	12 000 disadvantaged children from rural areas. Work was done through role models in provinces such as Gauteng, North West, Limpopo, Western Cape and Free State	Engenius programme piggybacks on partners programme such as "apply now" campaign by DHET, 'Sci bono", Voluntary Associations national roadshows and national science centres events
		Increase number of Engineering graduate candidates registratable with ECSA	To develop a funding model for a sustainable experiential learning and make recommendations to the DHET by March 2013	Recommendations were presented to the Minister of Higher Education and Training on 20 March 2013	An incentive for structured workplace training will be a catalyst in achieving the Engineering skills in response to the National Development Plan
	Ensure that 50 000 persons in total are registered by 2014	Number of new persons registered in the various registration categories	4 000 registered persons by December 2012	4 612 new persons were registered by December 2012	Council has registered a total of 41 125 to date. Council has set a target of 50 000 by the end of 2014
	Ensure the marketing of the profession to educate and attract learners to build the future engineering skills pipeline	Number of presentations made on ECSA activities	50 presentations to be made to Universities and industry by December 2012	64 presentations were made	

Strategic Programmes	Objective	Measure	Target	Actual Performance	Explanatory notes
3. Advance the ECSA's relevance in the South African society through promotion of its role, mobilisation and have influence on matters pertaining to the Engineering Profession	Promote public health and safety and protection of the environment	Number of signed MoUs in providing expert advice on matters relating to the Engineering Profession	To sign MoU/MoI with at least 3 institutions	Three MoUs were signed with MISA, CBE, PICC and the Public Protector 1	
	Ensure that the ECSA, with its partners as appropriate, provide expert advice to policy makers and implementers	Engage government and its agencies to influence policy development and implementation	Get involved and/or formalise relationships with decision makers on ongoing basis and influence at least two government policies by March 2013	The ECSA entered into a memorandum of intention with the PICC to influence policy on capacity building on 19 October 2012	
				Submission of recommendations to the DHET on a delivery model for increasing Engineering graduate outputs on 20 March 2013	
				Submission of inputs for the draft National Development Plan in conjunction with the recognised Voluntary Associations and continuous engagement	
				Submission of recommendations to the DHET on a national strategy to increase Engineering graduate output from tertiary institutions	
	Ensure sustainability of the Engineering Profession	Conduct research to highlight areas for improvement, and provision of solutions thereof	Conduct 2 research studies in the Engineering field by March 2013	Two research studies were undertaken; i.e i) the history and quantum of Engineering Technicians in South Africa; and II) a survey (underway) to determine reasons for non-registration of qualified South African Engineers based in and outside South Africa	
		Demonstrated thought leadership in all Engineering matters	Host one (1) thought leadership seminar by end of March 2013	The Thought Leadership Forum was held on 12 April 2013. More than 100 delegates attended representing decision makers, academia, Voluntary Associations and government	The planned Thought Leadership Forum was postponed from 13 March 2013 as it clashed with the Built Environment Indaba
		Influence public policy and opinion through advocacy initiatives	Conduct an Engineering skills summit in conjunction with key stakeholders by March 2013	The Engineering skills summit was held on 16 October 2012 in conjunction with the Department of Higher Education and Training (DHET)	The Engineering Skills Summit was hosted with the objective to develop a national strategy to contribute to increasing the output of Engineering Practitioners
	Build public relations and ensure appropriate stakeholder engagement	Stakeholder management	Conduct 3 X stakeholder roadshows	One roadshow was conducted in Dec 2012	Target not reached due to resource constraints. The balance of the roadshows will be conducted in the new year
		Deans' Advisory Committee meetings to promote the quality and improvements in higher Education	Two meetings in May and November 2012	The meetings took place as scheduled on 14 May 2012 and on 7 November 2012	

Strategic Programmes	Objective	Measure	Target	Actual Performance	Explanatory notes
		Maintaining of accreditation relationships and conduct desktop review to some South African Universities and regional Universities	To conduct desktop reviews for the Universities of: • Free State • Zululand • Botswana • Mauritius • Zimbabwe	Free State: Awaiting request Zululand: Awaiting request Botswana: Desktop Team appointed Mauritius: Pre-desktop training in June 2013 Zimbabwe: Awaiting request	Desktop reviews are dependent on the formal request made by the institutions
		The ECSA's participation in existing forums and the creation of new stakeholder forums where necessary for effective communication	Convene 2 Presidents' fora per annum by end of March 2013	Presidents' fora a held on 5 November 2012 and on 11 March 2013	
			To participate in the National Infrastructure discussion forum on an ongoing basis as and when it happens	The ECSA participated in five national Infrastructure discussion forums which lead to the MoI	Ongoing
	Build the ECSA's brand	Conduct monthly brand building exercises	To conduct monthly brand building exercises by March 2013	An average of three articles profiling the ECSA and its initiatives were published per month in the reporting period including the President, the Vice-President and the CEO	Profiled articles focused on the need for Engineering skills and infrastructure
			Publish 10 Engenius Young Professionals newsletters by March 2013	10 Young Professionals newsletters were published in the reporting year	The newsletter inspired 144 young Engineers to avail themselves for training as role models
4. Creating an effective organisational operations support system	Effective and efficient operations of the ECSA	A comprehensive IT system to support the registration process, finance and accounting functions, processing of educational evaluation, Human Resources management system and advanced access control system	Implementation of the phase 1 registration system for candidates and Professionals and the evaluation of qualifications by end of April 2013	The design and development of the registration system is underway and is currently being tested	The testing was not completed on time as there were "fixes" that needed to be completed. A go-live date will be announced in September 2013
			Implementation of an online HR system with payroll module and the ESS module by the end of March 2013	Leave module and Employee Self Service was installed in September 2012	The HR management system is being implemented
		Ensure compliance with the Prescripts of the PFMA	To draft a transitional plan for compliance with the PFMA and submit to the Minister by March 2013	The transitional plan was finalised and submitted to the Minister on 26 November 2012	
		Job profiling to employees to define and clarify roles	Conduct a job profiling exercise by end April 2013	Job profiling was finalised in April 2013	
		Change management initiative	Introduce a change management forum by the end of March 2013	A change management forum was launched in July 2012	
	Attain adequate and appropriate resources (financial, and other) for the sustainability of the ECSA's operations	% growth of annual revenue collection	Ensure 6% annual revenue growth by December 2012	Awaiting audit report outcomes	An aggressive debt collection strategy was implemented

SECTION 4

6 Core Business-Statutory Services

The database of registered persons increased from 38 578 on 31 March 2012 to 41 125 on 31 March 2013, which represents an increase of 6.6% for the reporting period.

6.1 REGISTRATION TRENDS

The ECSA's growth in registration numbers during the 2012/2013 financial year exceeded expectation due to concentrated awareness campaigns in the industry and higher education institutions. The database of registered persons increased from 38 578 on 31 March 2012 to 41 125 on 31 March 2013, which represents an increase of 6.6% over the reporting period. When compared to the growth percentage reported last year, the reduction in percentage increase from 11% (last financial year) to 6.6% (the year under review) is a result of the large number of default cancellations that occurred.

The continuous increase in registration numbers aligns well with the ECSA's objective of providing South Africa with competent engineering practitioners and consequently a high quality service delivery for South Africa, especially in the infrastructure development initiatives. Quality is the watchword and professionalism is non-negotiable. Of significant note is the year-on-year increase in the registration of candidate engineering practitioners from 13 363 on 31 March 2012 to 14 783 on 31 March 2013. This is an indication that industry is becoming more and more committed to good quality service provision in the country. Hence, their creation of enabling training environments which facilitate the professional registration of engineering practitioners in the country.

6.2 REGISTRATION STATISTICS

The table below (Table 8) shows registration figures per race and gender and figure movements in the four professional categories:

Professional Category Registration Statistics

Professional Engineer						
		Total registrations	New registrations	Transfers from Candidates	Cancellations	Deregistrations
Total registered		**15597**	**646**	**409**	**142**	**63**
Gender	Male	15036	91	338	136	62
	Female	561	555	71	6	1
Race	African	1175	188	127	25	1
	White	13479	346	199	110	58
	Indian	786	98	75	6	4
	Coloured	157	14	8	3	0
Professional Engineering Technologist						
Total registered		**4479**	**477**	**178**	**43**	**9**
Gender	Male	4300	431	151	42	9
	Female	179	46	27	1	0
Race	African	812	210	99	12	0
	White	3104	198	51	29	9
	Indian	393	46	18	2	0
	Coloured	170	25	10	0	0
Professional Certificated Engineer						
Total registered		**1058**	**25**	**8**	**24**	**8**
Gender	Male	1054	24	7	24	8
	Female	4	1	1	0	0
Race	African	48	8	4	1	0
	White	962	16	3	21	8
	Indian	39	0	0	2	0
	Coloured	9	1	1	0	0
Professional Engineering Technician						
Total registered		**4107**	**324**	**147**	**53**	**16**
Gender	Male	3664	241	109	44	15
	Female	443	83	38	9	1
Race	African	1571	246	121	34	1
	White	2121	52	15	11	15
	Indian	259	14	8	4	0
	Coloured	156	12	3	4	0

Table 8: Professional Registration Category

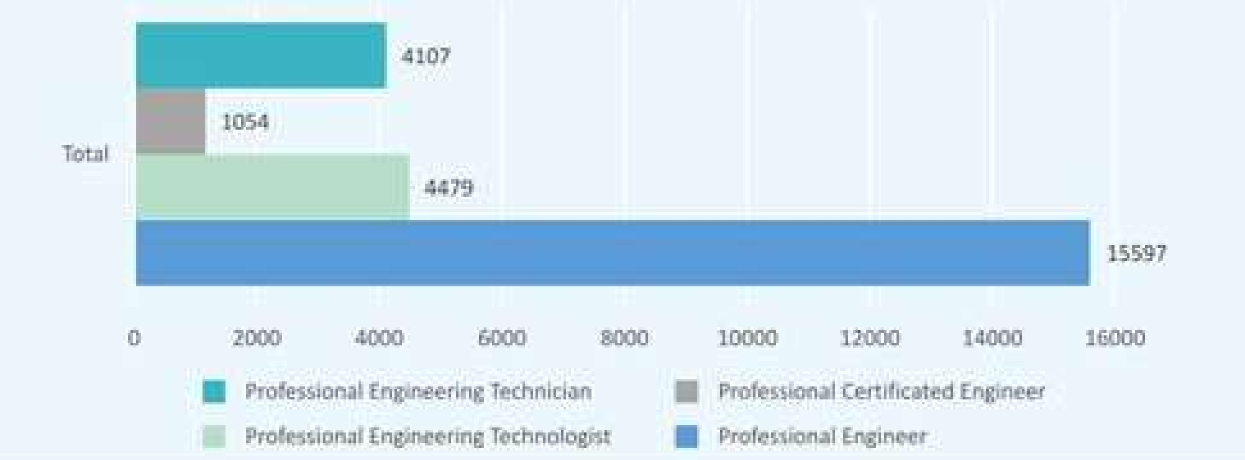


Figure 4: Professional Registration Statistics by Category

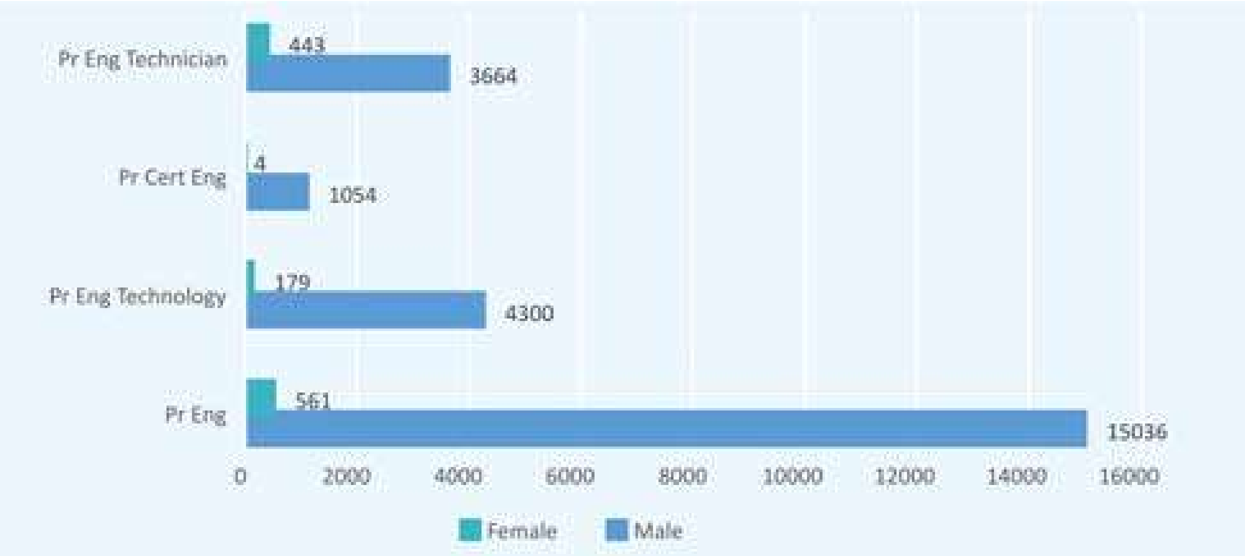


Figure 5: Professional Registration Statistics by Gender

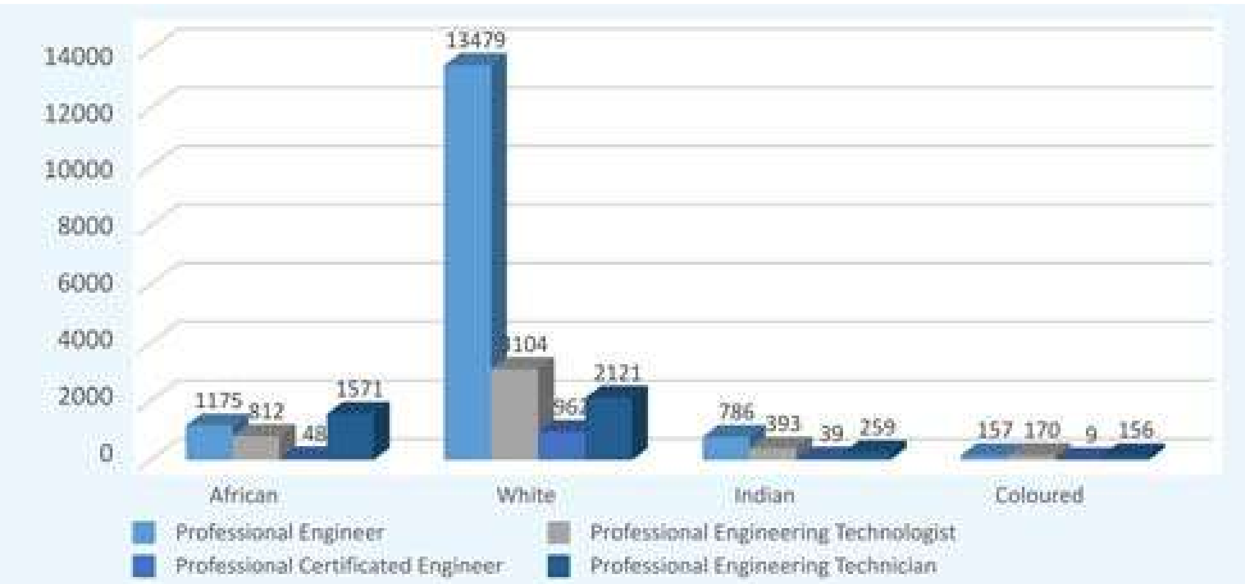


Figure 6: Professional Registration Statistics by Race

Candidates Category Registration Statistics

Candidate Engineer					
		Total registrations	Number of Candidates registered (3 Years and less)	Number of Candidates registered (4 - 5 Years)	Number of Candidates registered (Over 6 Years)
Total registered		**7016**	**3733**	**1459**	**1824**
Gender	Male	5687	2981	1148	1566
	Female	1329	752	314	264
Race	African	2050	1204	485	365
	White	3743	1838	710	1198
	Indian	1065	579	236	252
	Coloured	158	112	31	15
Candidate Engineering Technologist					
Total registered		**2740**	**1709**	**563**	**468**
Gender	Male	2173	1361	445	367
	Female	567	348	118	101
Race	African	1826	1206	384	236
	White	575	314	117	144
	Indian	244	119	49	76
	Coloured	95	70	13	12
Candidate Certificated Engineer					
Total registered		**277**	**137**	**46**	**94**
Gender	Male	217	131	46	94
	Female	6	6	0	0
Race	African	114	78	18	18
	White	129	44	25	60
	Indian	22	8	1	13
	Coloured	12	7	2	3
Candidate Engineering Technician					
Total registered		**4750**	**3287**	**811**	**657**
Gender	Male	3467	2350	598	519
	Female	1283	937	213	138
Race	African	3787	2765	615	412
	White	569	277	144	148
	Indian	284	159	43	82
	Coloured	110	86	9	15
Candidates Annual Total		**Engineers 7016**	**Technologists 2740**	**Cert Engineers 277**	**Technicians 4750**

Table 9: Candidate category registration statistics

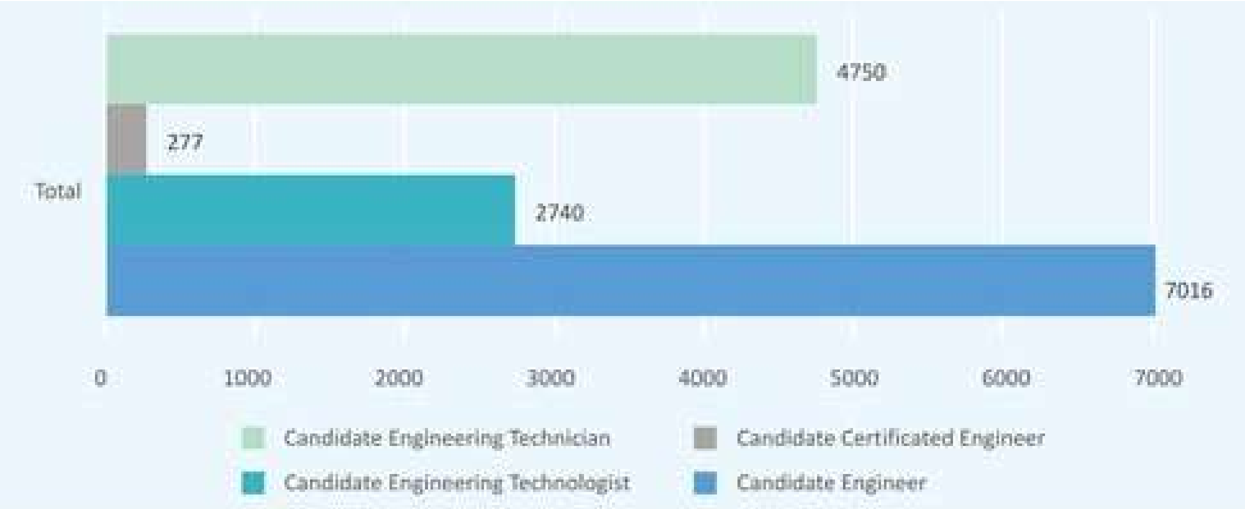


Figure 7: Candidates Registration Statistics by Category

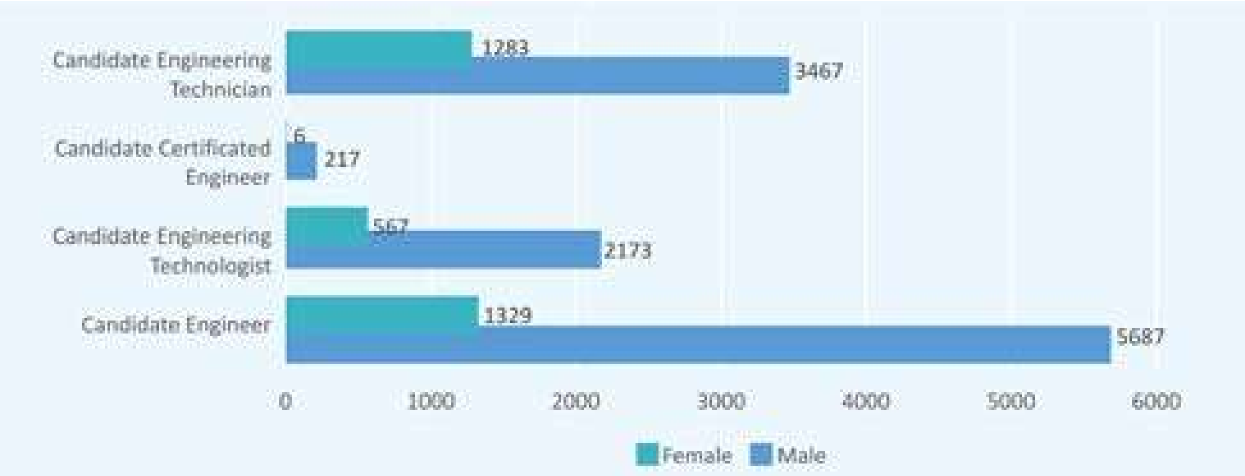


Figure 8: Candidates Registration Statistics by Gender

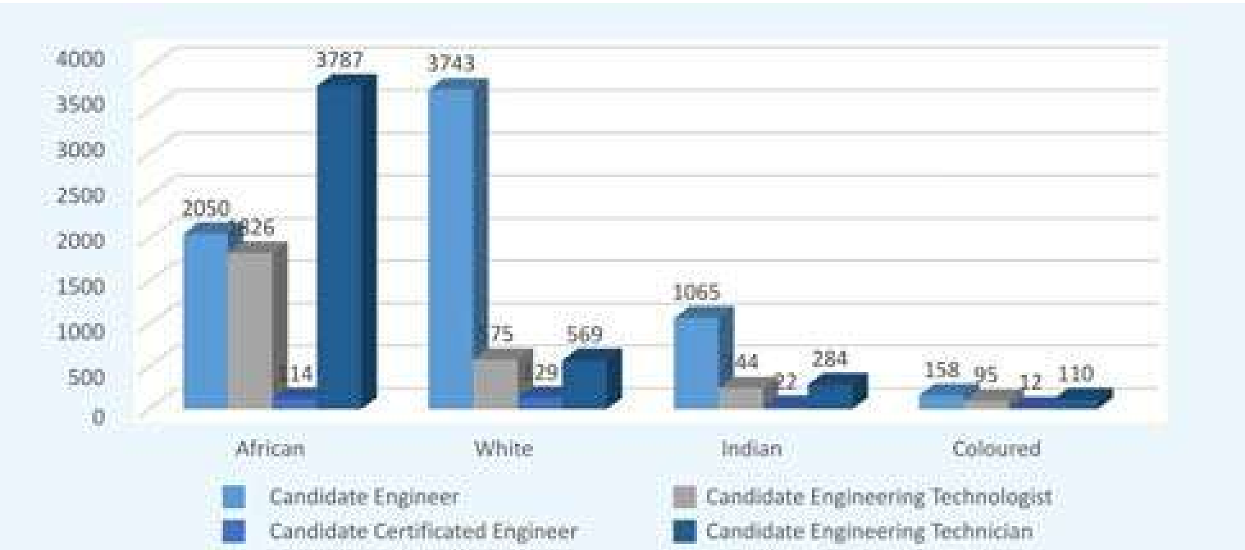


Figure 9: Candidates Registration Statistics by Race

Specified Categories Registration Statistics

Specified Categories		Registered Lifting Machinery Inspectors	Registered Lift Inspectors	Registered Medical	Registered Fire Protection Inspectors
Total registered		**906**	**157**	**6**	**4**
Gender	Male	904	156	5	3
	Female	2	1	1	1
Race	African	63	7	1	0
	White	767	129	5	4
	Indian	51	14	0	0
	Coloured	25	7	0	0

Table 10: Specified categories registration statistics

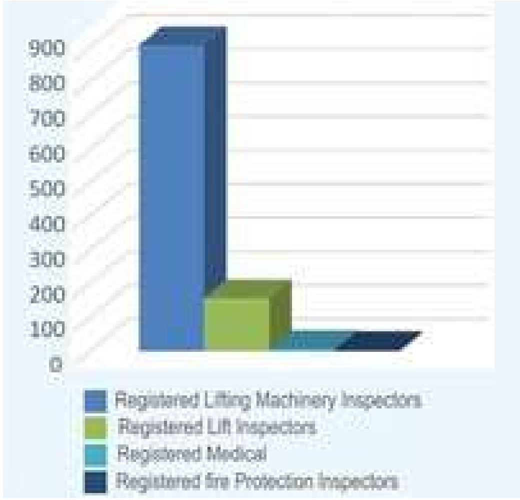


Figure 10: Specified categories registration statistics by Category

Figure 11: Specified categories registration statistics by Gender

Figure 12: Specified categories registration statistics by Race

Summary registration statistics are given in Table 11 below:

Summary registration statistics		
Professional Engineers	A	15597
Candidate Engineers	B	7016
Professional Engineering Technologists	C	4479
Candidate Engineering Technologists	D	2740
Professional Certificated Engineers	E	1058
Candidate Certificated Engineers	F	277
Professional Engineering Technician	G	4107
Candidate Engineering Technician	H	4750
Registered Lift inspectors *	I	157
Registered Lifting Machinery Inspectors *	J	906
Registered Engineering Technicians ** (817)	K	
Registered Engineering Technicians (Master) ** (403)	L	
Registered Medical Equipment Maintainers*	M	6
IEPA and ITEA Registered Persons***	N	27
Total		41125
Note: * Specified Category		
** Categories defined in previous Act, now closed (Included in Professional Engineering Technician figure of 4107)		
*** IEPA (formerly EMF) and ITEA (formerly ETMF)		

Table 11: Registration statistics Summary

Figure 13: Specified categories registration statistics by Gender

6.3 CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

The ECSA is in the first year of the second, five-year CPD Cycle. Good co-operation was received from registered persons that are due for renewal of their registration. The response rate received per month for the 2012 calendar year is per the table below.

Month	Renewals Due	Response Rate	Completion
January	101	80.00%	100%
February	243	79.84%	100%
March	373	71.03%	100%
April	312	49.73%	100%
May	332	76.20%	100%
June	333	88.89%	100%
July	305	58.06%	85%
August	236	81.36%	100%
September	453	78.81%	100%
October	330	94.55%	100%
November	502	44.02%	100%
December	142	73.94%	100%
Totals	3662	73.04%	98.75%

Table 12 – CPD renewals over a 12 month period

6.4 EDUCATION

Section 13 of the EPA empowers the ECSA to evaluate and maintain the quality and standard of Engineering programmes offered at public higher education institutions in South Africa.

As the custodian of quality assurance in engineering higher education, the ECSA plays an integral role in respect of policy matters relating to engineering education, the professional registration of Engineering Practitioners and Engineering standards generation.

Activities undertaken for the year under review with regards to education are as below:

Engineering Programme Accreditation

The purpose of accreditation is to evaluate and, subsequently, maintain the quality and standard of engineering programmes offered at public South African higher education providers. The 219 programmes accredited by the ECSA may be disaggregated as follows:

- 52 BEng/BSc(Eng) programmes in eight universities
- 85 BTech Tech programmes in 10 universities
- 82 National Diploma programmes in 10 universities.

The ECSA successfully fulfilled its scheduled timetable of accreditation visits to higher education providers. Visits conducted during the reporting period are shown in Table 13 below.

Institution	Type of Visit	Number of Programmes	Period
University of Pretoria	Regular visit	9	30 - 31 July 2012
University of the Witwatersrand	Regular visit	9	20 - 21 September 2012
University of Cape Town	Follow-up visit	4	03 - 04 September 2012
Vaal University of Technology	Regular visit	6	26 – 30 March 2012
Cape Peninsula University of Technology	Regular visit	6	13-14 August 2012
University of Johannesburg: Technology	Follow-up visit	2	16 - 17 August 2012
Nelson Mandela Metropolitan University	Follow-up visit	2	18 September 2012
Walter Sisulu University	Provisional visit	1	30 - 31 October 2012
CPUT	Pre-visit		30 May 2013
TUT (eMalahleni Campus)	Site Visit	1	7 May 2013
UNISA	Follow-up visit	2	20 February 2013
University of Johannesburg: Technology	Find visit	1	08 March 2013
Vaal University of Technology	Follow-up visit	6	11 - 13 March 2013

Table 13: Accreditation visits conducted during the 2012/13 financial year.

Accreditation Training

The training workshops were hosted for new and existing ECSA programme evaluators as well as for the staff from the providers that had forthcoming visits.

Refinements were made to the TPAC Accreditation policy, in respect of the inclusion of the Multi-Site Campus policy and defined timelines for the submission of accreditation team reports. The revised policy was approved by the ECSA Council EXCO on 22 June 2012.

The following accreditation workshops were held in the reporting period:

Accreditation policy type	Date
Engineering Programmes (EPAC)	29 May 2012 26 February 2013: Stellenbosch University 04 March 2013: University of KwaZulu-Natal
Technology Programmes (TPAC)	20 June 2012
	28 November 2012
	23 January 2013

Table 14: Accreditation workshops held in the 2012/13 financial year

International agreements

South Africa is a signatory to the following international agreements for the recognition of qualifications or competence in the Engineering Profession:

- Washington Accord
- Sydney Accord
- Dublin Accord
- International Professional Engineers Agreement (IPEA), formerly known as the Engineering Mobility Forum
- International Engineering Technologist Agreement (IETA), formerly known as the Engineering Technologist Mobility Forum

The purpose of all the above agreements is to recognise the equivalence of accredited engineering education programmes, leading to an engineering qualification, and to satisfy the educational requirements for registration in the respective categories.

As part of the International Engineering Alliance's review process of South Africa, the Chair of the Review Team, Prof D Kennedy, observed the proceedings of the Technology Programme Accreditation Committee (TPAC) meeting on 21 November 2012, via video conferencing. The TPAC considered the team reports for the accreditation visits for the Cape Peninsula University of Technology and the University of Johannesburg. The Review Team observed the implementation of the ECSA's accreditation policies and processes during the visits at the two institutions.

The Review Visit, associated with South Africa's signatory status to the Sydney and Dublin Accords, took place in August 2012. The Review Team comprised of Prof David Kennedy (Ireland Chair), Mr. Andrew Watson (United Kingdom) and Ms Cathy Cardy (Canada). The team observed the ECSA's implementation of the accreditation policy and processes during accreditation visits to the Cape Peninsula University of Technology on 13 and 14 August 2012 (regular visit); and the University of Johannesburg on 16 and 17 August 2012 for a follow-up visit.

The team's report was sent to the ECSA for factual correctness and comments from the ECSA, the report was considered by the International Engineering Alliance, at its meeting in June 2013.

Standards Development

The ECSA Technology Standards Generating Group finalised Seven (7) Whole Qualification Standards, which were published in the Government Gazette for public comment and subsequently approved by Council. Advisory notes for all these Qualifications Standards were developed and all seven whole qualifications were made available on the ECSA website.

The Seven (7) new Whole Qualification Standards have been formatted according to the ECSA template and published on the ECSA website, for information of the relevant stakeholders.

The Engineering Standards Generating Body (ESGB) has embarked on regional roadshows to present the suite of Whole Qualification Standards. The regions for roadshows include the Western Cape, Eastern Cape, Free State, Gauteng, KwaZulu-Natal and the North West.

Qualification Evaluation

In response to the implementation of the E-17-P Policy: Recognition of Educational Qualifications, the Deans of the engineering faculties have forwarded names of academic volunteers to serve on the Examination Committee. The purpose of the Examination Committee is to set and mark an examination on behalf of the Engineering Programme Qualification and Examinations Committee (EPQEC) to evaluate the fundamental engineering knowledge of foreign applicants.

Application status/ decision	Considered by EP-QEC	Forwarded to TP-QEC
New applications allocated to each QEC	403	238
Washington Accord recognition	21	0
Recognised as substantially equivalent to the type of qualification shown	BEng:45	BTech: 98 ND: 87 Alternate Route: 53
Not recognised / File closed (no response)	3	0
Refused Candidate Engineer	0	0
Information outstanding / Awaiting interview	96	0

Table 15: Educational qualifications considered by both the EPQEC and TPQEC

6.5 REGULATION OF ENGINEERING PRACTICE

Key Function:

The EPA enjoins the ECSA to refer matters relating to improper conduct by a registered person to an Investigating Committee (IC) appointed by the ECSA. The IC, through delegated powers from Council, investigates matters to determine breaches of the Code of Conduct.

Investigation of Complaints

Key Function:

Complaints of improper conduct lodged against registered persons, or incidents regarding engineering related activities that may indicate improper conduct by registered persons are investigated. The legal department of the ECSA manages these investigations through the IC. The main function of the IC is to obtain evidence to determine whether a registered person may be charged. The IC furthermore endeavours to determine trends in, and initiate preventative steps, regarding unprofessional conduct. To this end, it conducts peer counseling meetings, issues advisory letters and generates advisory notes, alerts and case studies.

The investigating of complaints and subsequent action against the registered person involved is focused on the enhancement of public safety, safeguarding the image of the profession and maintaining professional standards. A comparative summary of investigations over the past four years is provided in the table below:

ECSA INVESTIGATIONS: COMPARATIVE CHART

Number of Matters	2012-2013	2011-2012	2010-2011	2009-2010
New complaints received for investigation	35	54	57	62
Complaints carried over from the previous reporting period	37	43	46	67
Complaints finalised after investigation	42	50	74	72
Disciplinary hearings concluded	12	15	22	21
Peer counseling meetings held	2	11	16	11
Advisory Letters Issued to respondents	1	5	8	0

Table 16: ECSA investigations over a four-year period

Figure 14 – ECSA investigations, comparative chart

It is evident from the statistics presented in Table 16 and Figure 14 that the number of new complaints received is decreasing. The decrease can be ascribed, inter alia, to repeat offenders being rehabilitated or leaving the practice.

Steps to prevent improper conduct

An important feature of the EPA is the need to promote the safety, health and interest of the public. The prevention of improper conduct and the subsequent enhancement of the profession is a priority with the ECSA. The IC has formed a Task Team to investigate and report on:

1) Trends detectable in improper conduct
2) Steps to prevent repeat transgressions by the same registered persons
3) Preventative action

The outcome of this investigation will inform more specific action in future.

Advisory Notes and Case Studies

Five case studies were finalised. These are listed below:

1. The consequences of the collapse of a portion of a three-storey office block structure.
2. Design flaws leading to a the demolition of a reinforced concrete flat slab.
3. Inadequate design and lack of monitoring of erection, leading to the collapse of a staircase.
4. Collapse of a structure arising from faulty welding of steelwork.
5. Extreme implications, from contravention of the ECSA's Rules of Conduct on a small project.

These case studies are offered to the engineering fraternity to minimise the risk of recurrence.

These case studies will be published on a monthly basis, over five editions, in the South African Institute of Civil Engineering (SAICE) Civil Engineering Magazine. The first case study was published in the March 2013 edition. The Corporate Communications Department of the ECSA is currently working on a wider publication of the **Advisory Notes** and has approached the SABC, recognised Voluntary Associations, local government and Engineering News.

Amendments to the Code of Conduct for Registered Persons

The ECSA has embarked on a process of amending the Code of Conduct. A draft, approved by Council, was published for public comment on 14 December 2012. The comments received are now being considered and a final document will be prepared for publication and implementation.

Publication of Guideline Fees

Key Function:

In terms of Section 34 of the EPA, the ECSA, in consultation with the Voluntary Associations, representatives of service providers and clients in the public and private sector, is required to publish Guideline Fees.

Section 34(2) of the Act requires the ECSA to review the Guideline Fees on an annual basis and to publish them in the Government Gazette.

The Guideline Scope of Services and Tariff of Fees are applicable from **1 January to 31 December.**

On 15 March 2013, the ECSA submitted its Application for Exemption for Guideline Fees to the Council for the Built Environment (CBE) for onward submission to the Competition Commission. This was necessitated by a finding of the Competition Commission that publication of guideline fees is anti-competitive.

Recognition of Voluntary Associations

Five (5) Voluntary Associations re-applied for recognition with the ECSA.

Voluntary Associations are required to maintain their compliance with the ECSA policy requirements during their period of recognition. An audit is being completed in this regard.

The ECSA had recognised 44 Voluntary Associations for the reporting period. A list of the recognised Voluntary Associations is attached as Annexure A.

Rules Published

The EPA requires the ECSA to publish as rules all practices, procedures and forms prescribed by it.

Section 36(2) of the EPA states that before the Council makes any rule, it must publish a draft of the proposed rule in the Gazette together with a notice calling on interested persons to comment in writing within a period stated in the notice, but the period may not be less than 30 days from the date of publication of the notice.

All the registration forms, rules for the Registered Lifting Machinery Inspectors and Registered Fire Protection Systems Inspectors, reserved names and abbreviations and the CEO's performance agreement have been sent to the Government Printing Works for publication.

Identification of Engineering Work

Section 26(3) of the EPA requires that the ECSA, after consultation with Voluntary Associations and the public, should submit recommendations to the CBE on the type of engineering work that may be performed by persons registered in a professional category. This was done in 2006. The CBE found the ECSA recommendations not to be in compliance with the CBE's policy on identification of engineering work, inter alia, due to the generic nature of the ECSA's identification of engineering work. The CBE appointed a service provider to consult with representatives of the nine different disciplines of engineering to record the work done in each discipline in more detail. A first round of consultations has been completed with success. Further discussion, consideration and approval is required to shape the submissions into a document fit for publication as legislation in the form of a regulation that will be issued by the Minister.

The ECSA views the main purpose of identification of work as to protect the public health and safety. The ECSA has identified Section 18 (2) of the EPA as a mechanism to prevent unregistered and incompetent persons from practising engineering.

Section 18(2) states that a person may not practise in any of the categories of registration without being registered in that category. Transgression of Section 18(2) amounts to a criminal offence. A resolution was adopted to pursue transgressions of Section 18(2) through investigation by the South Africa Police Service (SAPS) and subsequent prosecution by the National Prosecuting Authority.

SECTION 5

7. STRATEGIC SERVICES

A Strategic projects

7.1 World Federation of Engineering Organisation (WFEO) – Committee on Engineering Capacity Building (CECB)

7.2 National Infrastructure Initiative

7.3 Skills Pipeline

7.4 The Candidacy Phase Working Group

7.5 ENGENIUS

B Corporate Communications and Marketing

7 STRATEGIC SERVICES

The ECSA through its high impact Strategic Advisory committee (SAC) embarked on a number of strategic initiatives informed by the strategic objectives adopted during the term of the third and fourth Council.

Listed below are the four key strategic projects as follows:

- Committee on Engineering Capacity Building
- National Infrastructure initiative
- Skills pipeline
- The Candidacy Phase Working Group
- Engenius

A STRATEGIC PROJECTS

7.1 World Federation of Engineering Organisation (WFEO) – Committee on Engineering Capacity Building (CECB)

The CECB was successfully handed over in 2011 to South Africa, under the chairmanship of Mr Christopher Campbell, Pr Eng. Significant inroads are made into creating a greater recognition that Capacity Development is important for economic development and that it is effective only if the process is one that is sustainable and involves the development of local Capacity. The CECB highlights for the period under review are as follows:

Identification of strategic key themes

The key themes which were identified by South Africa for continuity and enhancement of the Engineering Capacity Building are as follows:

- Globalisation and Mobility;
- Developing Countries;
- Developed Countries; and
- New Technologies.

It is important to note that the activities of the Committee and the projects which have been previously developed and which we continue to develop take a broad view on Engineering Capacity Building. This is an issue which not only affects Developing Countries with their need for infrastructure development but also Developed Countries which generally have infrastructure replacement needs coupled with an ever aging Engineering cadre. In addition, new technologies require the refocusing of education and training to ensure that sufficient new generation capacity will be created for the lifecycle management of these new developments. To this end, the publication and wide distribution of the Capacity Building Guidebook in 2010, at the General Assembly in Geneva in 2011 as well as subsequent distribution has created a base from which these themes could be addressed and has become the catalyst for the development of future knowledge sharing initiatives co-ordinated through the WFEO on this subject. Though the Guideline 2010 has been published primarily in English as the official version, an executive summary has been published as a Chinese Translation in 2012 and work is being done on similar translations, in as many languages as possible, as it is indeed a useful and relevant publication for all countries facing the challenge of developing local engineering capacity. The efforts and insights of the Engineering Capacity Building Committee have attracted the interests of not only UNESCO through its Engineering Initiative Programme with a focus on capacity building in Africa which started in 2012, but also subsequently with WFEO affiliated institutions such as the Ghana Institute of Engineering who are in the process of addressing Engineering Capacity challenges in their growing Oil and Gas industries. The latter had extended the honour of hosting the Chair of the Committee to be its keynote speaker during the 2013 Ghana Institute of Engineering Week celebrations on the theme of "Building Engineering Capacity for sustainable development in an Oil and Gas Economy".

In keeping with the focus on knowledge sharing on the subject of building Engineering Capacity, the Committee has developed an electronic based Capacity Building Compendium with the official launch targeted to take place at the WFEO General Assembly in Singapore during September 2013. The "Compendium" is an on-line facility, accessible through the WFEO Website via the Knowledge Centre. Using the Guidebook 2010 for context, persons seeking or sharing insight, government decision makers, related organisations and simply the curious may be able to access the Capacity Building Compendium and explore the possibilities that this global resource opens to them. The "Compendium" intends to serve as a source for articles, papers, programmes, projects, games and links to organisations which have facilities such as toolkits and the like, all of which relate to Engineering Capacity Building, beginning as early as the foundation stages of education through to issues on Continuous Professional Development and Mentorship. This development indeed will position the WFEO to be the most recognised organisation able to co-ordinate and facilitate efforts from all quarters on the subject of Building Engineering Capacity for the future. Likewise as the hosts of this Committee of the WFEO, the role of the ECSA and its stature will indeed not go unrecognised.

Project Achievements

The committee on Engineering Capacity Building completed the compilation of the Compendium on time for its launch in September 2013 as mentioned. Lessons learnt in meeting these objectives is that though there is a need for broad consultation, often one has to take the efforts of the smaller more focused groups of participants in the Committee and forge ahead in order to achieve targeted milestones. The democratic consultative and participative approach unfortunately does not work in the global Committee type of environment which we are attempting to manage as there are many dynamics to consider in the process, geographical location and differing time zones being but only one constraint.

Project Focus

The issue of Engineering Capacity Building relates directly to developing skills, capability and sustainable resource bases which are able to contribute to infrastructure development and maintenance with a focus on legacy technologies as well as on new technologies. This is a crucial ingredient for addressing economic growth and sustainability with the resultant ability for countries to address areas such as the development of future resilient infrastructure through innovation, to not only encourage green technologies as part of the developments for meeting future energy needs but also to focus on engineering to mitigate climate change. Furthermore, this capacity building initiative will be best positioned to develop systems and methods of addressing food security, water security and similar global challenges. All of this can only be done if one has developed the requisite Engineering Capacity to ensure that we not only meet the UN Millennium Development Goals but also those goals to which we aspire well into the future.

7.2 National Infrastructure Initiative

ECSA facilitated several brainstorming sessions with a specific focus on responding to the skills needs in line with the National Development Plan as indicated under the PICC as part of the stakeholder engagement. The MoI that was signed in October 2012 as a result of this process serves to cement the relationship between the ECSA and government and a range of stakeholders. The focus areas identified vary and will be dealt with in an incremental approach. Some of the identified focus areas are procurement, the transitional plan with the proclamation of the identification of work, active citizenry as stated in the National Development Plan and the implications on the part of the ECSA.

The Engineering sector with the ECSA as a facilitator will work closely with the Chief Procurement Officer appointed at the National Treasury to review the procurement framework as a delivery model for projects across all government spheres; the process includes reviewing policies and practices.

The review process afforded the ECSA and the engineering sector an opportunity to make inputs in the finalisation of the Infrastructure Development Management System (IDMS). The IDMS is a procurement framework, looking at three aspects, i) a comprehensive "cradle to grave" project approach", ii) procurement will be elevated to programme level to realise economies of scale and iii) prescribe the minimum competency requirements for bid committees and the programme management team.

The team is also creating a legislative enabling environment to address an existing gap in regulating the management of infrastructure asset at the Municipal level through the Municipal Finance Management Act, 56 of 2003 (MFMA). Furthermore, the team seeks to advise on the minimum competency requirements for section 57 appointees who report directly to Municipal Managers.

7.3 Skills Pipeline

Following the Engineering skills summit held in October 2012 which was co-hosted by the DHET, ECSA, Manufacturing, Engineering and related services SETA (MerSeta) and the South Africa Society of Engineering Education (SASEE). The following were the key strategic interventions recommended by the summit for further consideration:

- Establishment of the talent pipeline and learner support initiative;
- Introduction of a flexible curriculum for first degree and diplomas in Engineering;
- Development of a strategy to improve teaching and learning in faculties of Engineering;
- Immediate steps to address the current underfunding of Engineering programmes, coupled; with a comprehensive investigation into current realities and future needs

A joint Engineering Education Task Team was constituted and is busy with the development of the terms of reference. The joint task team will prioritise exploring the recognition of candidacy fees as a learnership to enable companies that take on young graduates for experiential learning to qualify for a tax rebate. The Task Team will be in a position to report on its activities in the new financial year.

7.4 The Candidacy Phase Working Group

The Candidacy Phase Working Group (WG), set up by the Strategic Advisory Committee (SAC), is responsible for identifying, launching and overseeing initiatives that will lead to the following broad outcomes:

1. *A sustainable increase in the number of candidates enrolled with the ECSA*
2. *To sustainably reduce the average duration of the candidacy phase towards the minimum prescribed period*
3. *To create the culture of, respect for and recognition of the value of professional registration*

A number of activities have been identified:

- Ensuring recognition of, and funding made available, for the Candidacy Phase
- Developing training guidelines
- Identifying and promoting training best practice
- Promoting and advising on mentorship and coaching
- Increasing awareness of the routes to and benefits of registration

Training guidelines and best practice

In reviewing the approach adopted by companies, which successfully train candidates towards registration, it is recognised that they offer structured training, ensure that adequate supervision, coaching and mentoring are in place and involve candidates in action learning, amongst others. The working group focussed on developing guidelines in all these areas during the year.

Commitment and Undertaking

A new Commitment and Undertaking (C&U) is under investigation to offer more guidance on workplace training good practice; to include a section in which each mentor commits to his or her role; and to solicit the details of those responsible for candidate training within each company. Discussion continues on the need to set a validity period for a C&U and to decide on a realistic renewal period.

Discipline-specific Training Guides

The committee gave input on the development of the Discipline-specific Training Guides (DSTGs) to be published at the time of launching the New Registration System (NRS). The new DSTGs included an outline of the occupational categories from the Organising Framework for Occupations (OFO) in which each discipline operates. This was necessary to allow alignment of the guidelines with national documents relating to qualifications and learning pathways. A training outline was developed in the form of a Quality Council for Trades and Occupations (QCTO) curriculum to explore the possibility of registering the candidate phase training model as a qualification on the NQF. This curriculum was included in many DSTGs.

Mentoring and coaching

The working group has commenced with the development of the 'Mentor-Connector' concept to be rolled out through the Voluntary Associations to link mentors with companies and candidates as required. A document outlining the differences between mentoring, coaching, supervision and training has been prepared for ultimate publication to the industry to clear the confusion on what is required of mentors.

Recognition and funding

The structured workplace training process is labour intensive and costly. It is considered that funding should be made available to support companies to train candidates towards professional registration. The working group has thus continued to explore methods of accessing funding. These methods included engaging with the QCTO to recognise candidate training as a qualification; recommending that the Learning Regulations be modified to accommodate the candidate phase; working with the SAQA to recognise the training towards a designation as being equivalent to a qualification; and working with various SETAs to release funding for workplace training and mentoring. The Construction Education and Training Authority (CETA) has released funding for the training of some 1000 candidates in the 2012-2013 timeframe.

The benefits

The need to promote the benefits of registration has been recognised. The working group developed promotional material:

i. For candidates to understand the benefits of structured training and registration;

ii. For companies to understand the long-term value of developing staff to registration; and

iii. To guide and motivate mentors, supervisors and HR.

7.5 ENGENIUS

In a response to the ECSA's strategic object "to ensure the marketing of the profession to educate and attract learners to build the future engineering skills pipeline" the Engenius Campaign was revived in October 2010.

The Engenius campaign aims to promote the engineering profession nationally to primary and secondary school learners with the driving messages:

- Discover how engineering professionals are shaping our world;
- Try fun engineering activities;
- Join the engineering team to make our future happen; and
- Make a difference in your world.

An important focus of the revived campaign is that learners are primarily reached through existing stakeholder activities, which implies that Engenius is playing a coordinating and supporting role. National coordination and collaboration should contribute to the maximisation of effort and resources including facilities, role models, information and opportunities, whilst eliminating duplication.

The aim of Engenius therefore is to grow and transform the engineering profession through the following key objectives:

- Promoting national collaboration, coordination and support amongst partner organisations involved in advancing the engineering profession;
- Developing messages, products and systems to support outreach activities of mainly partner organisations;
- Supporting partners to communicate a consistent driving message; and
- Training and empowering young engineering role models.

During the year under review, the emphasis was on: maintaining stakeholder relationships; the driving message and products to address the need of stakeholders such as the website; a DVD; a brochure; standardised content; etc. Engenius also supported stakeholder activities by coordinating wide participation as well as providing Engenius products to create awareness.

What became evident during the first year of implementation was that young engineering role models were the most effective in inspiring learners, in that, learners developed a clear understanding of engineering and were encouraged to make engineering their career of choice.

Engenius subsequently developed a two-hour role model training workshop for engineering students, graduates and professionals. This workshop equips role models with the Engenius methodology, standardised learner presentations and Engenius kits. Engenius workshop kits containing animated DVDs, brochures, worksheet, materials and tools as well as promotional products for up to 60 learners per kit were also developed.

These kits allow role models the opportunity to share their work exeperience, whilst providing learners with the opportunity to engage in hands-on engineering activities in different economic sectors. The outcome is that learners are positive about engineering activities as they associate it with problem solving, creativity and having a positive impact in the world and lives of people.

During 1 April 2012 – 31 March 2013:

- 57 organisations were supported with learner outreach activities which included "Job shadow days", Engineering days, talks by role models, exhibitions, workshops, competitions, etc.

- A total of 144 young professionals from 51 organisations across six provinces were trained to effectively communicate Engenius' objectives.
- 12 000 learners were directly reached and over 15 000 unique learners visited the www.engenius.org.za. An electronic database was also developed to capture role models' own outreach activities.
- A large emphasis was placed to get women involved in the Engenius campaign. Presentations to over 600 women engineering professionals were made through conferences and symposiums.

- Proposals were submitted to develop and implement Engenius kits related to specific industries and funding was secured from the Mining Qualification Authority (MQA) to develop a Mining and Minerals kit.

During 2013-2014 it is planned to aggressively market the development of kits in order to demonstrate how substantively engineering impacts on the economy and society as well provide organisations the opportunity to market their disciplines/industries nationally.

B Corporate Communications and Marketing

The Corporate Communications and Marketing department effectively implemented an integrated marketing and communication strategy to market the ECSA strategic initiatives; its purpose is to reach out to a diverse range of ECSA stakeholders.

During the year under review, the corporate communications team managed a diverse portfolio of events in support of the ECSA's strategic objectives. The events, amongst others include the Presidents' Forum, the ECSA repositioning roadshow in KZN and the Engineering Skills Summit.

These stakeholder events provided a platform for ECSA to communicate with its key audiences in order to generate and maintain their interest in, involvement with and commitment to advancing the engineering profession.

Exhibitions

In order to profile the organisation, the ECSA participated as an exhibitor at the annual Consulting Engineers South Africa (CESA) Conference and at the National Society of Black Engineers (NSBE) Conference.

ECSA Stakeholder Newsletters

The ECSA continued the publication of its newsletters for internal and external stakeholders and the following newsletters were issued:

- The Staff newsletter Engineering Council ExpreSA;
- The Young Professionals (YPs) newsletter;
- The e-Bulletin; and
- The Presidents' Forum newsletter, which is a new addition to the ECSA stable of publications.

Registration of the ECSA logo as a Trademark

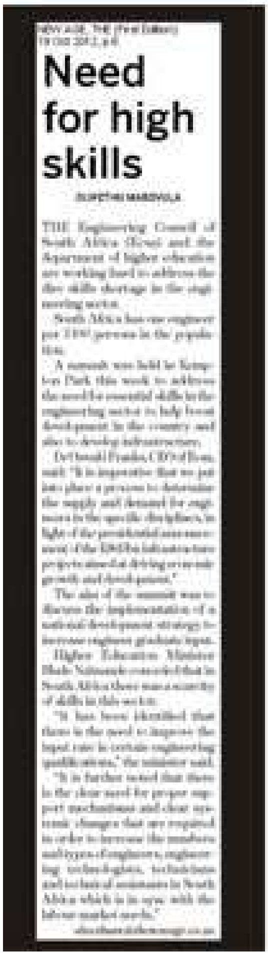
Steps were taken to protect the ECSA brand. Adams and Adams, intellectual property law firm specialists, lodged applications, on behalf of ECSA to register the ECSA logo as a trademark.

Media Training

Media training was conducted for key ECSA officials and the ECSA spokespersons; in particular the President and the Vice-President.

Media/PR highlights

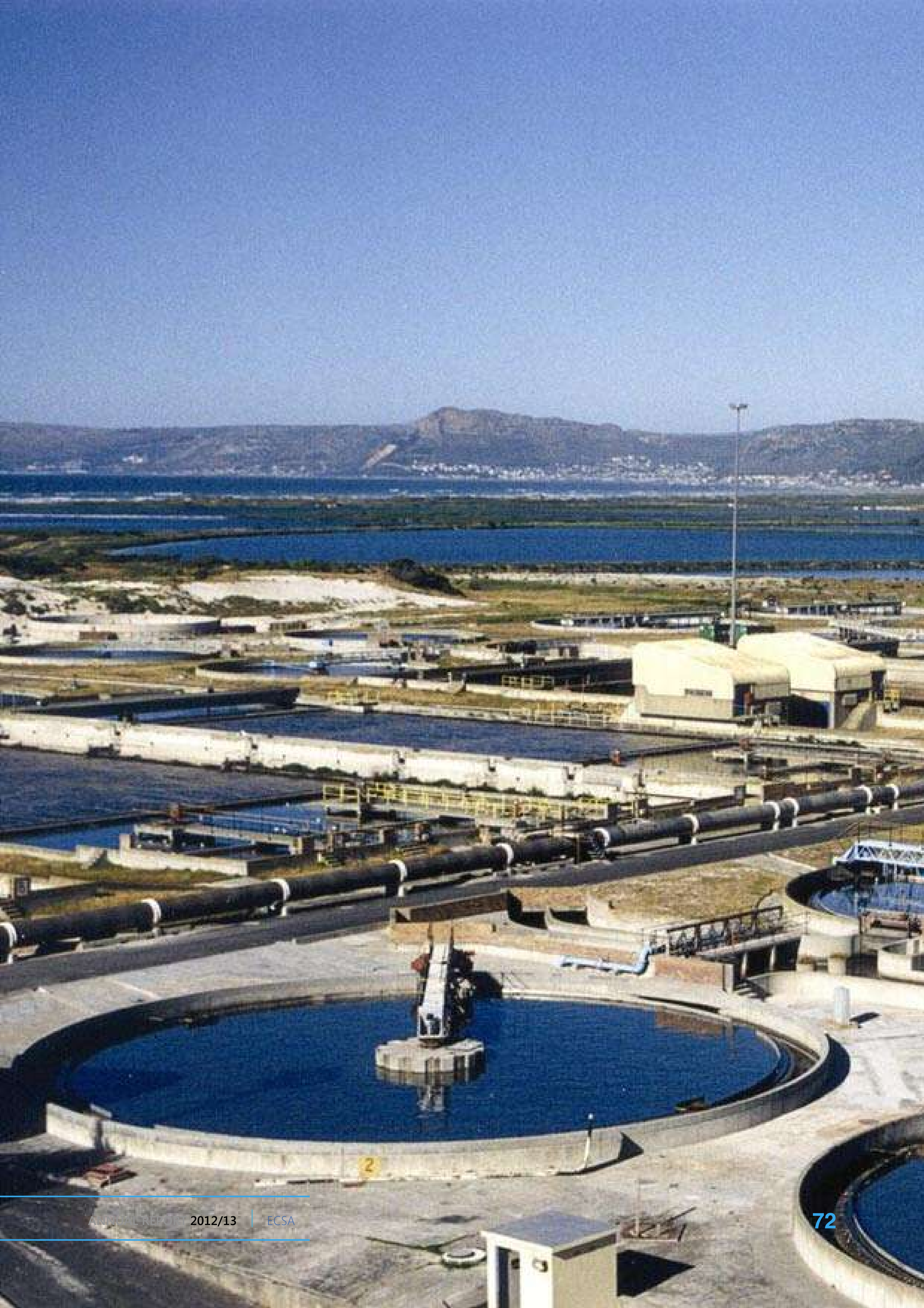
The ECSA media and communication agency, Fleshman Hillard, continued to



source for media engagement opportunities for the Council. Press releases were distributed to various media on behalf of the ECSA. Interviews and profiling opportunities were sourced for the ECSA's key spokespersons; being the President, Mr Cyril Gamede; the Vice-President, Mr Adrian Peters; and the CEO, Dr Oswald Franks.

The ECSA placed advertisements in Watt Now Magazine, New Agenda, the SAICE Civil Engineering Journal and Engineering News Online. The Council received consistent coverage on the media platform detailed below:

- Engineering News: Pipeline Problems
- Polity: Cronin calls on ECSA to support enlargement of engineering pool
- KZN Industrial and Business News: SA engineers concerned about skills shortage
- Engineering News: ECSA welcomes new faces
- Engineering News: Engineering registration to become mandatory to fight fraud
- Construction World: Developing Skills to meet demand
- Mechanical Technology: Registration crucial for public's safety
- E-TV: Engineering Skills Shortage
- Engineering News: Re-engineering funding
- The New Age: Need for high skills
- Government Digest: Skills Urgently Needed
- South African Builder: ECSA drives Skill Summit
- Engineering News: ECSA, municipal body sign MoU for technical capacity development - Skills Portal: Promoting quality assurance in engineering training
- Engineering News: SA needs to catch up with engineer backlog
- Engineering News: CHE and ECSA team up on engineering quality assurance
- Business Day: Resolution is in sight
- South African Builder: CBE and ECSA Collaborate



SECTION 6

8. ORGANISATIONAL OPERATIONS

8.1 Human Resources

8.2 Information and Business Processes

8.3 Finance

8 ORGANISATIONAL OPERATIONS

8.1 HUMAN RESOURCES

Change Management

A change management forum comprising members of staff and management has been introduced. The role of the forum is to drive implementation of key items in line with change management initiatives identified in the Change and Readiness Survey Report of 2012.

Coaching and Teambuilding have been identified as key initiatives. A request for proposals for a suitable provider to assist the ECSA in driving the initiatives has been advertised. Review of the proposals is currently in process.

Performance and Reward

The implementation of the Performance and Reward initiative is well underway. In December 2012 and March 2013, managers and staff attended Performance Management training. The objective of the training was to equip all staff with the knowledge and skill of performance management.

VIP and Employee Self Service

The second phase of the implementation of the VIP Payroll System i.e. Employee Self Service was launched in September 2012. This tool has replaced paper processing of leave and other payroll related claims. The advantages of ESS include, but are not limited to:

- Improved leave management
- Reduced printing and distribution costs of payslips and IRP's
- Real time access to selected portions of employee records
- Tracking of leave reports
- Access to view and print payslips

Training and Development

Training on the following key areas was completed:

- Job Description writing;
- Minute taking;
- Business Writing; and
- Time and Stress Management.

Job Grading

In September 2012, all ECSA staff were trained on job description writing to equip them with the skills to develop their own job descriptions. This exercise was followed by the grading of all positions and a salary benchmark exercise. The project was successfully completed in December 2012.

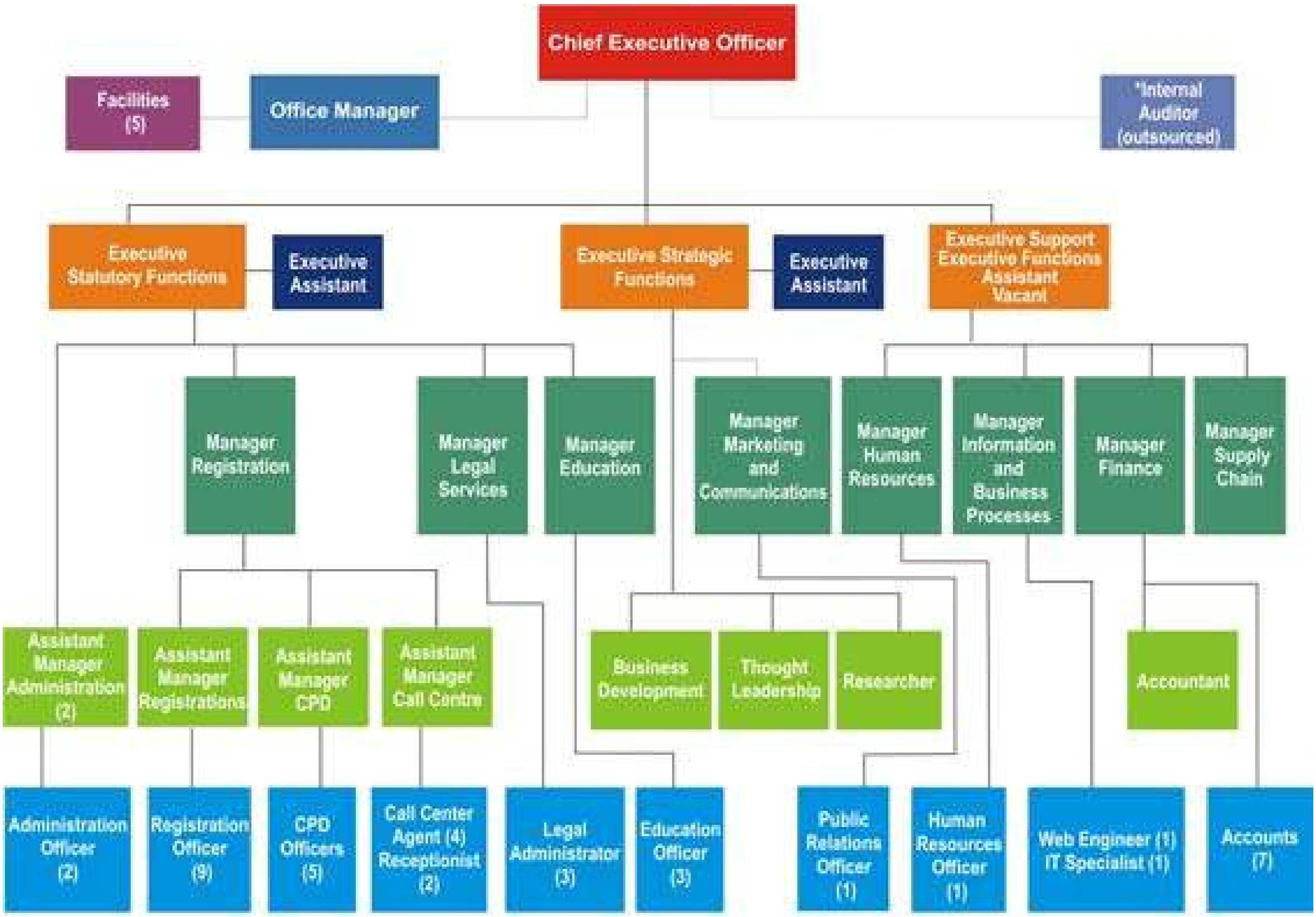
Employee Wellness

In its endeavour to provide employees with a support programme, the ECSA launched its employee wellness programme.

ICAS Southern Africa has been identified as a provider for the ECSA's Employee Wellness Programme. The Launch Plan entails interventions which will be rolled out over a period of 12 months; the following are some of the interventions undertaken:

- Did you know campaigns – Monthly;
- Competitions and health drives aligned to the Annual Health Calendar - Monthly; and
- Onsite talks /Awareness sessions – Quarterly.

Figure 15: ECSA Organogram



*Internal Audit functionally report to the Audit, risk and compliance committee and administratively report to the CEO.

ECSA MANAGEMENT AND STAFF PROFILE

1. MANAGEMENT PROFILE AS AT 31 MARCH 2013

JOB TITLE	NAME	M	F	W	B	A	C	I
Chief Executive Officer	Dr Oswald Franks	√			√		√	
Executive, Statutory Services	Dr Faroon Goolam	√			√			√
Executive, Strategic Services	Mr Edgar Sabela	√			√	√		
Manager, Registration	Ms Neggie Ndlovu		√		√	√		
Manager, Education	Ms Samantha Naidoo		√		√			√
Manager, Human Resources	Ms Auphelia Chounyane		√		√	√		
Manager, Finance	Mr Gerard Schekkerman	√		√				
Manager, Marketing and Corporate Communications	Ms Lillian Mlambo		√		√	√		
Manager, Information and Business Processes	Ms Nosintu Manqoyi		√		√	√		

Table 17: ECSA management profile

2. STAFF PROFILE AS AT 31 MARCH 2013

Category	Black	White
Management	8	1
Staff	40	11
Total	48	12
GRAND TOTAL	60	

Table 18: Breakdown of staff profile as at 31 March 2013

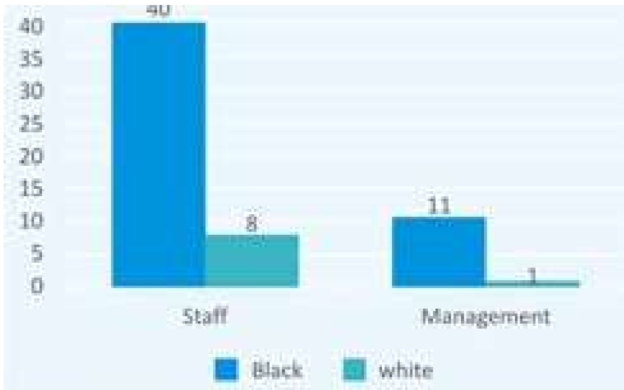


Figure 16: Breakdown of staff profile as at 31 March 2013

3. STAFF PROFILE: RACE AND GENDER BREAKDOWN AS AT 31 MARCH 2013

Gender	African	Coloured	Indian	White
MALE	7	2	2	3
FEMALE	25	7	6	8
TOTAL	60			

Table 19: Staff profile: race and gender breakdown as at 31 March 2013

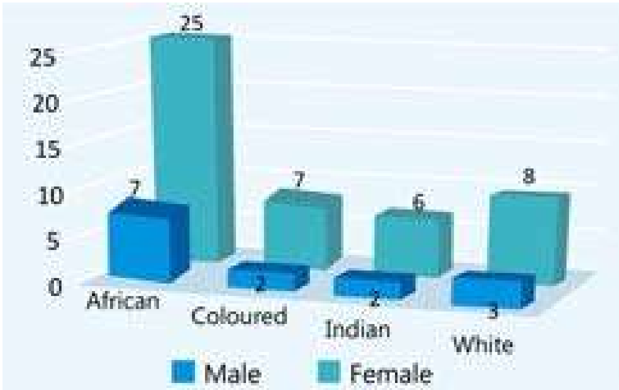


Figure 17: Staff profile: race and gender breakdown as at 31 March 2013

4. STAFF PROFILE: BREAKDOWN OF BLACK STAFF AS AT 31 MARCH 2013

Category	African	Coloured	Indian
Management	6	1	1
Staff	25	8	7
Total	31	9	8
GRAND TOTAL	48		

Table 20: Black staff profile as at 31 March 2013

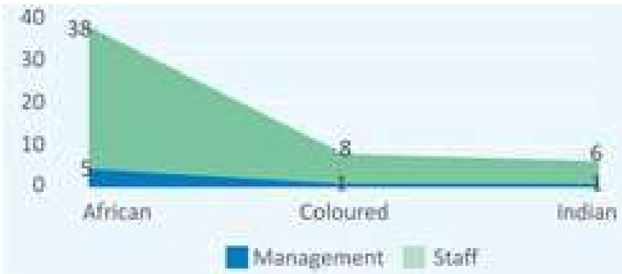


Figure 18: Black staff profile as at 31 March 2013

ECSA CONTRACTORS PROFILE

JOB TITLE	NAME	M	F	W	B	A	C	I
Manager, Legal Services	Mr Pieter Fourie	√		√				
Project Manager	Ms Thoko Machimane		√		√	√		
Consultant, IT /Special Projects	Prof Hu Hanrahan	√		√				
Consultant, Registration	Mr Johan Pienaar	√		√				
Consultant, Engenius	Ms Liesel Kirsten		√	√				
Researcher	Mr Ada Dienga	√			√	√		
Financial Officer	Ms Cathrine Ryan		√	√				
Personal Assistant to Executive, Strategic Services	Ms Vatiswa Dondashe		√		√	√		
Administration Assistant, Engenius	Ms Sandisa Maqubela		√		√	√		
General Assistant	Mr Daniel Tukishi	√			√	√		
General Assistant	Ms Lefentsoe Tau		√		√	√		
Personal Assistant to Executive, Statutory Functions	Ms Zintle Mtolo		√		√	√		

Table 21: Contractors profile as at 31 March 2013

Gender	African	Coloured	Indian	White
MALE	2	0	0	3
FEMALE	5	0	0	2
TOTAL		12		

Table 22: ECSA's contractors profile

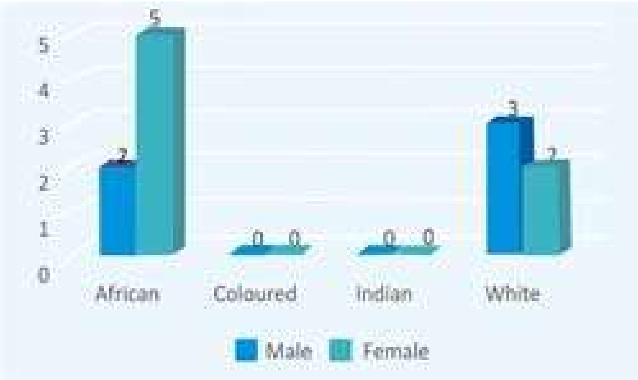


Figure 19: ECSA's contractors profile

8.2 Information and Business Processes

8.2.1 Replacement of the existing IT Platform

Development of the Registration System

The need to develop an online, workflow-based registration system to support the registration process was identified in the previous financial year. A phased approach to progressively implement the registration system was adopted. The first phase supports the registration of Candidate and Professional Engineers, and the Evaluation of Qualifications.

During the year under review, the development of the registration system was started. The system is divided into various modules, namely, the workflow module, external users module which is a web-based platform to facilitate the capturing of applications and other functions for external role-players; integration to the online payment module; integration to the existing financial system; document management and messaging module.

The workflow module, integration to the existing financial system, document management, and messaging module are currently being tested. The external module and integration to the online payment module are currently under development. The anticipated completion date of the registration system is end of September 2013.

Infrastructure Upgrade

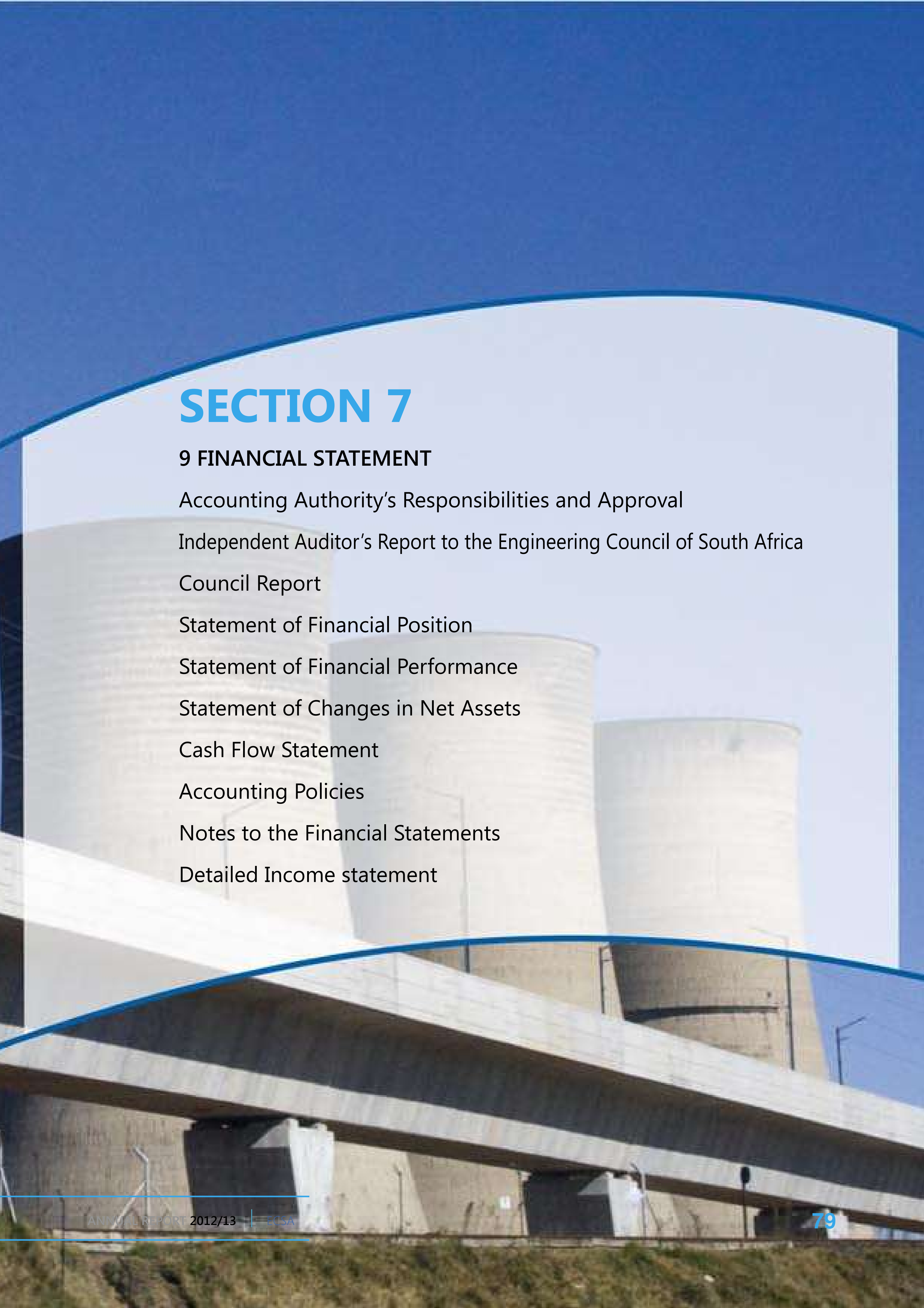
To support the operation of the registration system, the initiatives to upgrade the internet access link, enhancement to network and application security, as well as power continuity measures have been initiated.

8.2.2 The Development of the new Website

Following the development of the online registration system, a need arose to develop a website that can meet the demands of the increasing number of registered persons and other ECSA website visitors identified in the previous financial year. During the year under review, the design and the development of the system was started. The development of the new website will be completed by the end of the first quarter of the 2013/14 financial year.

8.3 Finance

Refer to the financial statement under section 7.



SECTION 7

9 FINANCIAL STATEMENT

9 ANNUAL FINANCIAL STATEMENT

In the aftermath of the negative economic pressure at both a global and national level, the ECSA was in a sound financial position as at 31 March 2013 with an operation surplus of R5,537,245. This financial position is a consequence of meticulous planning by management and the efforts of staff to continuously improve efficiency and to drive down cost in every function.

By Dr. Oswald Franks Pr Eng, CEO

ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The Council are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the Council to ensure that the 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 financial statements and was given unrestricted access to all financial records and related data.

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

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

The Council acknowledge that they are ultimately responsible for the system of internal financial control established by the Council and place considerable importance on maintaining a strong control environment. To enable the Council 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 risks 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 are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

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

The external auditors are responsible for independently reviewing and reporting on the Council's financial statements. The financial statements have been examined by the Council's external auditors and their report is presented on page 82.

The financial statements set out on pages 85 to 115, which have been prepared on the going concern basis, were approved by the Council on 27 August 2013 and were signed on its behalf by:

CYRIL GAMEDE Pr Eng
President

EDGAR SABELA
Acting Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT TO THE ENGINEERING COUNCIL OF SOUTH AFRICA

We have audited the financial statements of the Engineering Council of South Africa set out on pages 83 to 115, which comprise the statement of financial position as at 31 March 2013, and the statement of financial performance, statement of changes in net assets and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Councils' Responsibility for the Financial Statements

The Council is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards on Generally Recognised Accounting Practice and for such internal control as the Council may determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Engineering Council of the South Africa as at 31 March 2013, and its financial performance and its cash flows for the year then ended in accordance with South African Standards on Generally Recognised Accounting Practice.

Other matter

The supplementary information set out on page 116 does not form part of the financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: MN Govender
Registered Auditor

COUNCIL REPORT

1. Review of activities

Main business and operations

The Engineering Council of South Africa (ECSA) is established in terms of the Engineering Professions Act (No. 46 of 2000).The Act empowers the 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;
- 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 demonstrates 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 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 (VA's);
- Recommended to the Council for the Built Environment (CBE), ECSA's identification of the type of the engineering work which maybe performed by persons registered in any category.

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

Address

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

2. Going concern

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

3. Subsequent events

The CEO is not aware of any matter or circumstance arising since the end of the financial year that could have a material effect on the financial statements.

4. Council members

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

Outgoing Council Members

Mr CJ Campbell (President)
Prof T Majozi (Vice-President)
Mr N Alli
Mr SAS Amod
Mr D Argyrakis
Mr H Bengu
Ms RA Botha
Mr Y Brijmohan
Mr CT Camane
Dr JA Cruise
Mr JW Cunnington
Mr K Greenwood
Mr RA Harker
Mr AJ Hay
Ms ES Jakuszko
Ms J Janjic
Mr GH Jansen Van Rensburg
Mr PJ Joubert
Prof PE Kearsley
Mr M Kibido
Dr A Lawless
Ms MM Leshabane
Mr TC Madikane
Mr P Madondo
Ms FP Makhubu
Mr HE Makwarela
Mr MM Maliba
Ms P Mangakane
Mr TN Maphumulo
Adv KG Mapotse
Mr MG Marsden
Dr EN Mbuli
Mr IS McKechnie
Mr KC Mistry
Ms DR Mkhize
Mr PS Moncur
Mr PD Naidoo
Mr MA Ngcobo
Mr LS Nolo
Mr CM Norden
Mr BP O'Connor
Mr K O'Jageer
Mr VP Padayachee
Ms M Padayachee-Saman
Mr A Peters
Mr J Phiri
Mr N Smuts
Ms BG Sudano
Mr AT van Coller
Mr M Zondi

Incoming Council Members

Mr CV Gamede (President)
Mr A Peters (Vice-President)
Ms H Anderson
Ms RA Botha
Mr Y Brijmohan
Mr WSB Burger
Mr LT Dhlamini
Mr PM Erasmus
Mr K Greenwood
Mr M Gxamza
Dr KI Jacobs
Mr SS Jacobs
Mr ME Jele
Mr RE Jennings
Prof. BM Lacquet
Dr A Lawless
Mr OL Leburu
Ms NVB Magubane
Mr S Makhetha
Ms P Mangakane
Ms TP Maphumulo
Prof. T Marwala
Hon LB Mashile
Prof. ML Masu
Mr T Maswenganyi
DR ZT Mathe
Mr DN Matthee
Mr KC Mistry
Mr MMG Mofokeng
Mr RJ Moloisane
Dr B L Mwaka
Mr NM Myataza
Mr MA Ngcobo
Mr N Nqandela
Ms T Nkambule
Mr K Nyangoni
Ms M Padayachee-Saman
Mr R Patel
Mr BP Petlane
Ms T Phiri
Mr M Thunzi
Ms AM Sassenberg
Mr AJ Singh
Mr CM Soga
Mr CP Stuurman
Dr N Tutu
Mr NP van Den Berg
Mr DJ van Niekerk
Prof. BJ van Wyk
Mr RT Vogt
Ms TM Zuma

Dr Franks resigned effective 30 June 2013. Mr E Sabela is acting CEO effective 1 July 2013.

5. Secretary

The duties of a company secretary of the ECSA are fully fulfilled by the administrative staff. The Engineering Profession Act does not require the ECSA to appoint a dedicated company secretary.

6. Auditors

PricewaterhouseCoopers Inc. will continue in office in accordance with the procurement policy.

7. Legal form

Council

STATEMENT OF FINANCIAL POSITION

Figures in Rand	Notes	2013	2012
Assets			
Current Assets			
Receivables	6	2,092,126	4,171,253
Cash and cash equivalents	5	13,443,697	7,614,600
		15,535,823	**11,785,853**
Non-Current Assets			
Property, plant and equipment	4	8,769,870	9,037,778
Intangible assets	7	673,946	-
Other financial assets	8	9,611,985	8,078,442
Retirement benefit asset	10	23,325,000	20,343,000
		42,380,801	**37,459,220**
Total Assets		**57,916,624**	**49,245,073**
Liabilities			
Current Liabilities			
Borrowings	11	723,831	724,670
Trade and other payables	12	6,166,466	5,585,571
Provisions	13	2,047,160	1,598,253
		8,937,457	**7,908,494**
Non-Current Liabilities			
Borrowings	11	2,176,132	2,795,789
Retirement benefit obligation	10	21,749,000	19,024,000
		23,925,132	21,819,789
Total Liabilities		**32,696,090**	**29,728,283**
Net Assets		**25,220,534**	**19,516,790**
Net Assets			
Reserves			
Other NDR	14	2,547,540	2,547,540
Accumulated surplus		22,672,994	16,969,250
Total Net Assets		**25,220,534**	**19,516,790**

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Notes	2013	25 March 2012
Revenue	16	54,712,835	48,946,080
Other income	17	1,326,498	1,828,869
Operating expenses		(53,029,099)	(50,868,602)
Operating surplus (deficit)	20	**3,010,234**	**(93,653)**
Investment revenue	21	3,642,230	3,288,657
Fair value adjustments	8	1,417,896	502,824
Actuarial gains(losses)	10	(719,000)	(761,000)
Finance costs	22	(1,814,115)	(1,718,934)
Surplus for the year		**5,537,245**	**1,217,894**

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Notes Funds received for future expenses	Accumulated surplus	Total net assets
Balance at 26 March2011	**2,547,540**	**15,751,356**	**18,298,896**
Changes in net assets			
Surplus for the year	-	1,217,894	1,217,894
Total changes	-	1,217,894	1,217,894
Balance at 26 March 2012	**2,547,540**	**16,969,250**	**19,516,790**
Changes in net assets			
Surplus for the year	-	5,537,245	5,537,245
Total changes	-	5,537,245	5,537,245
Balance at 31 March 2013	**2,547,540**	**22,506,495**	**25,054,035**
Note	14		

CASH FLOW STATEMENT

Figures in Rand	Notes	2013	25 March 2012
Cash flows from operating activities			
Receipts			
Cash receipts from customers		57,518,272	56,250,530
Investment revenue	21	3,642,230	3,288,657
		61,160,502	59,539,187
Payments			
Cash payments to suppliers		(51,477,397)	(55,941,217)
Finance costs	22	(1,814,115)	(1,718,934)
		(53,291,512)	(57,660,151)
Net cash flows from operating activities	27	**7,868,990**	**1,879,036**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(638,998)	(800,841)
Disposal of property, plant and equipment	4	9,194	-
Purchase of other intangible assets	7	(673,946)	-
Net movements in financial assets	8	(115,647)	(116,869)
Net cash flows from investing activities		**(1,419,397)**	**(917,710)**
Cash flows from financing activities			
Repayment of borrowings	11	(620,496)	(652,041)
Net cash flows from financing activities		**(620,496)**	**(652,041)**
Net increase in cash and cash equivalents		**5,829,097**	**309,285**
Cash and cash equivalents at the beginning of the year		7,614,600	7,305,315
Cash and cash equivalents at the end of the year	5	**13,443,697**	**7,614,600**

ACCOUNTING POLICIES

1. Presentation of Financial Statements

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

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

These accounting policies are consistent with the previous period, except for the changes set out in note 30 First-time adoption of Standards of GRAP.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the 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 financial statements. Significant judgements include:

Trade receivables and loans and receivables

The entity assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus 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 loans and 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. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

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 entity 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 entity 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, IAS 19 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 - IAS 19 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

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.2 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure 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 entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income 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 are tested for impairment on an annual basis.

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

Item	**Average useful life**
Buildings	50 years
Furniture and fixtures	6 years
Motor vehicles	5 years
Office equipment	5 years
Computer equipment	3 years
Improvements to property	10 years

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

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

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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.

An intangible asset acquired at no or nominal cost, the cost shall be its fair value as at the date of acquisition.

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;
- 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.

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 value. No amortisation is provided on intangible assets not in use.

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. It 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.

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 potentially 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 entity 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	Fair value
Trade and other receivables	Loans and receivables

The entity 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
Borrowings	Financial liability measured at amortised cost

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity 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.

Subsequent measurement of financial assets and financial liabilities

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

- Financial instruments at fair value;
- Financial instruments at amortised cost;
- Financial instruments at 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 entity 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 entity 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 entity assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

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.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, 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 entity:
  - derecognise the asset; and
  - recognise 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. 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.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity 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.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it isextinguished - i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

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.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

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 revenue in profit and loss.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

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

1.6 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render

the related employee service;

- bonus, incentive and performance related payments payable within 12 months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Post-employment benefits: Defined benefit plans

GRAP 25 is effective for financial years commencing on or after 1 April 2013 and are to be applied for the 2014 year end.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement.

The amount determined as a defined benefit liability may be negative (an asset). The entity measure the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determine; the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those

terms) at the reporting date; and

- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
- those changes were enacted before the reporting date; or
- past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

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 entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are not recognised for future operating profits.

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.

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, registration fees, and accreditations of universities.

Professional fees are payable by members who are qualified as engineers (members who has obtained a university degree).

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

Candidates fees are payable by members who are not yet qualified as engineers (e.g. students or technicians).

Application fees are once-off fees payable on registration at the ECSA. These fees are to compensate for the costs incurred during the evaluation process.

Measurement

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

Revenue from exchange transactions

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 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.

1.9 Revenue from non-exchange transactions

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

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Annual, application and registration fees are recognised as 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 entity 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 entity.

When, as a result of a non-exchange transaction, the entity 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.

2. New standards and interpretations

2.1 Standards approved not yet effective

The following standards and interpretations have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2013 or later periods but are not yet effective to its operations:

Standard/ Interpretation	Effective date	Expected impact
	Years beginning on or after	
■ GRAP 20 - Related Parties	01 April 2013	No material impact
■ GRAP 25 -Employee Benefits	01 April 2013	No material impact

GRAP 20 - Related Parties

GRAP 20: Related Party Disclosures

Subject to exemptions in paragraph 32, if a reporting entity has had related party transactions during the periods covered by the financial statements, it shall disclose the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements. These disclosures requirements are in addition to those in paragraph 35 to disclose remuneration of management. At a minimum, disclosures shall include:

- (a) the amount of the transactions
- (b) the amount of outstanding balances, including commitments; and
  - (i) their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement; and
  - (ii) details of the guarantees given or received.
- (c) provisions for doubtful debts related to the amount of outstanding balances; and
- (d) the expense recognised during the period in respect of bad or doubtful debts due from related parties.

Not applicable to the ECSA as yet as this standard is not yet effective.

3. Risk management

Capital risk management

The entity's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide services as enacted by the Engineering Profession Act 2000, (Act 46 of 2000) and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the entity consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 11, cash and cash equivalents disclosed in note 5, and equity as disclosed in the statement of financial position. Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

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.

The gearing ratio at 2013 and 2012 respectively were as follows:

Total borrowings

Figures in Rand	Notes	2013	2012
Other financial liabilities	11	2,899,963	3,520,459
Less: Cash and cash equivalents	5	13,443,697	7,614,600
Net debt		(10,543,734)	(4,094,141)
Total equity		25,054,035	19,516,791
Total capital		**14,510,301**	**15,422,650**

Financial risk management

The entity'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 entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. Risk management is carried out by a central treasury department (company treasury) under policies approved by the board. The board 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 in the operating entities of the company in and aggregated by company finance. Entity finance monitors rolling forecasts of the company'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. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the company treasury. Entity treasury 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 head-room as determined by the above-mentioned forecasts.

The table below analyses the company's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 March 2013	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	6,166,466	-	-	-

At 31 March 2012	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	5,585,571	-	-	-

Interest rate risk

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

The company analyses its interest rate exposure on a regular basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the company calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

Credit risk

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

Standard Bank

National long-term credit rating	BBB
National short-term credit rating	F1+(2af)

Investec

National long-term credit rating	A+
National short-term credit rating	F1 (2af)

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

4. Property, plant and equipment

	2013 Cost	2013 Accumulated depreciation and accumulated impairment	2013 Carrying value	2012 Cost	2012 Accumulated depreciation and accumulated impairment	2012 Carrying value
Buildings	7,691,993	(998,643)	6,693,350	7,691,993	(844,803)	6,847,190
Furniture and fixtures	713,803	(487,995)	225,808	694,134	(393,340)	300,794
Motor vehicles	198,064	(198,064)	-	198,064	(158,451)	39,613
Office equipment	461,098	(380,066)	81,032	691,032	(311,621)	379,411
Computer equipment	2,228,605	(1,163,301)	1,065,304	1,662,391	(799,367)	863,024
Improvements to premises	1,221,576	(517,200)	704,376	1,002,788	(395,042)	607,746
Total	**12,515,139**	**(3,745,269)**	**8,769,870**	**11,940,402**	**(2,902,624)**	**9,037,778**

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Disposals	Reclassification	Depreciation	Total
Buildings	6,847,190	-	-	-	(153,840)	6,693,350
Furniture and fixtures	300,794	21,465	(31)	-	(96,420)	225,808
Motor vehicles	39,613	-	-	-	(39,613)	-
Office equipment	379,411	9,436	(1,151)	(218,788)	(87,876)	81,032
Computer equipment	863,024	608,097	(8,012)	-	(397,805)	1,065,304
Improvements to premises	607,746	-	-	218,788	(122,158)	704,376
	9,037,778	**638,998**	**(9,194)**	**-**	**(897,712)**	**8,769,870**

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Depreciation	Total
Buildings	7,001,030	-	(153,840)	6,847,190
Furniture and fixtures	309,610	92,133	(100,949)	300,794
Motor vehicles	79,225	-	(39,612)	39,613
Office equipment	475,919	28,881	(125,389)	379,411
Computer equipment	476,868	679,827	(293,671)	863,024
Improvements to premises	708,025	-	(100,279)	607,746
	9,050,677	**800,841**	**(813,740)**	**9,037,778**

Figures in Rand	Notes	2013	2012

4. Property, plant and equipment (continued)

Details of properties

Building Section 5 to 8 Waterview Corner

T 013126/2009		
Section 5 includes 631 square metres		
Sections 6 includes 383 square metres		
Section 7 includes 237 square metres		
Section 8 includes 456 square metres		
- Purchase price: 29 April 2009	6,280,750	6,280,750

Building section 9 and 10 Waterview Corner

T 57553/1999		
Section 9 includes 212 square metres		
Section 10 includes 329 square metres		
- Purchase price: 30 September 1999	1,411,243	1,411,243

Section 16

T044549/2005		
- Purchase price: 10 August 2005	5,000	5,000

a) An undivided share in the common property (Section 5 -8, 9-10 and 16) in the scheme apportioned to the said section in accordance with the participation quota as endorsed on the said sectional plan.

Property is security over borrowings disclosed in note 11.

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	243	4,534
Bank balances	13,443,454	7,610,066
	13,443,697	**7,614,600**
The following facilities are attached to the Standard Bank Current account		
Overdraft	2,000,000	
EFT	3,000,000	
Card	195,000	
VAF LCF	21,600	

6. Receivables

Trade debtors	4,314,895	6,550,528
Impairment of trade receivables	(2,434,196)	(2,690,402)
Deposits	2,000	77,225
Staff loans and study assistance	209,427	233,902
	2,092,126	**4,171,253**
Receivables from exchange transactions	553,014	213,367
Receivables from non-exchange transactions	3,761,881	6,337,161
	4,314,895	**6,550,528**

Figures in Rand	2013	2012

6. Receivables (continued)

The following deposits are held

Deposits	2,000	77,225

Fair value of trade and other receivables

Trade and other receivables	2,092,126	4,171,253

Trade and other receivables impaired

The amount of the provision was 2,436,358 as of 31 March 2013 (2012: 2,690,402).

Reconciliation of provision for impairment of trade and other receivables

Opening balance	2,690,402	-
Provision for impairment	-	2,690,402
Reversal of prior year provision	(252,294)	-
Bad debts written off	(3,912)	-
	2,434,196	**2,690,402**

7. Intangible assets

Figures in Rand	2013			2012		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Registration system	673,946	-	673,946	-	-	

Reconciliation of intangible assets - 2013

	Opening balance	Additions	Total
Registration system	-	673,946	673,946

8. Other financial assets

Financial asset at fair value

SIS Inflation plus 1-3 Investments	9,611,985	8,078,442

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

Non-current assets

Available-for-sale	9,611,985	8,078,442

For debt securities classified as available-for-sale, the maximum exposure to credit risk at the reporting date is the fair value.

The entity has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

Figures in Rand	2013	2012

8. Other financial assets (continued)

SIS Inflation - opening balance	8,078,442	7,458,749
Fair value adjustment - current year recognised in other comprehensive income	1,417,896	502,824
Earnings recognised in profit and loss for the period	115,647	116,869
Fair value at year end	**9,611,985**	**8,078,442**

9. Financial assets by category

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

2013

	Loans and receivables	**Total**
Trade and other receivables	2,092,126	2,092,126
Cash and cash equivalents	13,443,697	13,443,697
Other financial assets	9,611,985	9,611,985
	25,147,808	**25,147,808**

2012

Loans and Total
receivables

Trade and other receivables	4,171,253	4,171,253
Cash and cash equivalents	7,614,600	7,614,600
Other financial assets	8,078,442	8,078,442
	19,864,295	**19,864,295**

10. Employee benefit obligations

Defined benefit plan

The plan is a final salary pension / flat plan.

Retirement benefit

Balance sheet obligations for:		
Pension benefits	1,576,000	1,319,000
Current liabilities	-	-
Non-current liabilities	1,576,000	1,319,000
	1,576,000	**1,319,000**
Income statement charge for:		
Employee benefit expense		
Wages and salaries	26,051,572	20,095,000
Pension cost - Defined benefit plan	(257,000)	(117,000)
	25,794,572	**19,978,000**
Actuarial losses/(gains) recognised in the statement of financial performance	747,000	761,000
Cumulative actuarial losses/(gains) recognised in statement of financial performance	(5,550,000)	(6,274,000)
	(4,836,000)	**(5,513,000)**

Figures in Rand	Notes	2013	2012

10. Employee benefit obligations (continued)

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.

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

		2013	2012
Carrying value			
Present value of the defined benefit obligation-partially or wholly funded		(21,749,000)	(19,024,000)
Fair value of plan assets		28,006,000	25,052,000
Asset not recognised		(4,681,000)	(4,709,000)
		1,576,000	**1,319,000**
Non-current assets		23,325,000	20,343,000
Non-current liabilities		(21,749,000)	(19,024,000)
		1,576,000	**1,319,000**

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. 58(b)(ii) of IAS 19) 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 R1 576,000 as at 31 March 2013. 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 R1,576,000.

The value of the asset reflected on the balance sheet should be determined in terms of par. 58 of IAS 19. This states that the net asset recognised should be the lower of the value determined under par. 54 and the sum of the cumulative unrecognised losses (par. 58(b)(i)) and the present value of the economic benefits available to the employer (par. 58(b)(ii)). 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. 54 was R6,257,000 as at 31 March 2013. The value of par. 58(b)(i) was zero and par. 58(b)(ii) was R1,576,000. Therefore, the net asset as at 31 March 2013 should be limited to R1,576,000.

The value determined under par. 54 was R6,028,000 as at 31 March 2012. The value of par. 58(b)(i) was zero and par. 58(b)(ii) was R1,319,000. Therefore, the net asset as at 31 March 2012 should be limited to R1,319,000.

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.

		2013	2012
Assets not recognised (IAS 19, paragraph 58(b))		4,681,000	4,709,000

Figures in Rand	Notes	2013	2012

10. Employee benefit obligations (continued)

Movement in the defined benefit obligation are as follows:

Opening balance	19,024,000	15,981,000
Interest cost	1,565,000	1,403,000
Actuarial (gains)/losses	2,587,000	3,068,000
Benefits paid	(1,427,000)	(1,428,000)
	21,749,000	**19,024,000**

Net expense recognised in the statement of financial performance

Interest cost	(1,565,000)	(1,403,000)
Actuarial gains (losses)	(747,000)	(3,069,000)
Effect of the limit in IAS19, par. 58 (b)	28,000	2,308,000
Expected return on plan assets	2,541,000	2,281,000
	257,000	**117,000**

The movement in the fair value of plan assets are as follows:

Opening balance	25,052,000	24,200,000
Expected return	2,541,000	2,281,000
Actuarial gains (losses)	1,840,000	(1,000)
Benefits paid	(1,427,000)	(1,428,000)
	28,006,000	**25,052,000**

Reconciliation between the present value of the defined benefit obligation and fair value of assets and net asset recognised in the balance sheet		
Present value of Defined Benefit obligation	(21,749,000)	(19,024,000)
Fair value of plan assets	28,006,000	25,052,000
Net assets	6,257,000	6,028,000
Effect of the limit in IAS 19, par. 58 (b)	(4,681,000)	(4,709,000)
	1,576,000	**1,319,000**

The principal actuarial assumptions used were as follows:

Assumptions used at the reporting date:		
Discount rates used	6.67 %	5.96 %
Expected rate of return on assets	7.82 %	8.54 %
Expected rate of return on reimbursement rights	10.68 %	10.43 %

The assumptions used are consistent with assumptions used in the statutory valuation. However, IAS 19 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 - IAS 19 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. The discount rate for the shorter term liabilities was based on the yield of the R186 government bond (7.5%) and the longer term liability on the yield of the R209 government bond (8.4%). Rates given are the weighted average rates.

The expected return on assets are based on an average balances portfolio.

10. Employee benefit obligations (continued)

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

	% of portfolio	Real return	Weighted return
Equity	70 % 4	.50 %	3.15 %
Bonds	30 %	3.00 %	0.90 %
	100 %	**7.50 %**	**4.05 %**

The difference between the yield on a fixed interest government bond and the yield on an index linked government bond will give an indication of the inflation expectation in the market. For this purpose, the yield on the R186 and R209 fixed interest government bond and the R197 and R202 index linked government bond as at valuation date were used. The index-yields were 0.8% and 1.7% respectively. The rate given is a weighted average rate.

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 a (55) tables for males and females have been used. The number of pensioners as at 31 March 2013, their annual pension and weighted average age, compared to that as at 31 March 2012 were as follows:

Number of pensioners	8	10
Annual pension	1,286,000	1,392,000
Pension weighted average age	48	46

11. Borrowings

Held at amortised cost		
Bond on Sec 5-8 - ABSA Bank	2,899,963	3,520,459
Interest at a rate of 8.25% is applicable on the bond and is to be repaid within 10 years.		
Non-current liabilities		
At amortised cost	2,176,132	2,795,789
Current liabilities		
At amortised cost	723,831	724,670
	2,899,963	**3,520,459**

12. Trade and other payables

Trade payables	780,415	56,355
Payments received in advanced - contract in process	1,990,867	1,767,534
South African Revenue Services - VAT	123,481	794,655
Accrued payroll expenses	526,265	953,607
Accruals	2,745,438	1,958,420
Rental deposits	-	55,000
	6,166,466	**5,585,571**

Fair value of trade and other payables

Trade payables	6,166,466	5,585,571

Figures in Rand	Notes	2013	2012

13. Provision

Reconciliation of provision - 2013

	Opening Balance	Additions	Total
Leave pay provision	1,598,253	448,907	2,047,160

Reconciliation of provision - 2012

	Opening Balance	dditions	Total
Leave pay provision	1,598,253	-	1,598,253

14. Other reserves

Other reserves consist of provision for extraordinary legal expenses.

	2013	2012
Funds received for future expenses	2,547,540	2,547,540

15. Financial liabilities by category

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

2013

	Financial liabilities at amortised cost	Total
Trade and other payables	6,166,466	6,166,466
Borrowings	2,899,963	2,899,963
	9,066,429	**9,066,429**

2012

	Financial liabilities at amortised cost	Total
Trade and other payables	5,585,571	5,585,571
Borrowings	3,520,459	3,520,459
	9,106,030	**9,106,030**

16. Revenue

	2013	2012
Annual fees	43,932,638	41,103,634
Application fees	8,372,011	6,206,095
Accreditation visits	2,408,186	1,636,351
	54,712,835	**48,946,080**

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

	2013	2012
Accreditation visits	2,408,186	1,636,351

Figures in Rand	Notes	2013	2012

16. Revenue (continued)

The amount included in revenue arising from non-exchange transactions is as follows:

Annual fees	43,932,638	41,103,634
Application fees	8,372,011	6,206,095
	52,304,649	**47,309,729**

17. Other revenue

Evaluation of qualifications	370,391	376,437
Disciplinary fines	57,874	185,000
Rental income	359,046	470,583
Income from Setas and Corporate affairs	263,158	558,665
Recoveries from cancelled registration persons	184,157	165,385
Other income	91,872	72,799
	1,326,498	**1,828,869**

18. General expenses

Auditors remuneration	352,883	390,778
Bank charges	261,484	218,366
Body corporate	1,590,970	1,408,707
Committee room expenses	84,196	56,778
Corporate Community Services	1,437,081	1,040,726
Council and committee meetings	10,855,821	9,062,713
Disciplinary matters and fines	218,891	923,518
Fees	440,361	670,360
IT expenses	652,191	536,687
Insurance	276,554	252,612
Investment fees	100,985	89,853
Legal expenses	35,354	131,912
Maintenance	208,303	168,700
Membership fees	178,220	127,033
Motor vehicle expenses	30,667	26,839
Office expenditure	120,973	52,606
Parking	62,055	31,480
Personnel recruitment	584,482	102,384
Pest control	51,036	27,593
Printing stationery and publications	676,466	538,414
Project cost	759,484	-
Rental	14,656	-
Rental expense	1,199,776	1,117,782
Security	-	16,471
Staff welfare	172,082	139,767
Telephone and fax	864,154	732,092
Training	364,380	463,020
Travel - local	818,336	525,207
Travel - overseas	-	2,899
	22,411,841	**18,855,297**

Figures in Rand	Notes	2013	2012

19. Employee related costs

Basic	21,779,630	18,872,361
Medical aid - company contributions	1,697,678	1,759,143
UIF	97,468	90,228
SDL	217,172	182,957
Non-employees on contract	602,845	-
Post-employment benefits - Pension - Defined contribution plan	1,656,779	1,853,627
	26,051,572	**22,758,316**

20. Operating surplus (deficit)

Operating surplus (deficit) for the year is stated after accounting for the following:

Operating lease charges		
Premises		
■ Contractual amounts	14,656	-
Impairment on trade and other receivables	2,434,196	2,690,402
Actuarial (gains)/losses	719,000	761,000
Depreciation on property, plant and equipment	897,712	813,739
Employee costs	26,051,572	22,758,316
Repairs and Maintenance	1,006,708	596,218

21. Investment revenue

Interest revenue		
Investment revenue on available-for-sale investments	216,632	206,722
Bank	884,598	800,935
Expected return on Defined Benefit Assets	2,541,000	2,281,000
	3,642,230	**3,288,657**

22. Finance costs

Interest paid	249,115	315,934
Defined Benefit Plan Interest cost	1,565,000	1,403,000
	1,814,115	**1,718,934**

23. Income tax expense

The Council is not exempted from income tax in terms of Section 10(1)(cA) of the Income Tax Act.

24. Auditors' remuneration

Consulting	245,300	258,600
Secretarial services	107,583	132,178
	352,883	**390,778**

25. Debt impairment

Reversal of provision	252,294	-

26. Impairment of assets

Impairments		
Trade and other receivables	2,434,196	2,690,402

Figures in Rand	Notes	2013	2012

27. Cash generated from operations

Surplus	5,537,245	1,217,894
Adjustments for:		
Depreciation	897,712	813,739
Actuarial (gains)/losses	719,000	761,000
Fair value adjustments	(1,417,896)	(502,824)
Impairment on trade receivables	-	2,690,402
Movements in retirement benefit assets and liabilities	(976,000)	(878,000)
Movements in provisions	448,907	-
Changes in working capital:		
Receivables	2,079,127	(3,832,431)
Trade and other payables	580,895	1,609,256
	7,868,990	**1,879,036**

28. Commitments

Operating leases - as lessee (expense)

Minimum lease payments due		
- within one year	627,885	1,152,262
- in second to fifth year inclusive	48,812	669,017
- later than five years	-	-
	676,697	**1,821,279**

Operating lease payments represent rentals payable by the entity for certain of its equipment. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

Operating leases - as lessor (income)

Minimum lease payments due		
- within one year	230,860	158,664
- in second to fifth year inclusive	-	-
- later than five years	-	-
	230,860	**158,664**

Certain lease income represents rentals receivable by the company for lease of Section no. 9 and 10. The lease term will expire on 31 October 2013.

29. Key personnel emoluments

Remuneration paid to key personnel

2013

	Emoluments	Contributions to retirement plan	Total
Chief Executive Officer	1,494,316	172,953	1,667,269
Specialist consultant (on annual contract)	756,958	-	756,958
Special assistant to the CEO	296,950	-	296,950
Manager education	527,775	59,195	586,970
Manager finance	817,800	83,559	901,359
Manager human resources - consultant	278,477	-	278,477
Manager human resources	524,385	-	524,385
Manager legal services	433,252	33,674	466,926
Manager legal services - consultant	192,400	-	192,400
Manager registration and consultant for registration (consultant)	316,847	-	316,847
Manager registration (ex-senior manager operations)	729,960	86,900	816,860
Executive strategic services	1,256,543	-	1,256,543
Executive statutory services	1,261,206	-	1,261,206
Manager IT	550,204	-	550,204
Manager corporate communications (permanent - appointed July 2012)	348,716	-	348,716
Manager corporate communications (consultant - resigned June 2012)	201,212	-	201,212
Manager corporate communications (permanent - resigned May 2012)	80,779	-	80,779
	10,067,780	**436,281**	**10,504,061**

2012

	Emoluments	Contributions to retirement plan	Total
Chief Executive Officer	1,409,732	163,162	1,572,894
Specialist consultant (on annual contract)	923,533	-	923,533
Special assistant to the CEO	779,978	-	779,978
Senior manager operations	538,862	60,743	599,605
Manager corporate communications (consultant)	740,082	-	740,082
Manager corporate communications (permanent appointment)	215,296	-	215,296
Manager education	505,076	58,272	563,348
Manager finance	721,831	78,828	800,659
Manager human resources	787,267	-	787,267
Manager legal services	559,022	63,536	622,558
Manager registration and consultant for registration (consultant)	567,941	-	567,941
Manager registration (ex-senior manager operations)	179,621	20,248	199,869
Executive strategic services (appointed November 2011)	361,248	-	361,248
Executive strategic services (appointed January 2012)	242,847	-	242,847
	8,532,336	**444,789**	**8,977,125**

30. First-time adoption of Generally Recognised Accounting Practice

The entity has applied GRAP, First-time adoption of Standards of Generally Recognised Accounting Practice, to provide a starting point for the reporting under Standards of Generally Recognised Accounting Practice. On principle these standards have been applied retrospectively and the 2012 comparatives contained in these financial statements differ from those published in the financial statements published for the year ended 25 March 2012.

In terms of GRAP 101, a gain or loss from a change in fair value of a financial asset or financial liability measured at fair value shall be recognised in surplus or deficit.

The date of transition was 31 March 2011 and the effect of the transition was as follows:

Reconciliation of equity at 26 March 2011

Figures in Rand	Note	
Unrealised fair value adjustments	8	2,635,234
Accumulated surplus	8	(2,653,234)

Reconciliation of equity at 25 March 2012

Figures in Rand	Note	
Unrealised fair value adjustments	8	502,824
Accumulated surplus	8	(502,824)

Reconciliation of surplus or deficit for 2012

Unrealised fair value adjustments	8	1,417,896
Fair value adjustments through Surplus/Deficit	8	(1,417,896)
Total equity		-

Reconciliation of surplus or deficit

Figures in Rand	Note	2013	2012	2011
Unrealised fair value adjustments reserves	8	1,417,986	502,824	2,635,234
Fair value adjustments through surplus/deficit	8	(1,417,986)	(502,824)	(2,635,234)
Net surplus		-	-	-

31. Comparative figures

The year end is the reporting period changed from 25 March 2012 to 31 March 2013. The year end is adjusted as required by the PFMA (Public Finance Management Act) and the fact that the comparative amounts of certain statements such as the statement of financial performance, changes in net assets, cash flows and related notes are not entirely comparable.

32. Going concern

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

33. Events after the reporting date

The CEO is not aware of any matter or circumstance arising since the end of the financial year.

34. Statement of budgeted and actual information

2013	Approved	Final	Actual amounts	Difference Final Budget and Actual
Receipts				
Annual fees	43,258,861	43,258,861	43,932,638	(673,777)
Application fees	6,379,200	6,379,200	8,372,011	(1,992,811)
Accreditation	-	-	2,408,186	-
Revenues from other short and long term investments	1,092,200	1,092,200	1,113,510	(21,310)
Other revenue	3,152,653	3,152,653	1,326,498	1,826,155
Total receipts	**53,882,914**	**53,882,914**	**57,152,843**	**(861,743)**
Payments				
Salaries	(26,328,407)	(26,328,407)	(25,355,449)	(972,958)
Rent and parking	(2,297,100)	(2,297,100)	(1,830,357)	(466,743)
Stationery and printing	(625,989)	(625,989)	(676,466)	50,477
General expenses	(274,617)	(274,617)	(380,896)	106,279
Personnel expenses	(1,438,547)	(1,438,547)	(2,190,521)	751,974
Telephone and postage	(832,861)	(832,861)	(864,154)	31,293
Maintenance	(1,097,000)	(1,097,000)	(1,215,011)	118,011
Financial expenses	(1,658,864)	(1,658,864)	(1,442,252)	(216,612)
Council and committee meetings	(9,061,010)	(9,061,010)	(10,943,177)	1,882,167
Corporate and affairs and legal departments	(3,578,625)	(3,578,625)	(1,896,287)	(1,682,338)
Specialist services	(6,689,894)	(6,689,894)	(5,273,018)	(1,416,876)
Depreciation (not cash)	-	-	(897,712)	897,712
Total payments	**(53,882,914)**	**(53,882,914)**	**(52,965,300)**	**(917,614)**

35. Contingent liability

Contingent liabilities

Case 1

The Council has been established under Act 46 of 2000. It is currently neither registered for income tax nor has it been approved for the purposes of any income tax exemption.

Section 10(1)(cA)(i) of the Income Tax Act provides for the exemption from income tax of all receipts and accruals of any institution, board or body (other than a company) established by or under any law and which in the furtherance of its sole or principal object provides necessary or useful commodities, amenities or services to the state or members of the general public.

The ECSA has indeed been established by a law which is the Engineering Professions Act (Act 46 of 2000).

The Council has applied for tax exemption, which includes retrospective exemption from 2000 in terms of section 10(1)(cA)(i).

The ECSA is currently awaiting approval from SARS for both prospective and retrospective exemption. On the basis that such retrospective approval was given to similar qualifying organisations, the likelihood of the ECSA also obtaining the approval is considered high.

Only once SARS' approval and decision in respect of the retrospective approval is obtained, the retrospective effect and application of the prospective tax exemption can be determined.

Case 2

Litigation is in process against the company and the ECSA's legal representatives are of the opinion that the claim which is estimated not to exceed R 1,738,501 can be successfully resisted by the company. The finalisation date of the dispute is unknown at this stage.

36. PFMA compliance

The Engineering Council of South Africa is on a plan to become PFMA compliant within the next two years.

Detailed Income statement

Figures in Rand	Notes	2013	25 March 2012
Revenue			
Annual fees		43,932,638	41,103,634
Application fees		8,372,011	6,206,095
Accreditation visits		2,408,186	1,636,351
Evaluation of qualifications		370,391	376,437
Royalties received		57,874	185,000
Rent received		359,046	470,583
Corporate affairs and accreditation visits venue		263,158	558,665
Bad debts recovered		184,157	165,385
Sundry income		91,872	72,799
Interest received	21	3,642,230	3,288,657
Total Revenue		**59,681,563**	**54,063,606**
Expenditure			
Personnel	19	(26,051,572)	(22,758,316)
Investigations		(204,961)	(304,738)
Depreciation and amortisation		(897,712)	(813,739)
Impairment loss/ Reversal of impairments	26	-	(2,690,402)
Finance costs	22	(1,814,115)	(1,718,934)
Reversal of impairment	25	250,132	-
Repairs and maintenance		(1,006,708)	(596,218)
Projects		(2,706,437)	(4,849,892)
General Expenses	18	(22,411,841)	(18,855,297)
Total Expenditure		**(54,843,214)**	**(52,587,536)**
Fair value adjustments		1,417,896	502,824
Actuarial gains/ (losses)		(719,000)	(761,000)
Surplus for the year		**5,537,245**	**1,217,894**

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

10. Annexure A – List of Recognised Voluntary Associations

Category A

No	Acronym	Name	Reference Number	Date Recognised
1	AeSSA	Aeronautical Society of South Africa	VA A0022	11 August 2011
2	AMMSA	Association of Mine Managers of South Africa	VA A0031	24 January 2007
3	AMRE	Association of Mine Resident Engineers	VA A0032	30 November 2007
4	CEASA	Clinical Engineering Association of South Africa	VA A0040	26 August 2010
5	COET	The Chamber of Engineering Technology	VA A0001	19 October 2010
6	CSSA	Concrete Society of Southern Africa	VA A0019	11 August 2011
7	ICMEESA	Institution of Certificated Mechanical and Electrical Engineering	VA A0002	24 November 2010
8	IEEE	Institute of Electrical and Electronic Engineers South African Section	VA A0036	12 June 2008
9	IMESA	Institution of Municipal Engineering of Southern Africa	VA A0003	14 April 2011
10	IPET	Institute of Professional Engineering Technologists	VA A0004	19 October 2010
11	LIASA	Lift Inspectors Association of South Africa	VA A0026	15 March 2012
12	NSBE	National Society of Black Engineers	VA A0037	23 May 2013
13	SAAMA	South African Asset Management Association	VA A0025	14 May 2009
14	SACEA	South African Colliery Engineers Association	VA A0005	11 August 2011
15	SACMA	South African Colliery Managers Association	VA A0029	23 May 2013
16	SAIAE	South African Institute of Agricultural Engineers	VA A0020	11 August 2011
17	SAICE	South African Institution of Civil Engineering	VA A0006	24 November 2010
18	SAIChE	South African Institution of Chemical Engineers	VA A0007	11 August 2011
19	SAIEE	South African Institute of Electrical Engineers	VA A0008	14 April 2011
20	SAIIE	Southern African Institute of Industrial Engineers	VA A0009	11 August 2011
21	SAIMechE	The South African Institution of Mechanical Engineering	VA A0021	14 April 2011
22	SAIMENA	South African Institute of Marine Engineers and Naval Architects	VA A0010	11 August 2011
23	SAIMM	South African Institute of Mining and Metallurgy	VA A0011	14 April 2011
24	SAIRAC	South African Institute of Refrigeration and Air-Conditioning	VA A0028	24 January 2007
25	SAT	Society for Asphalt Technology	VA A0043	26 August 2010
26	STE	Society of Telkom Engineers	VA A0035	12 June 2008

Category B

No	Acronym	Name	Reference Number	Date Recognised
27	SAFHE	South African Federation of Hospital Engineers	VA B0023	11 April 2011
28	SAID	South African Institute of Draughting	VA B0033	30 November 2007
29	SAIMC	South African Institute of Measurement and Control	VA B0024	11 August 2011
30	WISA	Water Institute of Southern Africa	VA B0038	12 June 2008

Category C

No	Acronym	Name	Reference Number	Date Recognised
31	AMEU	Association of Municipal Electricity Undertakings	VA C0027	11 August 2011
32	BEPEC	Built Environment Professions Export Council	VA C0044	24 November 2010
33	CESA	Consulting Engineers South Africa (p.n.a. SAACE)	VA C0013	14 April 2011
34	IESSA	Illumination Engineering Society of South Africa	VA C0012	11 August 2011
35	INCOSE	International Council of Systems Engineering (SA Chapter)	VA C0030	24 January 2007
36	IQSA	Institute of Quarrying Southern Africa	VA C0014	11 August 2011
37	ITC	Institute for Timber Construction	VA C0015	11 August 2011
38	SAFA	South African Flameproof Association	VA C0016	26 August 2010
39	SAFCEC	South African Federation of Civil Engineering Contractors	VA C0017	11 August 2011
40	SAFPA	South African Fluid Power Association	VA C0039	26 November 2008
41	SAISC	South African Institute of Steel Construction	VA C0018	11 August 2011
42	SAIW	South Africa Institute of Welding	VA C0034	30 November 2007
43	SARF	South African Road Federation	VA C0042	26 August 2010
44	SASTT	Southern African Society for Trenchless Technology	VA C0041	26 August 2010

Notes

Notes

ECSA

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