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DEAR VALUED STAKEHOLDER

This quarter marks the last quarter of the 2020/2021 financial year. The year under review was masked with great uncertainty presented by the unprecedented impact of the global COVID-19 pandemic. A number of shifts had to take place to align with the environment within which the country as a whole and the Engineering Council of South Africa (ECSA) in particular was operating under.

While a call for a pivot in the way things were being done was initiated, at the core of ECSA was to ensure that all stakeholders are adequately engaged and that there was a clear path towards ensuring that ECSA is an effective regulator assuring engineering excellence.

To this two key achievements were noted which are profiled in the newsletter. The first is the unqualified audit report from Rakoma Associates and Inc. for the 2019/2020 financial year. This is the second positive review from the audit firm; the first positive review was in in 2018/2019 financial year. This audit opinion is lauded, as the public continue to hear damning testimonies on corruption and other malfeasances at the Judicial Commission of Inquiry into Allegations of State Capture from public entities.

Secondly, the new Sixth (6th) Term Council was inaugurated in December 2020 and we provide a list of the members that constitute the new Council. Some of the key changes that are already in implementation phase by the new Council are profiled in this article.

An introduction of the President and Vice President of the Council is included in the newsletter.

Furthermore, in a bid to ensure good practice for the performance of engineering work by Registered or Unregistered Persons, the Engineering Council of South Africa (ECSA) in consultation with relevant stakeholders as guided by Section 27(1) of the Engineering Profession Act, 46 of 2000, developed the Overarching Code of Practice for the Performance of Engineering Work. Moreover, the revised Guideline Scope of Service and Tariff of Fees for Registered Persons in terms of the Engineering Profession Act, 46 of 2000 has been approved.

These two guidelines and their key tenets are included in the newsletter. Enjoy the Read.

Kind Regards,
Millicent Kabwe



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AUDIT

AUDIT FIRM GIVES ECSA AN UNQUALIFIED AUDIT FOR THE SECOND YEAR

The Engineering Council of South Africa (ECSA) received an unqualified audit report from Rakoma and Associates Inc. for the 2019/2020 financial year.

This is the second positive review from the audit firm with the first unqualified audit report received for the 2018/2019 financial year, which consents that the financial statements prepared by ECSA present fairly, in all material aspects, the financial position of the Council as at 31 March 2020. Furthermore, the audit opinion warrants that the financial performance and cash flows for the year ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA GRAP) and the requirements of the Engineering Profession Act, 46 of 2000.

This opinion by Rakoma and Associates Inc. is particularly lauded as the public continue to hear

damning testimonies on corruption and other malfeasances at the Judicial Commission of Inquiry into Allegations of State Capture from public entities on how public funds were squandered.

Moreover, in the last local government general report the former and late Auditor-General (AG) Kimi Makwetu painted an undesirable picture of billions of rand in funds allocated to municipalities being managed “in ways that are contrary to the prescripts and recognised accounting disciplines”. He strongly cautioned that these administrative and governance lapses “make for very weak accountability and the consequent exposure to abuse of the public purse”.

The unqualified opinion from Rakoma and Associates Inc. is but one of the five (5) audit opinions a public organisation may receive based on the financial statements prepared for auditing.



These audit outcomes include a Clean Audit Outcome, Financially Unqualified Audit Opinion; Qualified Audit Opinion; Adverse Audit Opinion and a Disclaimer of Audit Opinion each of these with its own findings.

An auditor may also grant a public organisation an unqualified audit with findings such as irregular expenditure, wasteful expenditure or unauthorised expenditure. While these terms are used by auditing firms to assess public organisations through the financial statements they submitted these terms are at times misinterpreted.

For example, the moment an audit firm uses the dreaded term irregular expenditure a lot of misinformation and misleading analysis gets underway. Irregular expenditure must be understood in context, warns financial experts.

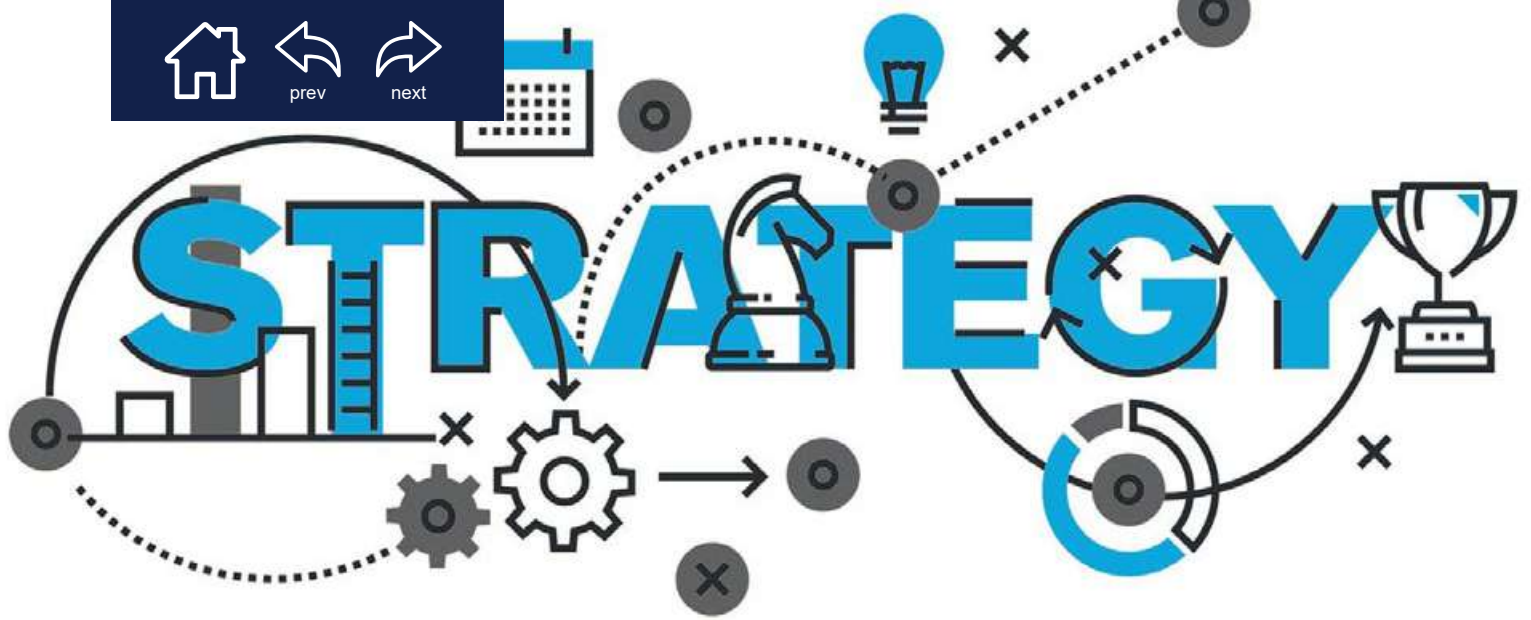
It does not simply equate to corruption, as some would have us believe. The term irregular expenditure does not necessarily mean the money was pocketed or found its way into the personal bank accounts of officials. It simply means that the procurement of goods and service was not procured in a manner prescribed by the National Treasury and other laws and regulations. (i.e., a fair and equitable procurement process).

It therefore becomes important for audit results to be read and understood in the context within which they are presented by the audit firm, to ensure the trust and obligation of stewardship between those who manage an organisation and those who have a need for a 'true and fair' view, the employees of ECSA.



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ECSA STREAMLINES ITS COMMITTEES TO ALIGN WITH THE FIVE-YEAR STRATEGY

In December 2020, the new Sixth (6th) Term Council of the Engineering Council of South Africa (ECSA) was inaugurated to lead the implementation of the 2020-2025 ECSA Strategic Plan. Key to the strategy, which is currently in its second year of implementation, is to ensure that ECSA is an effective regulator assuring engineering excellence. As such, a number of changes have been initiated in order to ensure that the resources and structures in place are aligned to the key goal of the strategy. To this the new forty - seven (47) head strong Council has streamlined its High Impact Committees (HIC's) to align with the five-year ECSA strategy.

The two new Committees added include; the Training and Academies Development Committee (TADC) and the Continuing Professional Development (CPD) Committee. These committees align to the five-year strategic goal of establishing academies and the institution and maintenance of a (CPD) model and program, aimed at accrediting suitable CPD providers and programs based on set criteria and to create a system for processing of CPD Portfolios and integrating with registration system.

These new changes still maintain the initial number of high impact committees to eight (8) however, the Stakeholder Relations Committee (SRC) and the Strategic Transformation Committee (STC) have been integrated into the functions of EXCO as assisted by the Administration.

The new leadership structure with broad representation from different sectors including academia, Registered Persons from industry, members of the public and individuals representing the public and private sector are tasked with ensuring efficiency and effectiveness of the HICs.

Furthermore, the new leadership together with the ECSA administration will implement the newly approved Organisational Design (OD), which seeks to ensure that the appropriate requirements and resources for business continuity and enabling delivery of the strategy are available.

This entails undertaking a number of activities including the finalisation of job profiling and job evaluation, the development or review of divisional organograms and consultations with affected employees on filling up new or revised positions. Furthermore, the activities include the change in reporting lines as well as the prioritisation, profiling and recruitment of the new and reviewed positions in the organogram. These activities will aid the process of transitioning from the former OD to the current OD.



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INTRODUCTION OF THE PRESIDENT OF ECSA



Lawrence Lebea Mashao Pr. Eng

President: Engineering Council of South Africa

Mr Mashao Lawrence Lebea is the newly elected President of the Sixth (6th) Term ECSA Council.

In January 1980, Mr Lebea studied Civil Engineering at Mangosuthu Technikon, completed the National Diploma for Technicians (T4) in December 1983, and in 1989 completed a BSC Civil Engineering Degree. Mr Lebea further holds a Master's Degree in Engineering Management with the University of Pretoria.

Mr Lebea's experience in the engineering sector spans over 40 years' in both the private and public sector with the last being that of Superintendent General (HOD) of the Department of Public Works, Roads and Transport in Mpumalanga Province. In May 2002, Mr Lebea founded Mtema Mashao Consulting Engineers (Pty) Ltd and is currently serving as the Chief Executive Officer.

Mr Lebea has trained, mentored and coached engineers, technologists and technicians; most of whom were subsequently registered as professional engineering practitioners with ECSA and are currently serving in the different structures of ECSA. Mr Lebea is committed to serving the engineering profession and the South African community diligently and selflessly, thereby impacting lives in a meaningful way.



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INTRODUCTION OF THE VICE PRESIDENT OF ECSA



Refilwe Buthelezi Pr. Eng

Vice President: Engineering Council of South Africa

Ms Refilwe Buthelezi is the Vice President of ECSA Council and will serve on the 6th term ECSA Council for the next four years.

Ms Buthelezi is a qualified engineer, holds multiple qualifications including a BEng in Electrical and Electronics, MEng in Engineering Management and a Master's Degree in Business Leadership.

She specialises in Electrical and Electronic Engineering Management, Risk Management, Innovation and Digital Technology, Project and Programme Management, Stakeholder Management as well as Corporate and Financial Resource Management.

Her numerous accolades include the Mover and Shaker of the Year 2017 Award under the Rand Water COO portfolio. The team she led won the Team of the Year 2017 Award under the same portfolio. Furthermore, in 2013 she was the recipient of the Keith Plowden Young Engineering Achiever Award, which is conferred annually by the South African Institute of Electrical Engineers (SAIEE). In 2012, she was a national finalist in the UJ-Group Five Excellence in Engineering and Technology Awards under the category: Most Promising Young Engineer or Built Environment Professional.

Ms Buthelezi is committed to working with Council and to transform the country's engineering industry; this includes gender, race and professional transformation and diversity through engineering excellence, resilience, agility and accountability.



ECSA DEVELOPS A CODE OF GOOD PRACTICE FOR THE ENGINEERING SECTOR

In a bid to ensure good practice for the performance of engineering work by Registered or Unregistered Persons, the Engineering Council of South Africa (ECSA) in consultation with relevant stakeholders as guided by Section 27(1) of the Engineering Profession Act, 46 of 2000, developed the Overarching Code of Practice for the Performance of Engineering Work.

This code, which ECSA is responsible for administering as the regulator of the engineering profession in South Africa, was approved in December 2020 and seeks to ensure that any person undertaking engineering work meets the prescribed requirements when practising and executing engineering work within the jurisdiction of the Act.

This code was not drafted in isolation and should be read in conjunction with the Code of Conduct for Registered Persons, which complement each other.

The code outlines the prescribed requirements under which an engineering professional ought to practise, which might seem mundane and public knowledge but the reinforcement of such is necessary to ensure a competent, regulated and professional engineering sector that protects the safety of the public.

This overarching code therefore serves as a statement of good practice for the engineering profession, sets appropriate levels of competence, regulating the execution of engineering work and specifying technical standards and best practices. The code further sets to ensure that:

- Practitioners apply their specialised knowledge within their competence and skill in accordance with all relevant legislation;
- All Engineering Work is performed by a competent person and uniform competency and conduct standards apply to all practitioners;
- Engineering Work is performed in accordance with generally accepted norms and standards of the engineering profession;
- Practitioners apply innovation in a responsible and appropriate manner within their category and discipline of competence;
- Registered Persons apply their specialised knowledge and skill within their respective disciplines and categories of registration to ensure that engineering practice is appropriate, applicable, acceptable, affordable and sustainable and;
- Registered Persons encourage innovation; promote social upliftment where possible in all aspects of engineering works and set examples within the engineering profession.

This code applies to all engineering disciplines and ECSA, through consultation with all relevant stakeholders will be embarking on a process to develop discipline specific codes of practice to complement the Overarching Code of Practice for the Performance of Engineering Work.



Services

GUIDELINE SCOPE OF SERVICES AND TARIFF OF FEES FOR REGISTERED PERSONS

The Engineering Council of South Africa (ECSA) in the third quarter of 2020/2021 signed off on the revised Guideline Scope of Service and Tariff of Fees for Registered Persons in terms of the Engineering Profession Act, 46 of 2000. This schedule shows a set of tariffs of fees that serve as a guideline to determine fees payable for engineering services.

The Scope of Services and Tariff of Fees for Registered Persons 2021, notes three categories of services that can be rendered by the engineering consultant. The first type of service entails the planning, studies, investigations and assessment type of services. These services as per the guide are referred to as typical services which relate to carrying out studies and investigations as well as the preparation and submission of reports embodying preliminary proposals or initial feasibility studies and will normally be remunerated on a time and cost basis.

The second category of service talks to normal services, which include projects where the nature, form and function of the project have been defined through previous investigations and reports and the engineering services are required to take the project through to successful completion of construction.

In the case where only a single consulting engineer is appointed on the project, the services and deliverables of the principal agent are included as normal and must be agreed between the parties to see the project through all stages.

The third type of service made reference to by the schedule are additional services to the normal services provided by the consulting engineer. In this regard, the agreement on the scope of services and remuneration must be in writing and should be concluded before the services are rendered.

Specific services under each category, which delineate the scope of work, are clearly outlined in the guideline.

As per the schedule, there are four different methods of remuneration for the above-mentioned services namely:

- Percentage fee based on the cost of works
- Fees for services that are additional to those provided for in the normal percentage fee-based calculation
- Time-based fees
- Reimbursable expenses.

Where the location, size, character, form and function of the works has been defined through previous studies and investigations, the remuneration can be determined using the guideline tariffs that are based on the cost of the works. This provides a convenient way to express the fee payable if the scope of work is somewhat uncertain.

This guideline is not prescriptive but has been produced as an aid to assist a client and the consulting engineer in reaching an equitable agreement on fees for services offered.



Thank you for reading ... until next time

Contact Details

Address:

Engineering Council of South Africa (ECSA)

Waterview Corner Building, 2 Ernest Oppenheimer Avenue,
Bruma Lake Office Park, Bruma, 2198 Johannesburg.

Tel: 0861 225 555

E-mail: engineer@ecsa.co.za



@ECSAOfficial



Engineering Council Of South Africa – ECSA

Please follow the engineering discourse and become a role player.

Please contact us with feedback on improving our communication. Feedback and comments may be e-mailed to Mbalenhle Dlamini: sybil@ecsa.co.za | 011 607 9633 or sindisiwe@ecsa.co.za | 011 607 9596.

