



SOUTH AFRICAN PHARMACY COUNCIL ANNUAL REPORT 2013



South African
Pharmacy Council



South African Pharmacy Council

Annual Report 2013

Minister of Health

In terms of the Pharmacy Act, 53 of 1974, it is a pleasure to submit the Annual Report on the activities of the South African Pharmacy Council for the period 1 January 2013 to 31 December 2013.



OMB PHARASI
PRESIDENT



TA MASANGO
REGISTRAR/CEO

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Vision, Mission, Core Values

Vision

Quality pharmaceutical service for all the people in South Africa

Mission Statement

To ensure the provision of quality pharmaceutical services in South Africa by developing, enhancing and upholding:

- Universally acceptable standards
- Professional ethics and conduct
- Ongoing competence
- Pharmaceutical care

Core Values

Batho Pele (people first)

Accountability

Ethics

Excellence

Professionalism

President's Message

Foreword

I have pleasure in presenting the South African Pharmacy Council's 2013 Annual Report for the Minister of Health's consideration. The report spans the fifth and last year of my tenure as President of the Pharmacy Council and is, therefore, the last annual report on the oversight of the pharmacy profession that my team and I held. It is thus an opportunity to highlight some of the key activities and achievements of our five-year tenure.

I start on the sad note that the team lost councillor Lynn Ambler, a veteran member of the profession, who passed away in March 2012 and was replaced by James Meakings. In 2009, within a few months of our term of office commencing, Advocate Phillip Mokoena resigned. He was replaced by Sello Ramasala.

It is not possible to list all the projects that Council successfully embarked on during its five-year term, but the Continuing Professional Development (CPD) pharmacy project and the Pharmacy Human Resources Plan have to rank among the most intensely pursued projects. A common characteristic of both projects was the amount of research and consultation undertaken to ensure that all sectors of pharmacy in the country were involved.

The conclusion of the CPD project was, unfortunately, not entirely satisfactory. Following publication of the CPD regulations for comment in August 2011, they were re-submitted to the Department of Health for final approval and implementation by the Minister in the same year. When the tenure of this Council ended in October 2013, the health department had yet to submit the regulations to the Minister.

The finalisation of the Pharmacy Human Resources Plan in 2012 fared better, and the first batch of trainee pharmacy technicians was enrolled at the Nelson Mandela Metropolitan University at the beginning of 2013. The first intake may have been small, but it signified a major step in pharmacy training and practice towards addressing the pharmacy human resources shortages.

This report highlights how Council's Adopt a School – Nurture a Pharmacist campaign gained momentum by partnering with a prominent Pretoria school to introduce an online school for pupils at a poorly resourced school that Council had adopted. The campaign, initiated in 2012, aims to encourage pupils to identify with the pharmacy profession and subsequently choose pharmacy as their career of choice.

It is with pride that Council reports on the 1st National Pharmacy Conference, the biggest conference in the history of the pharmacy profession in South Africa, which we hosted at Sun City, North West, in June 2013. Various international speakers addressed the conference on topical issues. This



*Bada Pharasi, SAPC President,
addressing the delegates at the 1st National
Pharmacy Conference*

report contains details of critical recommendations arising from the conference, all aimed at the improvement of standards in the provision of pharmaceutical services to the nation.

In my foreword to the 2012 report I alluded to the challenges arising from technological advancements that Council faces in its oversight functions. Many of the advancements give rise to commercial opportunities which, unfortunately, tend to conflict with the need to retain the professionalism and dignity of the profession. A key test of Council's resolve to defend these principles was the contesting of a court case challenging one of the Good Pharmacy Practice regulations in 2012, which resulted in a victory for Council.

This report also highlights areas where Council's performance could improve considerably, and we trust that it contains enough substance and detail to enable the new Council to take pharmacy to a higher level.

I thank the Minister for the opportunity afforded me and my fellow councillors to serve and guide the pharmacy profession in the interests of the South African nation.

Olehile Maurice Bada Pharasi

Registrar's Message

Foreword

Strategic focus areas

The Registrar is the accounting officer in overall control of the Office of Council and its strategic objectives. This executive summary highlights the following strategic outputs for the period under review:

- Fulfilling the role and responsibilities as prescribed in the Pharmacy Act, 53 of 1974
- Ensuring effective communication with all stakeholders
- Ensuring cooperation, coordination and quality assurance of all activities in the Office of Council
- Administration of the Office of Council
- Providing secretarial services to the Council and committees.

Performance highlights

2013 was an interesting year for the SAPC. As the current Council's five-year term came to end we could proudly reflect on the excellent progress made on most of the strategies set out in the 2008–2013 Strategic Plan.

The term was filled with many achievements. To list but a few: the implementation of a number of amendments to the Rules relating to good pharmacy practice; the completion of the Pharmacy Human Resources in South Africa document; the introduction of the midlevel worker qualifications; the development of the web-enabled register system; the finalisation of the CPD on-line recording system and the regulations thereof; the introduction of the new pre-registration evaluation for interns (consisting of an open-book examination, on-line submission of CPD entries and progress report); and the hosting of the first ever Pharmacy Conference in 2013.

The oversight of councillors, assisted by the Audit Committee, ensured that Council resources were wisely used and financial statements audited and approved in time, in keeping with good governance. We wish these councillors success in their future endeavours and look forward to their continued partnership in improving the pharmacy profession and the health of the public of South Africa.

The profession participated enthusiastically in the Council elections in the latter half of 2013, and the new councillors were congratulated on their election/appointments. The Office of the Registrar has assured them of its continued, undivided support.

A triumphant accomplishment for Council during 2013 was undeniably the conference it arranged and hosted for the pharmacy profession. This momentous occasion, a first for the profession, boasted top national and international speakers and was attended by just over 700 delegates. Interesting recommendations arose from the conference and the office has already started acting on some of them. With the new Council coming on board, we should be able to move ahead with speed. A highlight of the conference was the 2013 National Pioneer Pharmacy Awards which gave



*Amos Masango, SAPC Registrar,
addressing the delegates at the 1st National
Pharmacy Conference*

Council the opportunity to publicly recognise and reward the top achievers in the pharmacy profession, both as individual professionals and facilities. I extend, once again, our sincere appreciation to our sponsors.

Moving forward to 2014, issues that the new Council should consider dealing with immediately include:

- **Human resources for pharmacy.** There is an enormous need in the country to increase the number of pharmacists and pharmacy support personnel, as envisaged in the *Pharmacy Human Resources in South Africa*.
- **Pension Fund for Council staff.** The fund must be fully converted to a defined contribution scheme to avoid open-ended liability.
- **The Council building.** As the organisation grows, the building has needed not only repairs but also alterations. There is a foreseeable challenge in office capacity, as evidenced by the limited parking space that is currently available. The purchase of the plot adjacent to the Council building must be pursued further.
- **Disaster recovery.** The web-enabled systems, which have significantly improved customer service, require a comprehensive back-up system and a disaster recovery plan that ensures minimum down time.
- **Training and development.** Enhancing the qualifications of support personnel and setting appropriate standards for education and training must remain a top priority.

The above points summarise the content of the 2013 Annual Report. We are looking forward to working with the new Council and, together, developing strategic plans that will constructively guide our path for the next five years.

I take this opportunity to extend a heartfelt thank you to the outgoing councillors, management and staff. They were enthused and rose to any challenge, regardless of the magnitude, to make our work easier and appreciated. Thank you.

I express our sincere appreciation to President Bada Pharasi for his guidance, support and leadership.

Council members (2014 – 2018)

The 2014-2018 Council members are as follows:

Executive Committee of Council



*Prof Manoranjenni
(Mano) Chetty
(President)*



*Douglas Defty
(Vice President)*



*Nocawe Portia Thipa
(Treasurer)*



*Vusi Dlamini
(Chairperson:
Health Committee)*



*Sham Moodley
(Chairperson:
CII Committee)*



*Tshepo Mphaka
(Chairperson:
Practice Committee)*



*Dr Panjasaram
(Vassie) Naidoo
(Chairperson: CPD Committee)*



*Lizette Roets
(Chairperson:
CPI Committee)*



*Gavin Steel
(DOH representative)*



*Prof Rob Walker
(Chairperson:
Education Committee)*

Other Council members



Prof Shirley-Anne Boschmans



Charlie Cawood



Jan du Toit



Helen Hayes



Claudette Jasson



Gaoboihe Jonas Kgasasne



Panajiotaki George Kyriacos



Lettie Mahlangu



Jackie Maimin



Johan Raats



Tshuba Solomon Rasekele



Koos Snyman



Ayanda Soka



Rachel Wrigglesworth

Council Role and Responsibilities

The objectives of the South African Pharmacy Council (SAPC) are stipulated in the Pharmacy Act, 1974 (Act No. 53 of 1974), as amended. The SAPC subscribes to the principles contained in the King III Report on Corporate Governance for South Africa and the principles are included in the responsibilities of councillors in the Charter for Councillors. Councillors are encouraged to familiarise themselves with both the objectives of the SAPC as outlined in the Act and the responsibilities in the Charter for Councillors.

The South African Pharmacy Council (hereinafter referred to as Council) is an independent statutory body created by the legislature in recognition of the pharmacy profession as an exclusive occupational group.

Council is vested with statutory powers of peer review and is responsible for its own funding. Council is representative and consists of 25 members of which 16 are appointed by the Minister of Health and nine elected by pharmacists.

Objectives and Functions of Council

In terms of the Pharmacy Act, 53 of 1974 (hereinafter referred to as the Act), Council has the following objectives:

- Assist in the promotion of the health of the population of the Republic of South Africa.
- Advise the Minister of Health or any other person on any matter relating to pharmacy.
- Promote the provision of pharmaceutical care which complies with universal norms and values, in both the public and private sectors, with the goal of achieving definite therapeutic outcomes for the health and quality of life of a patient.
- Uphold and safeguard the rights of the general public to universally acceptable standards of pharmacy practice in both the public and private sectors.
- Establish, develop, maintain and control universally acceptable standards in:
 - pharmaceutical education and training
 - the registration of a person who provides one or more or all of the services which form part of the scope of practice of the category in which such person is registered
 - the practice of the various categories of persons required to be registered in terms of the Act
 - the professional conduct required of persons to be registered in terms of the Act
 - the control of persons registered in terms of the Act by investigating in accordance with the Act complaints or accusations relating to the conduct of registered persons.
- Promote transparency to the profession and the general public in achieving its objectives, performing its functions, and executing its powers.
- Maintain and enhance the dignity of the pharmacy

profession and the integrity of persons practising the profession.

Governance Structure

The Council is the supreme decision making body of the South African pharmacy profession and its meetings are public. Council is supported in carrying out its mandate by various committees and management.

Council Members

The President presides over Council meetings and is supported by the Vice President and the Treasurer, both elected from members of Council by majority vote for a period of five years. The Registrar is the secretary for Council. The following is a list of councillors for the term 2008 to 2013.

Mr OMB Pharasi (President)
 Ms L Osman (Vice President)
 Mr MS Choma (Treasurer)
 Mr S Ramasala
 Mr CJ Cawood
 Mr CB Shabalala
 Mr DJH Defty
 Dr JC Gouws
 Ms ME Sclanders
 Mr KA Johnson
 Mr L Moshiga
 Ms TL Mulovhedzi
 Ms PB Santo
 Prof AGS Gous
 Prof CM Dangor
 Prof DW Oliver
 Ms SEN Skweyiya
 Prof SI Boschmans
 Ms S Mthiyane
 Mr MC Joubert
 Mr HT Mphaka
 Dr P Naidoo
 Mr W Jordaan
 Ms N Makunzi
 Mr JT Meakings

Note: Adv Phillip Mokoena resigned in 2009 and was replaced by Mr Sello Ramasala. Mr Lynn Ambler passed away in March 2012 and was replaced by Mr James Meakings.

Primary Goal of Council

The primary goal of a statutory health council such as the SAPC is to assist in the promotion of the health of the population of South Africa. Broadly speaking, this is achieved in the fields of registration, education, practice and professional conduct.

Control of Education

Council is responsible for the establishment, development, maintenance and control of minimum standards of education and training, the inspection of training facilities, conducting pre-registration and professional examinations and the recognition of qualifications for registration of persons qualifying both in South Africa and in other countries.

Control of Practice

Council plays a role in the establishment, development, maintenance and control of standards of professional practice; monitoring the standard of practice through inspection of premises, assisting with the licensing of pharmacies, issuing of permits, and approving pharmacy premises for purposes of training pharmacist interns and pharmacy support personnel.

Control of Professional Conduct

The duties of Council are discharged according to strict legal principles following complaints lodged against registered persons. The need for impartiality is self-evident and implies the observance of legal requirements and the rights of all parties concerned.

Advice to the Minister of Health

Council plays an advisory role to the Minister of Health on matters that fall within its scope, and communicates relevant information which may come to its attention to the minister.

Standing Committees of Council

Various standing committees are elected annually to facilitate the functioning of Council. Ad hoc committees may be appointed as the need arises. Committees are appointed every year at the first Council meeting. The legislative definitions of these standing committees are outlined below. The work done by the standing committees for the period under review is discussed in this report as part of the departmental reports.

The **Executive Committee** considers and deals with matters which, in the opinion of the President, require urgent attention. Any acts performed or decision taken by the Executive Committee are of force and effect unless they are set aside or amended by Council at its next meeting. The Executive Committee deals with matters relating to conditions of employment, finance and any other matter which falls outside the terms of reference of other committees.

The **Education Committee** considers and reports on all matters relating to the establishment, development, maintenance and control of universally acceptable standards in pharmaceutical education and training, including the approval of providers of education and training and the courses offered by providers,

examinations, the evaluation of educational qualifications and exemptions from examinations. The committee may also deal with other matters delegated to it by Council.

The **Practice Committee** considers and reports on all matters relating to the establishment, development, maintenance and control of universally acceptable standards of practice of the various categories of persons required to be registered in terms of the Act; the promotion of pharmaceutical care which complies with universal norms and values, both in the public and the private sectors; the registration of pharmacies and related matters; and recommendations for the issuing of permits in terms of the Act or medicine-related legislation. The committee may also deal with other matters delegated to it by Council.

The **Committee of Preliminary Investigation** conducts investigations in terms of Chapter II of the *Regulations relating to the conduct of inquiries* held in terms of Chapter V of the Pharmacy Act, 1974.

The **Committee of Informal Inquiry** conducts informal inquiries in terms of Chapter III of the *Regulations relating to the conduct of inquiries* held in terms of Chapter V of the Pharmacy Act, 1974.

The **Committee of Formal Inquiry** conducts formal inquiries in terms of Chapter IV of the *Regulations relating to the conduct of inquiries* held in terms of Chapter V of the Pharmacy Act, 1974.

The **Health Committee**, appointed by Council in terms of the *Regulations relating to the management of a person unfit to practise for reasons other than unprofessional conduct*, considers allegations or information received by the Registrar that a person registered in terms of the Act may be unfit to practise.

The **Continuing Professional Development (CPD) Committee**, appointed by Council in terms of section 4 of the Act, deals with all matters relating to CPD to ensure that natural persons registered with Council continuously enhance their competence throughout their professional careers, and encompass a range of activities including continuing education and supplementary training.

The **Audit Committee** assists Council in fulfilling its oversight responsibility by: serving as an independent and objective party to monitor and strengthen the objectivity and credibility of Council's financial reporting process and internal control systems; appraising the audit efforts of the external auditors and internal audit function; providing an open avenue of communication among the external auditors, internal audit unit and senior management.

The **Bargaining Committee** appointed by Council considers and deals with human resources matters relating to Council employees to negotiate and bargain collectively to reach agreement on matters of mutual interest.

The **Trustees Committee (Board)** is appointed by Council (Employer's Trustees) and employees (Members' Trustees) with the sole responsibility of managing the South African Pharmacy Council Pension Fund (the Fund). The Trustees have the power in the name of the Fund to enter into and sign any contracts or documents and to institute, conduct, defend, compound or abandon any legal proceedings by or against the Fund and to make bye-laws prescribing the form and manner in which claims are to be lodged and dealt with by the Fund.

The **Remuneration Committee** deals with remuneration of both councillors and management. It is composed of the Vice President, Treasurer, Registrar and another Council member. The rest of the members are independent professionals.

Management

The Registrar is head of management and is accountable to Council. Heads of Departments (HoDs) are accountable to

the Registrar and attend Council and committee meetings on invitation by the Office of the Registrar.

The following is the composition of Council's senior management:

- Mr Amos Masango (Registrar/Chief Executive Officer)
- Mr Vincent Tlala (Chief Operating Officer)
- Mr Voster Himbotwe (General Manager: Finance)
- Ms Debbie Hoffmann (Senior Manager: Legal Services and Professional Conduct)
- Ms Elmari Venter (Senior Manager: Communication and Stakeholder Relations)
- Ms Hlonelikhaya Masiza (Senior Manager: Professional Affairs – Education)
- Mr Vuyo Mokoena (Senior Manager: Professional Affairs – Practice)
- Ms Mojo Mokoena (Senior Manager: Professional Affairs – CPD, Pre-Registrations and Registrations)
- Mr Thabo Litabe (Senior Manager: Information Technology)

Relationship between Council, standing committees and Office of the Registrar

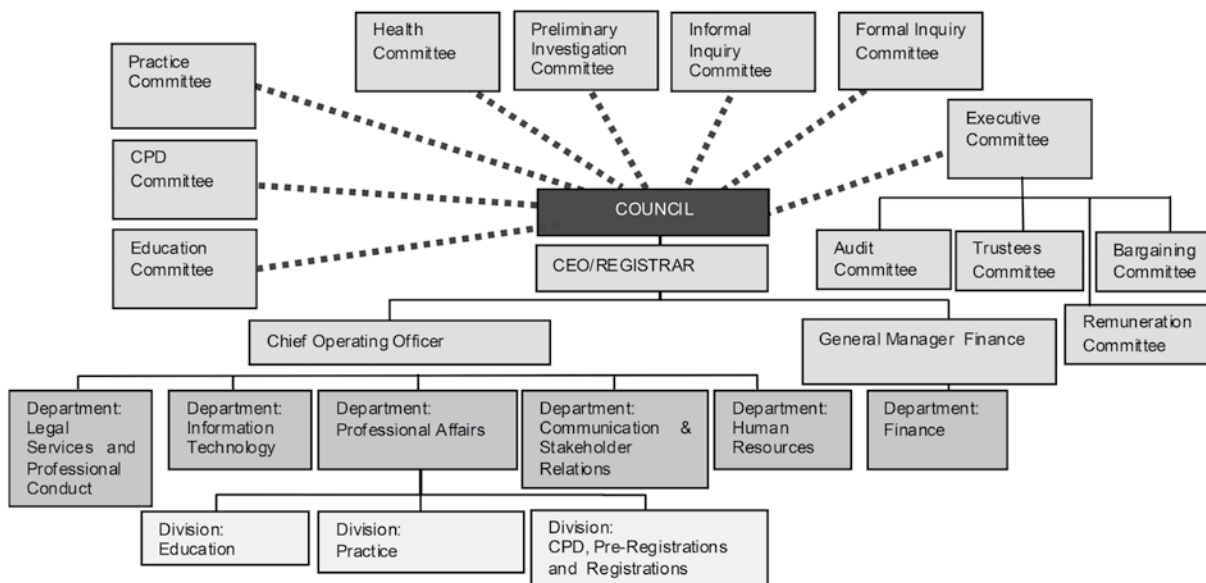


Figure 1: Structured relationship between Council, standing committees and Office of the Registrar

Declaration of Interest

In the interest of transparency and good governance, a "declaration of interest" form is completed at the first meeting of Council every year and is a standard item on the agenda of all committee and Council meetings. The declaration of interest requires all members of Council to perform their duties and exercise their powers diligently and honestly at all times. All members must fulfil all obligations imposed upon them by the Pharmacy Act, 1974, and must act in good faith and in the best interest of good governance. All Councillors must act in a manner that is consistent in every respect with the integrity of their office and that of Council.

EXECUTIVE OVERVIEW

Corporate Services

The activities of Corporate Services focus primarily on five of Council's strategic objectives:

- Assist in the promotion of the health of the population of the Republic of South Africa.
- Advise the Minister of Health or any other person on any matter relating to pharmacy.
- Provide managerial and administrative support to the Office of the Registrar.
- Coordinate the activities of Council by appointing committees.
- Promote transparency to the profession and the general public.

In line with the above strategic focus areas, the department is responsible for all operational issues including the constant monitoring of expenditure against budget, providing secretarial services to both Council and the Executive Committee, and to coordinate management activities to execute the strategic objectives of Council. The department reports directly to the Registrar/CEO of Council.



Vincent Tlala
Chief Operating Officer

Executive Committee

During the year under review, the Office of the Registrar facilitated three sittings and two teleconference meetings chaired by President Bada Pharasi.

1st National Pharmacy Conference – an event to remember

An undeniable highlight, not only of the year but in the history of the pharmacy profession, was the 1st National Pharmacy Conference convened and hosted by the SAPC at Sun City, North West, South Africa in 2013.

The conference spanned two-and-a-half days (Monday 24 June 2013: full day with three commissions running in parallel venues; Tuesday 25 June 2013: full day with three commissions) followed by the wrap-up plenary session on Wednesday 26 June 2013.

The 1st National Pharmacy Conference Golf Day was held at the Gary Player Country Club on 23 June 2013, and R3,600 was raised for Council's Adopt a School campaign.

Over 700 participants attended the conference, including national and international speakers. The South African Minister of Health Dr Aaron Motsoaledi, the Director-General of Health Malebona Precious Matsoso and the Deputy Minister of Higher Education and Training Mduduzi Manana, delivered keynote addresses.



Bada Pharasi
Chairperson: Executive Committee

Pharmacists from all disciplines participated, representing among others, community, hospital, regulatory bodies, academia, research, policy making, drug manufacturing, clinical pharmacology, clinical trials, logistics, procurement, chemical engineering, microbiology and virology.

The 2013 National Pioneer Pharmacy Awards, which recognise and honour pharmacy professionals and facilities for pharmacy excellence, were presented at a glittering gala dinner in the Sun City Superbowl on 25 June 2013.

The conference concluded with the President of Council presenting the recommendations submitted from the six commissions.

All presentations delivered at the conference were published on the conference website with links thereto published on the social media pages and the SAPC website. The conference presentations were compiled into a report that is available on request from the Office of the Registrar.

Organising Committee

The Organising Committee comprised:

Mr Amos Masango (Registrar)
 Mr Vincent Tlala (Chief Operating Officer)
 Mr Voster Himbotwe (Finance Manager)
 Ms Elmari Venter (Project Manager)
 Ms Hlone Masiza (Programme)
 Mr Vuyo Mokoena (Golf Day)
 Ms Debbie Hoffmann (Legal)
 Ms Michelle de Beer (Marketing)
 Ms Mojo Mokoena (Social Events)

The conference aimed to:

- mould the diverse disciplines within the pharmacy profession into a force that contributes in a meaningful way to building a stronger South African healthcare system
- collectively tackle the nation's healthcare challenges, needs and priorities
- take stock of what needs doing or changing to take up a meaningful role in the National Health Insurance
- share national and international experiences, challenges and knowledge on how to reduce health inequities
- discuss, debate and find solutions for the crisis in the human resources shortage
- determine a shared vision for the pharmacy profession.

The conference comprised six parallel commissions that focused on:

- Pharmacy education
- Pharmacy practice
- Human resources for pharmacy
- Leadership, corporate governance, policy and legislation



Dr Aaron Motsoaledi, Minister of Health, addressing the media at the 1st National Pharmacy Conference

- Role of the pharmacist in improving health outcomes – millennium development goals
- A vision for pharmacy.

Summary of Conference Recommendations

Commission 1: Pharmacy education

- Investigate expanding the scope of practice of the pharmacist without necessarily having specialities, for example if a pharmacist needs to take blood pressure, should it really be part of a speciality?
- Engage with employers to create posts for specialisation.
- Experiential component to be more prominent in the training of pharmacists.
- Consider a five-year degree where internship is included in the last academic year and where exposure is controlled in all areas of practice.
- Use the funding from the Department of Science and Technology (DST) to train specialists, for example regulatory, formulation, drug delivery, clinical research and nuclear.

Commission 2: Pharmacy practice

- The physical infrastructure of a pharmacy must support the new business model for pharmacy – patient-centric and friendly.
- Engage with all stakeholders, i.e. National Department

- of Health (NDoH), Council for Medical Schemes (CMS), Competition Commission, to ensure that the Designated Service Provider (DSP) provisions are equitably used.
- Professional services must align to national core standards as well as focus on safe waste disposal practices and ensure that antimicrobial stewardship takes centre stage.
- Identify legislative amendments necessary to enable a multidisciplinary approach to healthcare and facilitate the involvement of the pharmacy professional in the National Health Insurance (NHI) initiatives.
- Develop quality markers for the monitoring of the national core standards.

Commission 3: Human resources for pharmacy

- Conduct HR workshops nationwide – update profession on midlevel workers and speciality in pharmacy.
- Strategic partnerships between Council and relevant government departments, for example the Departments of Health (DoH), Higher Education and Training (DHET), Trade and Industry (DTI), Science and Technology (DST), including the Health and Welfare Sector Education and Training Authority (HWSETA), and pharmacy stakeholders to improve production of pharmacists and pharmacy support personnel.
- Promote the profession at school level for learners to identify with and join the profession, for example the 'Adopt a school-nurture a pharmacist campaign', and create awareness during National Pharmacy Week.
- Promote strategic partnership between the pharmacy schools and workplaces to enable experiential learning and financial support for students.
- Create an environment for career pathing and recognition – select the right people for the right qualification – fit for purpose.

Commission 4: Leadership, corporate governance, policy and legislation

- Pharmacy to engage NDoH in all NHI processes, for example accreditation of sites, policy making.
- Fast track implementation of additional pharmacy schools in order to increase capacity for NHI.
- Establish a Southern African Development Community (SADC) pharmacy regulatory body to harmonise competencies and expected activities.
- Expand what Council refers to as a pharmacist with experience in the practice regulation for a responsible pharmacist.
- Review laymen ownership of pharmacies.

Commission 5: Role of the pharmacist in improving health outcomes – millennium development goals

- Introduce quality monitoring requirements for:
 - ensuring access and availability of drugs for non-communicable diseases (NCDs)
 - monitoring and managing expected outcomes of

drug therapy

- ensuring the pharmacist gives input and plays their role in decision making in the overall management of NCDs
- fostering the involvement of community pharmacy in the management of communicable diseases and ensuring that the profession is positioned to deal with HIV & AIDS and TB
- Ensure that indigenous companies are involved in research and development initiatives.
- Exploit the use of available technology and empower mid-level workers to free the pharmacist from routine dispensing processes for them to focus on pharmaceutical care.
- Understand the cultures and traditions of patients to gain an overall understanding of how traditional medicines affect pharmaceutical outcomes.

Commission 6: Vision and mission for pharmacy

The conference was the perfect opportunity for Council to fulfil its long expressed desire, that of determining a vision and mission statement for the pharmacy profession as a whole. During the plenary session, a representative sample of the delegates debated the topic in detail, wrestling with words and phrases that would collectively represent all the pharmacy disciplines and unite the profession into one cohesive unit as it moved towards 2030 and beyond.

Vision for Pharmacy

Quality pharmacy services for improved health outcomes - always, everywhere, for all.

Ditirelo tsa boitikanelo tse borra Khemise ba di rebolang go batho botlhe, tsa maemo a ko godimo ka nako tsoatlhe, gongwe le gongwe.

Mission Statement for Pharmacy

Provide quality pharmacy services for improved health outcomes by:

- ensuring people have access to quality medicines which are safe and effective
- promoting rational use of medicines
- collaborating with other providers of healthcare
- embracing innovation and technology
- complying with standards of education and practice
- ensuring competence of persons delivering pharmacy services

The commissions were divided into sessions at the end of which delegates were afforded the opportunity of participating in panel discussions where comments, questions and answers were addressed. Two rapporteur sessions, held at the end of the first and second days, provided the delegates with feedback on the commissions.



South African
Pharmacy Council



The SAPC team at the Council's exhibition stand at the 1st National Pharmacy Conference. From the left are: Vuyo Mokoena, Senior Manager: Professional Affairs and Standards (Monitoring Compliance and Professional Conduct); Amos Masango, Registrar/CEO; Hlonelikhaya Masiza, Senior Manager: Professional Affairs and Standards (Professional Accreditation and Standards); Avril Lewis, Manager: Professional Affairs and Standards (Professional Accreditation and Standards); Monkatso Malatsi, Manager: Professional Affairs and Standards (Monitoring Compliance and Professional Conduct); Vincent Tlala, Chief Operating Officer; Mojo Mokoena, Senior Manager: Professional Affairs and Standards (CPD, Pre-Registrations and Registrations); Ziyanda Mpepo, Manager: Professional Affairs and Standards (Monitoring Compliance and Professional Conduct); Daphney Fafudi, Manager: Professional Affairs and Standards (Professional Accreditation and Standards)

In celebrating International Mandela Day 2013, Council goes live with online school

In 2012 Council rolled out its Adopt a School – Nurture a Pharmacist campaign. The campaign essentially aims to encourage learners to identify with the pharmacy profession and subsequently choose pharmacy as their career of choice.

The campaign forms part of Council's social responsibility programme that invests in and contributes towards improving the educational needs of a community school in the area in which Council conducts its business. This exemplifies good corporate citizenship and contributes to the wellbeing of the people of South Africa.

Council, in encouraging pharmacies to participate in the campaign, took the lead by adopting Wozanibone Secondary School, a disadvantaged farm school in Boschkop, Tshwane (Pretoria) which has approximately 401 learners. The school is a no-fee paying school with very limited resources as the majority of the parents are unemployed. The school is, however, rich in potential for future pharmacy personnel.

In 2013 Council took the Adopt a School – Nurture a Pharmacist campaign a step further by partnering with the Hatfield Christian School to introduce an online school for the pupils at Wozanibone. This project provides assistance in English, mathematics and physical science to grades 10, 11 and 12 learners. Primarily a teacher, using a laptop and 3G card, accesses online material (which is aligned with the national curriculum) and displays the information through a data projector. The material, which contains appropriate assessment tools, is used as a teaching aid in the classroom.

It was with great excitement that Council and the Hatfield Christian School chose International Mandela Day 2013 to launch the project and go live with the online school. The auspicious occasion included a live demonstration to the learners and teachers who will be using the system, and was attended by the chief directors from the Gauteng Department of Basic Education (Gauteng and Tshwane regions).

Gauteng's Chief Director Moss Nkonyane said: "I want to thank all our partners, particularly the South African Pharmacy Council, for their contribution. When we met and you indicated that you wanted to adopt Wozanibone, I thought that you were joking. You are stars because you did it quicker than I had imagined. Thank you very much for your efforts."

Council will continue setting up pilot sites at a further 10 schools, one each in the Tshwane Metropolitan areas of Atteridgeville, Garankuwa, Mabopane, Soshanguve, Hammanskraal, Mamelodi and Diepsloot, and two schools in Soweto. Future plans include rolling out the project nationally from 2015.



*Mandla Mnisi
(Headmaster: Wozanibone High School) officially receives the
equipment and license for the online school from Amos
Masango (Registrar/CEO)*

Council would like to encourage all registered community, private hospital, public hospital, wholesale and manufacturing pharmacies to support the Adopt a School – Nurture a Pharmacist campaign, and welcomes the support of any other interested organisation that would like to contribute. Council acknowledges and graciously thanks the Dis-Chem Foundation for embracing the initiative and adopting three of the pilot schools for a period of three years.

Professional Affairs and Standards

CPD, Pre-Registrations and Registrations

The activities of the Continuing Professional Development (CPD), Pre-Registrations and Registrations Department focus on five of Council's strategic objectives:

- Promote the provision of pharmaceutical care, which complies with universal norms and values, in both the public and the private sectors, with the goal of achieving definite therapeutic outcomes for the health and quality of life of a patient.
- Uphold and safeguard the rights of the public to universally acceptable standards of pharmacy practice in both the public and private sectors.
- Establish, develop, maintain and control universally acceptable standards in pharmaceutical education and training.
- Establish, develop, maintain and control universally acceptable standards for the registration of a person who provides one or more or all of the services which form part of the scope of practice of the category in which such person is registered.
- Coordinate the activities of Council by appointing committees.

In line with the above strategic focus areas, the department is responsible for ensuring operational effectiveness by upholding turnaround time in processing registrations of persons and organisations and maintenance of such registers. The department is also responsible for promoting pharmaceutical care through participation in CPD, evaluation of applications for persons with foreign qualifications, managing internship programmes, and providing secretarial support to the Health and CPD Committees.

The report for the department is informed by the activities outlined in the operational plans developed to carry out Council's strategic objectives for 2013.

CPD Committee

The CPD Committee met on two occasions in 2013 under the chairpersonship of Dr Panjasaram Naidoo. During the period under review, the *Guidance Document for CPD for persons registered with the Council*, previously developed to provide the profession with insight into Council's vision of CPD, was reviewed to align it with the new CPD recording system and the CPD regulations. The criteria for accreditation of CPD courses were also finalised.

CPD report

Promotion of CPD

Council is obliged by the Act to uphold and safeguard the rights of the public to universally acceptable standards of pharmacy practice in both the public and private sectors. It is Council's intention to ensure the members of the profession enhance their competence in practice. In assessing CPD compliance, competency is not measured, but it is Council's expectation that the ultimate outcome of CPD compliance will improve competency.

Regulations relating to CPD for persons registered with Council

The *Regulations relating to CPD for persons registered with Council* were drafted and submitted to the Minister of Health in 2011 for publication. They were published for comment between 12 May and 12 August 2011, but Council still awaits the Department of Health's finalisation and publication of the regulations. The Office of the Registrar is in communication with the Director-General of Health regarding the matter, but Council would like to encourage pharmacists, including community service pharmacists, to participate in CPD and record their activities online. CPD workshops will be conducted after the publication of the regulations.



Mojo Mokoena
Senior Manager: CPD, Pre-Registrations and Registrations



Dr Panjasaram Naidoo (Vassie)
Chairperson: CPD

Health Committee

Activities of the committee

The Health Committee, chaired by Sibongile Mthiyane, met on four occasions in 2013. During the period under review the committee managed 16 cases. Of these, two were new and one was a previous case sent for review. Four cases were closed.

At the end of 2013, the Health Committee had 12 cases that required further investigation and/or monitoring in 2014. Figures 2 and 3 below summarise the cases managed by the committee during the 2013 financial year by age and the reasons for the registered persons' referral to the committee.



Sibongile Mthiyane
Chairperson: Health Committee

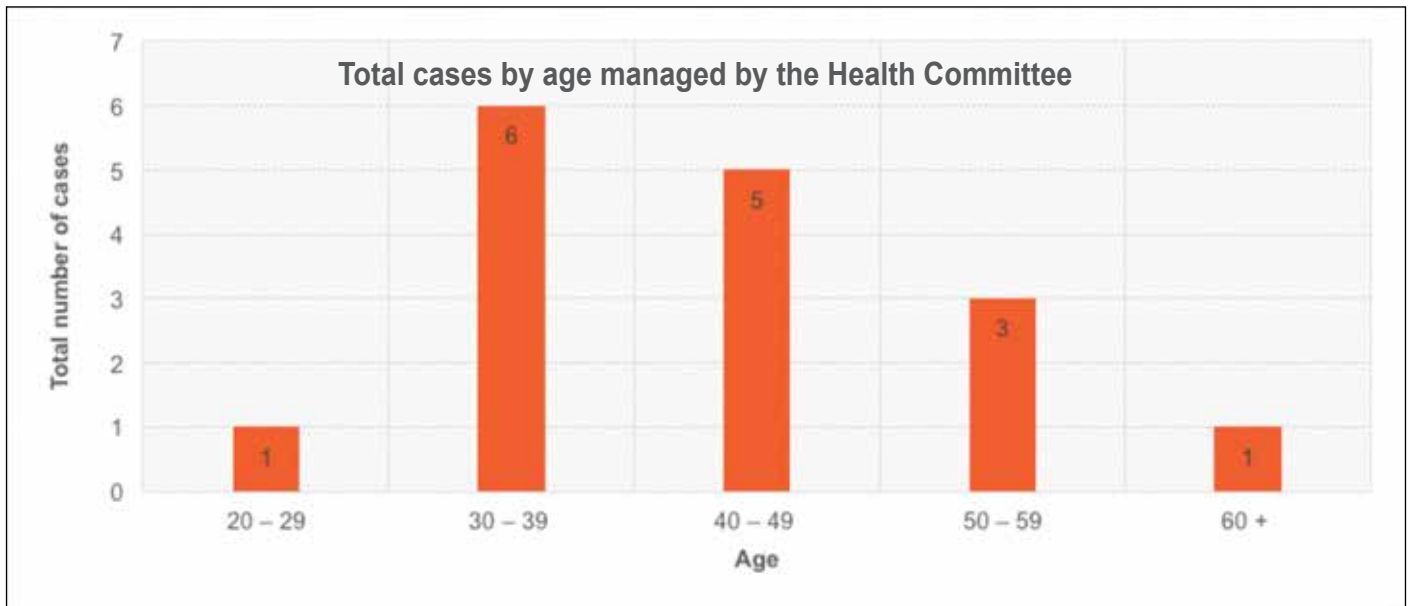


Figure 2: Total cases by age managed by the Health Committee in 2013

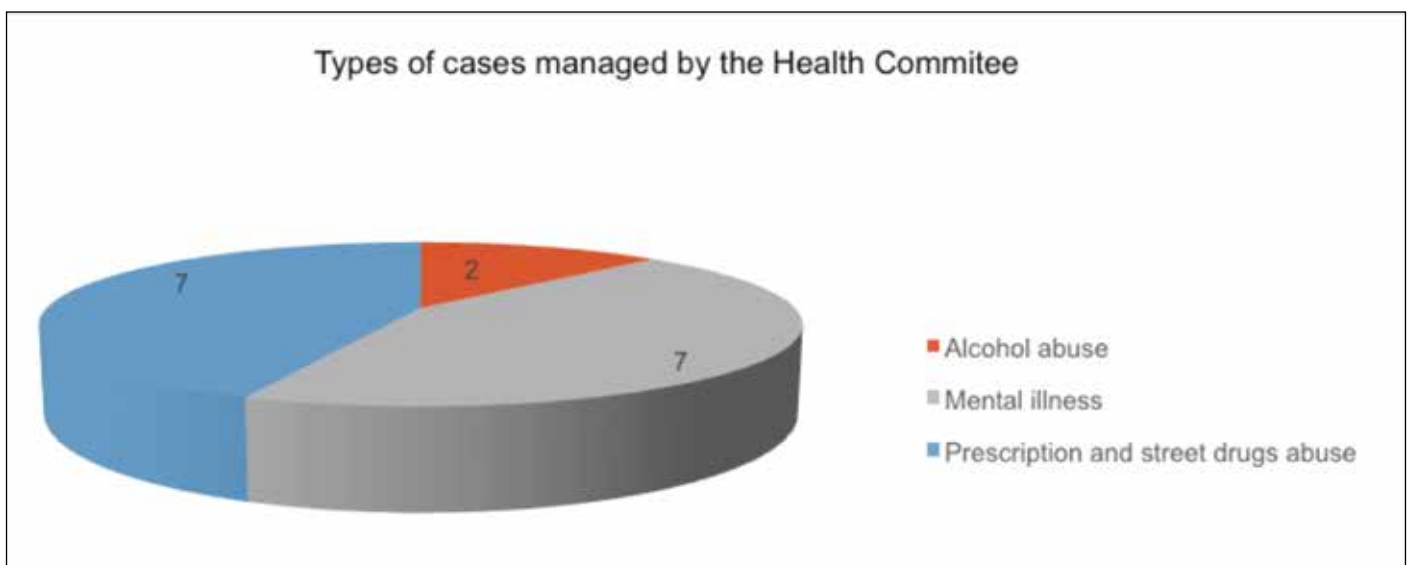


Figure 3: Types of cases managed by the Health Committee in 2013

Setting up the infrastructure for the delivery of pharmacy-related learning

Information sessions for students enrolled for a Bachelor of Pharmacy (BPharm) degree and the higher certificate for pharmacy technical assistant (PTA)

The Office of the Registrar met the first group of students enrolled for the PTA higher certificate at the Nelson Mandela Metropolitan University. During this visit the online registration of students was first introduced.

Pharmacy student information sessions were held at all eight higher education and training (HET) institutions accredited by Council to provide a qualification in pharmacy. The visits were to ensure that students understand the role of Council, the registration requirements, and the erasure from and restoration to the student register.

PTA and final year BPharm students were briefed about the requirements for registration as pharmacist interns/trainees, and introduced to the pre-registration evaluation process.

Pre-registration evaluations

Pre-registration workshops

In January 2013, the Office of the Registrar conducted a two-day train-the-trainer workshop for assessors and moderators of pharmacist interns' CPD entries and examiners and moderators of the pre-registration evaluation.

During the workshop, feedback on the pre-registration evaluation for 2013 was provided. Other discussions included the CPD online recording system, assessment of CPD entries submitted by pharmacist interns, planning for the 2013 tutor/intern workshops, and the pre-examination workshops.

During February and April 2013, a total of 10 tutor/intern workshops were conducted in all provinces. The Office of the Registrar, in collaboration with the assessors and moderators of CPD entries, facilitated the workshops. The functionality of the SAPC website was explained to interns and tutors, and the online recording of CPD activities and criteria for assessment of CPD entries, as well as the intern manual, were discussed in detail.

The Office of the Registrar, together with moderators of the pre-registration examinations, facilitated nine pre-registration examination workshops between June and July 2013. The workshops were used to discuss the pre-registration examination process and the examination rules. Tips were given on how to prepare for the examination and specific examples were used to show how to approach and answer multiple-choice questions.

Venue	Interns	Tutors	Total
Middelburg	15	10	25
Pretoria	45	11	56
Bloemfontein	9	3	12
Johannesburg	97	31	128
Polokwane	54	16	70
Potchefstroom	60	20	80
Durban	89	19	108
Kimberley	6	5	11
Cape Town	40	17	57
Port Elizabeth	49	13	62
Total	464	145	609

Table 1: Tutor/intern workshop attendance per venue in 2013

Pre-registration evaluations

The pre-registration evaluation consists of an open-book examination, submission of online CPD entries and progress reports. To be deemed competent in the pre-registration evaluation, an intern is required to:

- pass both papers 1 (calculations) and 2 (general and sector specific section) of the pre-registration examination
- be competent in the CPD component and have favourable progress reports from the tutor
- work for a minimum of three hundred and sixty-five (365) days

under the direct supervision of their tutor in a facility approved for training.

On completion of the above, an intern will be eligible to register as a pharmacist for the purpose of performing pharmaceutical community services.

Three pre-registration examinations were written in 2013, in March, August and October. Table 2 provides a summary of the total number of interns who wrote papers 1 and 2 in the 2013 financial year.

Examination date	Number of interns who wrote paper 1	Number of interns who wrote paper 2
February 2013	46	44
August 2013	451	455
October 2013	89	121

Table 2: Total number of interns who wrote the pre-registration examination in 2013

Interns taking the pre-registration examination for the first time are advised to write both papers, but they can opt to write only one paper. Interns who fail one paper are expected to re-write only the paper they failed. This explains the discrepancies in the number of interns writing

papers 1 and 2 for the same examination. In addition, some interns were writing a paper for the second or third time. Table 3 shows a summary of the results of the pre-registration examination for 2012 and 2013.

	2012	2013	%increase/decrease
No of interns who wrote the examination	539	649	13%
No of interns who passed the examination	429	485	9%
No of interns who failed the examination	110	164	5%

Table 3: Results of the pre-registration examinations written in 2012 and 2013

Interns who wrote paper 1 in August 2013 seemed to have fared better than interns who wrote in February and October 2013.

Recognition of foreign qualifications

Evaluation of credentials for foreign qualified persons

Council evaluates all foreign qualifications to assess if the candidates may sit for the examination prescribed by the Act to register with Council. Professional examinations, consisting of four papers, were held in May and October 2013.

During the period under review, 31 applicants were evaluated by the Education Committee and the recommendations were as follows:

- two candidates be registered as learner post-basic pharmacist's assistants and complete six months in-service training while completing a module in pharmacy law and ethics through an approved provider
- 19 candidates be allowed to register as pharmacist interns subject to passing the professional examinations, completing a minimum of 12-months internship and passing the pre-registration evaluation
- 13 candidates be allowed to register as pharmacist's interns subject to passing the professional examinations, completing a minimum of six months internship and passing the pre-registration examinations.

Table 4 below shows the number of applications received from foreign qualified persons in 2012 and 2013.

	Applications received	Pharmacists	Pharmacist's assistants
2012	31	27	4
2013	34	32	2

Table 4: Summary of applications for evaluation of credentials for foreign qualified persons

Upon evaluation by the committee, pharmacists with foreign qualifications are required to pass the professional examination, register as interns and undergo an internship, and pass the pre-registration examinations. Pharmacist's assistants may be required to register as learners, undergo in-service training and complete a module in pharmacy law and ethics through an approved provider.

Professional examinations, which comprise four papers, were held in May and October 2013. The four papers were pharmacology and toxicology, pharmacy practice and administration, pharmacy law and ethics, and pharmaceutics and pharmaceutical chemistry.

The results of the professional examinations are depicted in Table 5 below.

	Pharmacology & Toxicology		Pharmacy Practice & Administration		Pharmacy Law & Ethics		Pharmaceutics & Pharmaceutical Chemistry	
	2012	2013	2012	2013	2012	2013	2012	2013
No of candidates	43	35	36	25	40	38	56	44
Passed	33	17	34	25	19	23	32	32
Failed	10	18	2	0	21	15	24	12

Table 5: Professional examination results in 2012 and 2013

Registration of Persons

Registration with Council in terms of the Act is a pre-requisite for practising as a pharmacy professional. Failure to register with Council prior to practising as a pharmacy professional is a criminal offence.

Names of all registered persons and organisations are listed on the SAPC website under the registration tab.

Table 6 below shows active persons in Council registers in 2012 and 2013.

Category of registered persons	Active by 2012	Active by 2013
Pharmacist's assistants (learner basic and post-basic)	5,274	6,533
Pharmacist's assistants (basic and post-basic)	5,526	6,800
Students (mostly 2nd year)	2,260	2,545
Pharmacist interns	616	715
Community service pharmacists	459	424
Pharmacists	13,031	13,321
Specialist pharmacists	12	12
Total active persons in the register	26,994	30,350

Table 6: Total registered persons active in 2012 and 2013

Data integrity evaluation was done for the register of pharmacist students and interns in 2013. A number of persons in these registers were removed as they did not meet the requirements. In general, a slight increase in the total number of persons registered occurred in all other registers, as indicated in Table 6.

Registrations of Organisations

Registrations of various categories of organisations

According to the register of organisations there were 22 registered providers in 2013 and 4,445 pharmacies. Anyone who obtains a licence

in terms of the *Regulations relating to the ownership and licensing of pharmacies* is legally obliged to record the pharmacy with Council before providing any pharmaceutical services, and to do so within 30 days of receiving the licence from the Director-General of Health.

Table 7 below shows the total number of pharmacies by category registered in 2013 compared with 2012.

Facilities by category	2012	2013
Community	3,124	3,041
Consultant	15	13
Manufacturing	267	248
Private Institutional	257	255
Public Institutional	641	639
Wholesale Pharmacy	289	249
Total	4,593	4,445

Table 7: Total number of pharmacies recorded in 2012 and 2013

The reason for the decreased numbers in 2013 is due to the high number of pharmacies removed from the register following an inspection report that there was no pharmacy at the recorded address at the time of inspection.

Opened and closed

A summary of the open and closed pharmacies in 2012 and 2013 indicates that fewer pharmacies opened in 2013. More pharmacies are required, especially in the rural areas, to meet the needs of the public.

Table 8 below indicates the number of pharmacies that opened and closed in 2012 and 2013. Some of the reasons for closure were voluntary removals from the register initiated by the owner.

Facilities by category	2012		2013	
	Opened	Closed	Open	Closed
Community	83	26	68	153
Consultant	0	0	0	2
Manufacturing	3	2	3	19
Private Institutional	4	4	3	9
Public Institutional	7	3	1	3
Wholesale	3	5	1	39
Total	100	40	76	225

Table 8: Total number of pharmacies that opened and closed in 2012 and 2013

Figure 4 shows the distribution of pharmacists and pharmacy support personnel per province. Gauteng, KwaZulu-Natal and Western Cape have the highest concentration of pharmacists.

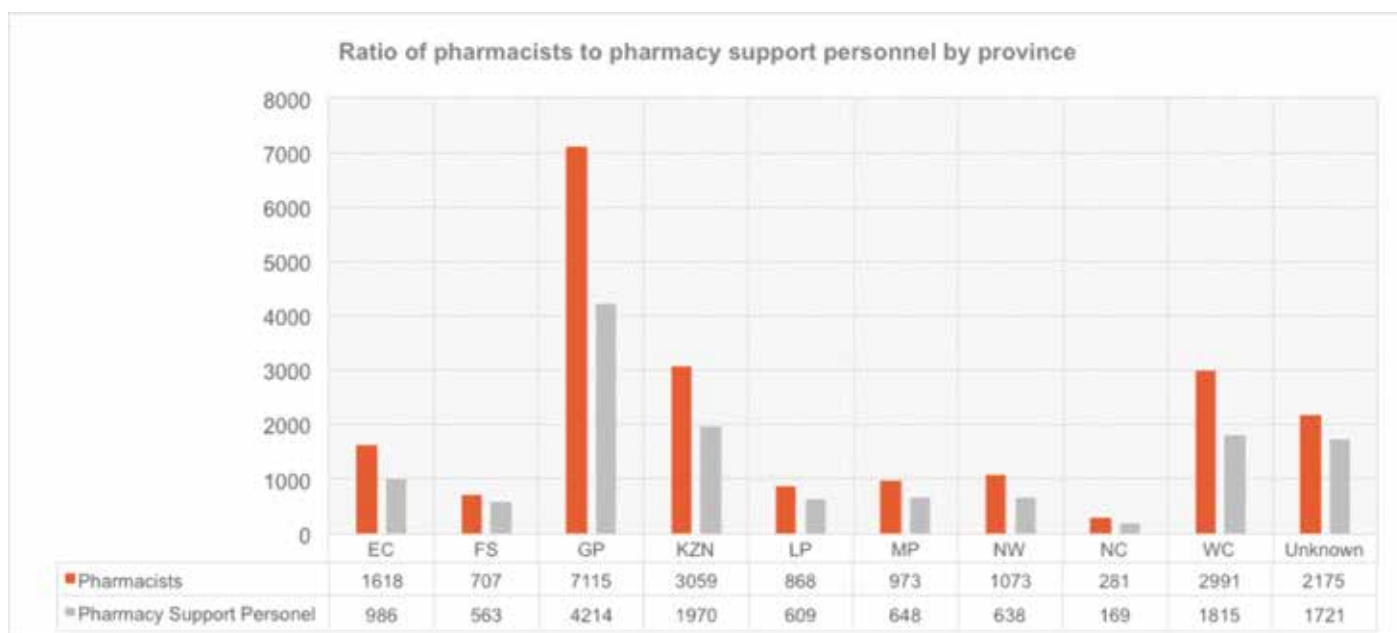


Figure 4: Distribution of pharmacists and pharmacy support personnel per province in 2013

Monitoring, Compliance and Professional Conduct

The activities of the Monitoring, Compliance and Professional Conduct Department focus on four of Council's strategic goals:

- Promote the provision of pharmaceutical care which complies with universal norms and values, in both the public and the private sectors, with the goal of achieving definite therapeutic outcomes for the health and quality of life of a patient.
- Uphold and safeguard the rights of the general public to universally acceptable standards of pharmacy practice in both the public and private sectors.
- Establish, develop, maintain and control universally acceptable standards of practice in the various categories of persons required to be registered in terms of the Act, as well as the promotion of the provision of pharmaceutical care.
- The professional conduct required of a person registered in terms of the Act.

Practice Committee

The Practice Committee, under the chairpersonship of Cyril Shabalala, met on three occasions in 2013. Among other matters, the following pharmacy practice standards were concluded:

- Board Notice 271, dealing with *Minimum standards relating to the supervision of pharmacy support personnel*, was published for implementation on 20 December 2013.
- Board Notice 272 was published for comment on 20 December 2013 for a period of two months. The notice dealt with amendments to various sections of the *Rules relating to Good Pharmacy Practice* and additional minimum standards dealing with various aspects of pharmacy practice, such as:
 - o the procurement, storage and distribution of thermolabile pharmaceutical products
 - o courier services
 - o automated dispensing units for the purpose of dispensing medicines and medical devices.

Promoting compliance with Good Pharmacy Practice (GPP) in both the private and public sectors

One of Council's strategic goals is upholding and safeguarding the rights of the public to universally acceptable standards of pharmacy practice in both the public and private sectors. This is achieved by performing inspections of all pharmacies licensed in terms of section 22(1) and recorded in accordance



Vuyo Mokoena
Senior Manager:
Monitoring, Compliance and Professional Conduct



Cyril Shabalala
Chairperson:
Practice Committee

with provisions of 22(2) of the Act. Council is empowered in terms of section 22(6) to perform inspections at premises in which the business of a pharmacy is carried out and to provide reports on the findings to the Director-General of Health and the person who submitted the application.



South African
Pharmacy Council

Council has, over the years, refined the function of performing inspections and the aim is to ensure that:

- all licensed pharmacies are inspected every two years
- inspections are objective and the results thereof can be

regarded as a good measure of quality.

As at November 2013, 1,862 pharmacies had been inspected and graded. Table 9 shows the number of inspected pharmacies graded per province.

Province	2011	2012	2013
Eastern Cape	52	123	108
Free State	52	96	59
Gauteng	327	568	682
KwaZulu-Natal	119	282	226
Limpopo	37	34	79
Mpumalanga	33	145	82
North West	43	109	64
Northern Cape	14	42	27
Unknown	130	487	309
Western Cape	137	243	226
Total	944	2129	1862

Table 9: Number of pharmacies inspected per province (2011–2013)

Figure 5 below shows the percentage distribution of pharmacies according to their grades. Grade A pharmacies have no or negligible shortcomings and constitute 44% of the pharmacies inspected. Grade B pharmacies have minor shortcomings (34%), and Grade C pharmacies have serious shortcomings (22%).

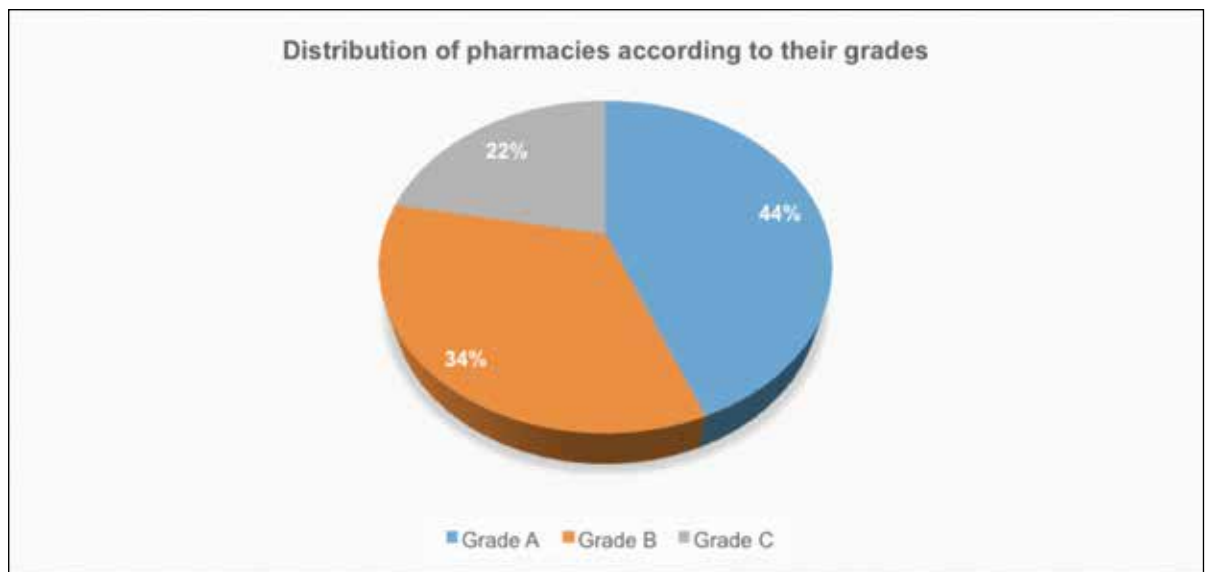


Figure 5: Percentage distribution of pharmacies according to their grades

The grade of a pharmacy determines its frequency of inspection. In accordance with Council's policy, the following inspection cycles shall apply once all pharmacies have been graded.

- Grade A – inspected every 3 years
- Grade B – inspected every 2 years
- Grade C – inspected every year

The grading system measures a pharmacy's level of compliance with the standards of pharmacy practice. The standards set the minimum requirements necessary to provide pharmaceutical services in a professional manner. The grading measures the quality of service patients are exposed to every time they contact or visit a pharmacy.

For purposes of training interns and/or pharmacy support personnel, a pharmacy is approved for a period equivalent to the grade obtained or the remainder thereof. In order to uphold high standards in education and training, no interns/ pharmacy support personnel may be trained in a Grade C facility.

The inspection results revealed a number of areas that do not comply with Good Pharmacy Practice (GPP) standards for the effective delivery of quality pharmaceutical services. Interventions to address these deficiencies will include publishing compliance articles in the *Pharmaciae*, conducting workshops and seminars, and enforcing disciplinary measures on pharmacists who are found to be non-compliant.

Approval of premises for the training of pharmacist interns and pharmacy support personnel

A total of 692 pharmacy premises were approved for training purposes in 2013. The period of training is between one

and three years, depending on the compliance level (grade) of the pharmacy. The majority of approvals were finalised on the basis of the results from monitoring inspections as opposed to previous years where approval was largely reliant on training inspections.

Province	2011	2012	2013
Eastern Cape	42	28	35
Free State	27	39	39
Gauteng	316	169	222
KwaZulu-Natal	90	82	61
Limpopo	26	24	25
Mpumalanga	31	39	37
North West	45	30	33
Northern Cape	12	9	6
Unknown	86	121	135
Western Cape	127	92	99
Total	802	633	692

Table 10: Approval of pharmacy premises for purposes of training (2011–2013)

Recommending the issuing of permits, exemptions and licence applications

An average of 50 permit applications in terms of section 22(A) of the Medicines and Related Substances Act, 101 of 1965, from a variety of healthcare professionals, were presented at each of the three Practice Committee meetings in 2013.

The permit applications pertaining to Primary Care Drug Therapy (PCDT) are on hold pending the approval of the PCDT list, which is still a matter of discussion between the Department of Health (NDoH), the Council and the Medicine Control Council (MCC).

As at 27 November 2013, Council had recommended that the Director-General approve a total of 365 licences. Negotiations to have the administration of the pharmacy licensing process transferred from the NDoH to Council are at an advanced stage.



Keith Johnson
Chairperson: CPI

Professional Conduct

Disciplinary Committees

Committee of Preliminary Investigations

A total of 239 cases were presented to the Committee of Preliminary Investigations (CPI), which held three meetings in 2013. The committee recommended that no further action be taken in some of the cases, and referred a number of cases to the CFI and CII.

Committee of Informal Inquiry

The Committee of Informal Inquiry (CII) deals with cases referred from the Committee of Preliminary Investigations. In 2013 the CII dealt with 134 cases in three two-day sittings held in April, July and November 2013.

Committee of Formal Inquiry

The Committee of Formal Inquiry (CFI) adjudicated one matter in 2013.



Palesa Santho
Chairperson: CII

Registrar's Complaints Review Panel

The Registrar's Complaints Review Panel dealt with 21 cases during the period under review. No further action was recommended in some of the cases, and others were referred to the CPI or other statutory councils.

Between January and November 2013, the Professional Conduct Unit received 252 complaints. These complaints

ranged from dispensing errors to reports relating to the convictions of members of the profession in criminal courts. More than 40% of the complaints came from Gauteng, which has the highest concentration of pharmacies in the country.

Table 11 below gives a breakdown of complaints per province and pharmacy category.

Province	Community Pharmacy	Institutional Private	Institutional Public	Manufacturing Pharmacy	Wholesale Pharmacy	Total
Eastern Cape	4	0	4	0	0	8
Free State	8	0	0	0	0	8
Gauteng	94	4	2	1	1	102
KwaZulu-Natal	42	3	6	1	1	53
Limpopo	4	0	0	0	0	4
Mpumalanga	16	2	2	0	0	20
North West	13	0	1	0	0	14
Northern Cape	3	0	1	0	3	7
Unknown	4	0	0	0	0	4
Western Cape	25	1	2	0	4	32
Grand Total	213	10	18	2	9	252

Table 11: Breakdown of complaints per province and pharmacy category

Of great concern is the number of complaints attributed to dispensing errors, pharmacist's assistants working outside their scopes of practice, dispensing of expired medicines, and non-compliance with Good Pharmacy Practice requirements.

A total of 379 charges were levelled against pharmacists for non-compliance. Some of the key charge groupings were 89 charges of dispensing errors (ranging from minor to serious)

that had near-fatal consequences, and 21 charges relating to allowing or permitting unregistered persons to perform the scope of practice of a pharmacist, or allowing or permitting pharmacist's assistants to act outside their scopes of practice. A total of 18 charges related to dispensing expired medicines, and a further 37 related to miscellaneous charges of non-compliance.

Professional Standards and Accreditation

The activities of the Pharmacy Education and Training Department focus on one strategic objective of Council, that of planning, organising and providing guidance in establishing, developing and maintaining universally acceptable standards in pharmacy education and training.

In line with this strategic focus area the department is responsible for managing all actions aimed at:

- Declaring a person competent prior to registration.
- Accreditation and approval of providers and courses in terms of the Pharmacy Act, 53 of 1974 and the South African Qualifications Authority (SAQA) Act, 58 of 1995.
- Promoting quality among constituent providers of pharmacy education and training.
- Managing all Education, Training and Quality Assurance (ETQA) related functions.
- Generating standards for pharmacy-related qualifications.
- Managing education and training-related projects as well as providing secretarial services to the Education Committee.



*Hlonelikaya Masiza
Senior Manager:
Professional Standards and Accreditation*

Education Committee

The Education Committee met four times in 2013 under the chairpersonship of Prof Shirley-Ann Boschmans. The Committee discussed a number of matters and made the following decisions, which were ratified by Council:

- all persons with foreign qualifications may not be allowed to register for an academic internship
- Council will no longer conduct any supplementary examinations for interns who have not passed the pre-registration examination, further attempts to pass the examination may only be made in three scheduled exams for the year
- pharmacy technician qualifications obtained outside South Africa may only be recognised once relevant supporting legislation enabling the pharmacy technicians to practice in South Africa has been gazetted
- guidelines to the South African professional examination for pharmacists with foreign qualifications be updated
- institutions may apply for an exemption from external moderation of their elective modules
- the qualifications for specialities must be allocated 360 credits and the research components 120 credits
- all contracts/agreements made after the accreditation of a provider's course that affect the provision of the course must first be submitted to Council for evaluation and approval prior to implementation
- the *Pharmacy education and training policy and procedure for appeals* was approved
- a foreign exchange student be permitted registration as a pharmacy student, provided that:
 - i) such student is registered with an approved provider of the BPharm degree in South Africa, which registration must be as a BPharm student or any other such student registration that identifies that such student is an exchange student on the BPharm programme
 - ii) the application requirements include proof that



*Prof Shirley-Ann Boschmans
Chairperson: Education Committee*

- the exchange student is registered with a foreign provider as a BPharm or equivalent student, proof of registration as a student in terms of point (i) above, copy of an official identification document or passport
- iii) the approved provider submits an application with sufficient time for such registration to be approved prior to such exchange student engaging in the relevant structured practice experience
- iv) the approved provider notifies Council when such registration is no longer required
- v) the duration of the registration referred to in (i) is no more than nine months
- vi) the cost for such application and registration of foreign exchange students is the same as for all student registration applications.

Accreditation of Further Education and Training (FET) Providers

Provider	Application status
Insight Medicine Information	Accredited 5 March 2013
Public Health Institute of South Africa (PHISA)	In process
Pharmacy Development Academy (Pty) Ltd	In process

Table 12: Accreditation status of FET providers in 2013

Monitoring/Accreditation Visits for Higher Education and Training (HET)

Provider	Date of visit	Monitoring visit report
Rhodes University (RU)	7–11 October 2013	Completed
Nelson Mandela Metropolitan University (NMMU)	21–25 October 2013	Two reports completed: BPharm programme and Higher Certificate: Pharmacy Support programme
Thswane University of Technology (TUT)	15–19 July 2013	Completed

Table 13: Monitoring/Accreditation visits conducted in 2013

The visit to Rhodes University focused on the implementation of the revised BPharm qualification and the teaching out of the old BPharm qualification.

The visit to NMMU focused on the implementation of the revised BPharm qualification, the teaching out of the old BPharm qualification, and the implementation of the programme for pharmacy technical assistants.

In general, the HET providers were found to be compliant with the requirements of providing education and training as set out in the *Regulations relating to pharmacy education and training*.

The process of accrediting TUT is ongoing as it is envisaged that enrolment of first year students will take place in 2015.

Reports of the visits to University of Limpopo (Turfloop Campus), North West University and Pharmacy Healthcare Academy (PTY) Ltd were finalised and delivered to them.

Accreditation of Courses

- Out of the 15 courses, five were accredited.
- Revised BPharm curricula of eight providers were accredited, subject to all the evidence being checked during the accreditation/monitoring visits.

Development of Pharmacy Education Standards

The following new/amended tools for accreditation to be included in the Good Pharmacy Education (GPE) standards were approved by Council:

- Quality management document for accreditation of the course leading to the awarding of a BPharm degree in terms of section 34 of the Pharmacy Act, 1974 (Act 53 of 1974).
- Template of the required information for the purpose of desktop evaluation of the curriculum leading to the awarding of a BPharm degree in terms of section 34 of the Pharmacy Act, 1974 (Act 53 of 1974).
- The criteria for appointing assessors and moderators be approved according to changes made by the Committee.

- *Manual for the pre-registration experience of pharmacy technical assistant trainees.*
- *Guidelines for assessors of CPD entries* were amended and approved.
- Curriculum outline for the qualification titled "Post-graduate Diploma: Pharmacy: Authorised Prescribing" was approved by Council. Council is waiting for the regulations to be published before implementation.
- A consultant appointed by Council drafted qualifications for three pharmacy specialists; the clinical pharmacist, the pharmaceutical public health and management pharmacist, and the radio pharmacist. The qualifications will be discussed by the task team appointed by Council before being submitted to the Education Committee for consideration.
- Qualification and curriculum outline for the pharmacy general assistant, drafted in the old format, was approved by the committee to pave the way for the Quality Council for Trades and Occupations (QCTO) new format.
- Two drafts of the proposed *Alternate ways of delivering the qualifications for pharmacy technical assistants and pharmacy technicians* were served at the meetings of the Education Committee and the process of finalising this standard is ongoing.
- Council resolved that Good Pharmacy Education standards be developed and a task team and a consultant were appointed. The development of these standards will cover two phases:

- o the first phase will address standards for those providers of education and training offering qualifications from a National Qualifications Framework (NQF) Level 5 and above, and deals with the qualifications for pharmacy technical assistant, pharmacy technician, pharmacist, authorised pharmacist prescriber and specialist. The standards will be published for public comment and the feedback considered by the Education Committee. The recommended standards will be published for implementation after Council's approval.
- o the second phase will address the standards for the providers that deliver qualifications on the NQF Level 4 and below, being qualifications for pharmacist's assistant in the category basic and post-basic. The second phase will be initiated in 2014.

Development of Pharmacy Practice Standards

These standards will be published for comment and the comments considered by the Practice Committee. The standards will be published for implementation only after Council has approved them.

- The following amendments to the *Rules relating to good pharmacy practice* will be published for comment:
 - o minimum standards for pharmacy premises, facilities and equipment: Rule 1.2.1: *Appearance of pharmacy premises*
 - o minimum standards for the performance of HIV tests: Rule 2.13.5.5: *Interpretation of results, tests performed in pharmacies*, and Rule 2.13.5.8: *Ethical aspects*
 - o minimum standards for continuous supply of medicines: Rule 4.3.6 *Minimum standards for continuous supply of medicines*
- o authority, duties and responsibilities of a responsible pharmacist: Rule 2.1.1: *Circumstances and conditions under which a responsible pharmacist may be absent from his/her pharmacy.*
- The following new standards to be included in the *Rules relating to good pharmacy practice* will be published for comment:
 - o minimum standards for the procurement, storage and distribution of thermolabile pharmaceutical products
 - o minimum standards specifically relating to courier pharmacies
 - o minimum standards relating to automated dispensing units for the purpose of dispensing medicines and medical devices.



The SAPC team at Council's exhibition stand at the 1st National Pharmacy Conference. From the left are: Debbie Hoffmann, Senior Manager: Legal Services and Company Secretary; Anelda Gillmer, PA: Registrar/CEO; Moloko Masenya, Communication Practitioner, Communication and Stakeholder Relations Department; Obakeng Mtimunye, Manager: Revenue Accounts, Finance Department; Michelle de Beer, Manager: Stakeholder Relations, Communication and Stakeholder Relations Department; Refilwe Khumalo, Manager: Supply Chain and Management, Finance Department; Lister Mabuza, PA: Chief Operating Officer

Legal Services & Company Secretary

The Legal Services and Company Secretary Department (LS&CS) participated in a number of strategic focus areas in 2013, with the emphasis on the legal and contractual obligations arising out of the 1st National Pharmacy Conference, the election of the new Council members for the term of office 2014–2018 and the corporate governance of Council.

Council's Compliance with and within the Statutory and Regulatory Framework

Council's input into proposed national legislation and policy

Council continued to monitor intended legislation and policy and provided comment where so required. In this regard, Council provided comment to the Minister of Trade and Industry in respect of the proposed Licensing of Businesses Bill, 2013, where the general comment herein pertained to the fact that all pharmacies, as businesses, are already required to licence/register with the National Department of Health in terms of the Act.

The LS&CS Department assisted Council in ensuring that legislation that was implemented in 2013, relevant to the Council and the profession of pharmacy, was duly disseminated and noted. Of particular importance were the:

- amendments to the *General Regulations* pertaining to the Medicines and Related Substances Act, 101 of 1965
- the amendment to the dispensing fee for pharmacists
- the amendments to the schedules of medicines and substances
- the access to medicines in terms of section 22A(14) of the Medicines Act, pertaining to various professions registered under the Health Professions Council of South Africa.

Proposed amendments to regulations published under the Act

In 2013, Council appointed a consultant to assist with the drafting of the amendments to various regulations under the Act. During 2013 the focus on the legislation amendments were to provide for, inter alia, the creation of the new cadres of pharmacy support personnel, the scopes of practice, the education and training, and the registration requirements related thereto. The following regulations were workshopped and approved by Council for submission to the National Department of Health: Legal Unit:



Debbie Hoffmann
Senior Manager:
Legal Services & Company Secretary

- *Regulations relating to pharmacy education and training*
- *Regulations relating to pharmacy practice*
- *Regulations relating to the registration of persons and maintenance of registers.*

Provision of Legal Support and Legal Administration

Certificate of Good Standing

Council provides, on application, Certificates of Good Standing for persons registered with Council. The certificate is normally required by regulatory bodies outside of South Africa that perform similar or the same regulatory functions as Council. While Council provides the service to such applicants, the statistics compiled as a result of issuing a certificate can be used as a single indicator when looking at the human resources in pharmacy and potentially the skills drain in the profession to other countries.

Council issued 40 Certificates of Good Standing. For statistical purposes the top five destinations for the certificates are presented in Table 14 below.

Destination	Number
Canada	12
Namibia	6
New Zealand	5
United Kingdom	4
Zimbabwe/Australia	3

Table 14: Certificates of Good Standing issued to top five destinations

In 2013 the applicants who applied for certificates of good standing were analysed to determine the ratio of male and female applicants as well as whether the applicants were South African citizens. The following statistics are presented in Tables 15 and 16 below:

Male applicants	Female applicants
18	22

Table 15: Certificates of Good Standing issued – gender ratio

South African applicants	Non-South African applicants
33	7 (all applicants were from other African Countries)

Table 16: Certificates of Good Standing in 2013 – South African versus non-South African applicants

Certificates pertaining to proof of registration

Section 26 of the Act provides that a certificate signed by the Registrar shall be proof that a person or pharmacy is or is not registered or recorded under the provisions of the Act. It is therefore often required in legal proceedings, be it civil or criminal, that the Registrar is required to provide proof of registration certificates. In 2013 a total of 19 certificates were issued under section 26.

Legal Enquiries

During 2013 the LS&CS Department addressed 82 legal enquiries, which covered almost every aspect of legislation pertaining to the pharmacy profession, directly or indirectly. Only the most prevalent topics are listed herein:

- responsibilities and functions of the responsible pharmacist
- licencing and ownership of pharmacies, issues and procedures
- scopes of practice of various roles of registered persons, including pharmacy support personnel

- services which each type of pharmacy may render, that is wholesalers and community pharmacies
- various issues pertaining to the scheduling of medicines
- business models/contractual arrangements between medical practitioners and pharmacies
- validity and other issues pertaining to Schedule 5 and 6 prescriptions
- validity of prescriptions from medical practitioners outside of South Africa.

Litigation

The Senior Manager: LS&CS is required to represent Council, or coordinate on behalf of Council, in all litigation matters. The Senior Manager coordinated the briefing of legal representation and all other actions required to oppose a Rule 53 of the High Court Rules Application for Review, which matter was heard in the North Gauteng High Court on 14 October 2013, and judgment was handed down on 20 December 2013. In terms of the judgment delivered by Judge Mabuse, the application to have the amendment to the *Rules relating to good pharmacy practice* (Rule 1.2.2.2) set aside was dismissed and cost ordered in favour of Council. This matter related to MediRite Pharmacy.

Human Resources

The activities of the Human Resources (HR) Department are focused on one strategic objective of Council, which is to provide managerial and administrative support to the Office of the Registrar.

In line with this strategic focus area the role of the HR Department is to manage the attraction, retention and development of staff to enhance productivity:

- Human resources management.
- Ensuring total quality management (TQM) in all activities relating to planning, organising, coordinating and providing guidance across the full spectrum of HR.
- The effective administration of payroll for all Council employees and consultants.
- Providing secretariat services to the Bargaining Council and Remuneration Committee.

Remuneration Committee

During the year under review the committee, under the chairpersonship of Lorraine Osman, held six meetings, including a teleconference. Matters considered included: terms of reference that led to the development of the REMCO Charter, remuneration benchmark and 2014 cost of living adjustment for management staff, honoraria for council members, locum fees and a remuneration strategy for the SAPC.



*John Mashishi
Manager: Human Resources*

Bargaining Council Meeting

During the year under review the Bargaining Council, under the chairpersonship of Bada Pharasi, held five meetings. Matters that were considered included: constitution of the Bargaining Committee, composition of the REMCO, 2014 cost of living adjustment for non-management staff, financial assistance towards further studies, and social responsibility.

Employment Equity

The department is regrouping the workforce to ensure that an inclusive forum is established to analyse the workforce and develop a new Employment Equity (EE) Plan. The general feedback is that there is positive representation.

Breakdown of the Council workforce

The employment level per race groups and gender in Council is as follows:

African		Coloured		Indian/Asian		White	
Male	Female	Male	Female	Male	Female	Male	Female
22	38	0	2	0	1	0	8
60		2		1		8	

Table 17: Breakdown of SAPC workforce in 2013

Employment Equity table showing Council staff demographics as at 31 October 2013

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	2	0	0	0	0	0	0	0	1	0	3
Senior management	2	0	0	0	2	0	0	2	0	0	6
Professionally qualified and experienced specialists and mid-management	4	0	0	0	5	0	1	1	0	0	11
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	3	0	0	0	7	0	0	3	0	0	13
Semi-skilled and discretionary decision making	9	0	0	0	19	2	0	2	0	0	32
Unskilled and defined decision making	1	0	0	0	0	0	0	0	0	0	1
TOTAL PERMANENT	21	0	0	0	33	2	1	8	1	0	66
Temporary employees	1	0	0	0	5	0	0	0	0	0	6
GRAND TOTAL	22	0	0	0	38	2	1	8	1	0	72

Table 18: Staff demographics as at 31 October 2013

Employee Development and Training

The manner in which the skills training will take place is predetermined and requires staff and managers to identify gaps in performance and training needs and address the shortcomings the following year.

This process has been implemented and the department is preparing to conduct training in 2014.

In 2013 the skills training took place as per Table 19 below.

Course description	Number of attendees
Adobe InDesign for beginners	1
E-Course legal writing for litigation	3
HR drafting rules and policies	2
Configuration and admin Microsoft Sharepoint	2
Handyman training	1
IFRS workshop	2
Advanced customer interaction course	29
Presentation skills course	21

Table 19: Skills training offered in 2013

Applications were invited from staff to indicate their intentions to enhance their professional development.

Financial assistance towards studies was afforded as per Table 20 below:

Under/Postgraduate	Category	No. of beneficiaries
Programme in office management	Staff	1
Bachelor of Laws (LLB)	Staff	2
Bachelor of Communications	Staff	1
Bachelor of Commerce – Logistics	Staff	1
Master of Business Administration	Management	1
Total	Staff	6

Table 20: Breakdown of study assistance offered in 2013

Employee Recruitment and Retention

Vacant positions will be filled systematically according to the availability of funds. This will facilitate the segregation of duties and distribute the workload more evenly in certain departments.

Employee Wellness

The employee wellness programme reflects an average, annual utilisation rate of 7%, which falls in the upper 5–10% band of a well-utilised programme. Although this level is satisfactory, ongoing awareness to keep the programme uppermost in the minds of employees is necessary. Emphasis is placed on promoting healthy lifestyles and raising awareness about topical health issues.

Employee Compensation, Incentives and Performance Recognition

Department	No. of employees	No. awarded recognition
Communications and Stakeholder Relations	23	10
Finance	12	12
Monitoring, Compliance and Professional Conduct	11	9
Professional Standards and Accreditation	5	4
CPD, Licensing, Pre-registrations and Registrations	10	9
Information Technology	3	3
Corporate Services	5	5
Human Resources	2	2
Total	71	52

Table 21: Breakdown of recognition afforded to staff in 2013

Information Technology

The activities of the Information Technology (IT) Department focus primarily on one strategic objective of Council, which is to provide managerial and administrative support to the Office of the Registrar. In line with this strategic focus area, the department directs and manages:

- Computing and information technology strategic plans, policies, programmes and schedules for business and finance data processing.
- Computer services.
- Network communications.
- Management of information services to accomplish corporate goals and objectives.

Connectivity

In terms of connectivity, the office upgraded the ADSL (asymmetric digital subscriber line) business uncapped, unshaped from 4 mbps to 20 mbps with Telkom at a lower cost in comparison with the cost of 4 mbps ADSL with MWEB. The office is investigating the upgrade of a Diginet line (also known as a leased line) to Fibre to support business applications and the envisaged disaster recovery plan for implementation in 2014. In terms of Local Area Network (LAN), all switches were upgraded to the more reliable Power of Ethernet switches to support the new telephone system with new IP (Internet protocol) telephone instruments. The office upgraded access points with faster and more reliable access point devices to improve and resolve wireless connectivity problems within the office. The entire office LAN backbone was upgraded to Fibre to improve LAN performance.

Outlook Web Access and Outlook Anywhere with Secure Sockets Layer (SSL) Certificates were implemented during 2013 to allow users to access their emails securely outside office without the use of VPN (virtual private network). Continuous monitoring of connectivity will be maintained to ensure improvements of user experience on the systems and necessary adjustments will be implemented accordingly.

IT Policies

During 2013 the following IT policies were developed and reviewed:

- Information Systems Security policy was developed and is awaiting approval. This policy will ensure proper safeguarding of office information and IT systems.
- The following policies were reviewed to align with the changes in the Office:
 - o Remote Access policy
 - o Antivirus policy was reviewed
 - o Authentication and Protection policy.

More policies will be reviewed in 2014 and, where required, processes and new policies will be developed.



Thabo Litabe
Senior Manager: Information Technology

Programming Developments

Dashboard system

No developments were performed on the dashboard system during 2013, only maintenance, due to changes of work flow processes. Continuous maintenance will be carried out on the dashboard system as per business requirements.

Register system

During 2013, programming developments were required on the register system to enhance the register system's functionality. Maintenance work was carried out due to this new development to ensure the proper functionality of existing modules.

Communication and Stakeholder Relations

The activities of the Communication and Stakeholder Relations (CSR) Department focus on four of Council's strategic objectives:

- Assist in the promotion of the health of the population of the Republic of South Africa.
- Advise the Minister of Health or any other person on any matter relating to pharmacy.
- Promote transparency to the profession and the general public (corporate governance).
- Provide managerial and administrative support to the Office of the Registrar.

In line with the above strategic focus areas, the department is responsible for public relations, media relations, general communication and publication-related activities for both internal and external stakeholders. In addition, the department is responsible for managing the Council's customer and logistics services.



*Elmari Venter
Senior Manager: CSR*

1st National Pharmacy Conference

This event is reported on in the Corporate Service section (page 11). The Senior Manager: CSR was the assigned project manager tasked with the public relations and marketing of the conference and overseeing the activities of the conference and the event company, Scatterlings Conference & Events, in terms of:

- Branding, announcements and invitations
- Public relations and communications
- Media liaison
- Press kits
- Delegate packs
- Photographer
- Banners/signage
- Website
- Sourcing registrations



2013 National Pioneer Pharmacy Awards

Top pharmacy achievers scoop awards for professionalism, dedication and service above self

The crème de la crème of the pharmacy profession received national recognition at the South African Pharmacy Council's National Pioneer Pharmacy Awards held at the Sun City Superbowl on the evening of 25 June 2013. These awards were sponsored by Aspen Pharmacare, Cipla and Dis-Chem Pharmacies.



Sector/category winners shortlisted for the 2013 National Pioneer Pharmacy Professional award. From the left are: Mrs Motloun; Abednigo Nkosi, Future Pharmacist of the Year; William Motloun, Post-Basic Pharmacist's Assistant of the Year; Bada Pharasi, SAPC President; Amos Masango, SAPC Registrar; Willem Grobbelaar, Community Pharmacist of the Year; Sonya Kolman, Private Institutional Pharmacist of the Year; Jolandie Deas, Public Institutional Pharmacist of the Year; and Mulatedzi Makhado, Other (Research, Consultancy, Clinical, etc.) Pharmacist of the Year

All the above sector/category winners were shortlisted for the 2013 National Pioneer Pharmacy Professional award. No entries were received for the categories: Wholesale (Distributor/Depot) Pharmacist of the Year and Manufacturing (Industry) Pharmacist of the Year. Insufficient entries were received for the category Academic Pharmacist of the Year.

Jolandie Deas from the Free State was announced the National Pioneer Pharmacist of the Year 2013. The National Road Pharmacy in KwaZulu-Natal (responsible pharmacist Lynda Mutsaerts) took honours as the National Pioneer Pharmacy Facility of the Year 2013.

The glittering gala event formed part of the conference and was attended by over 500 national delegates across all sectors of the pharmacy profession.

Top quality pharmaceutical service delivery facilities scoop awards



Pharmacy facility winners shortlisted for the 2013 National Pioneer Pharmacy Facility award. From the left are Bada Pharasi, SACP President; Lynda Mutsaerts, Responsible Pharmacist of National Road Pharmacy – Community Pharmacy of the Year; Sajjir Maharaj, Responsible Pharmacist of Netcare Alberlito Pharmacy – Private Institutional Pharmacy of the Year; Hendrika Doms from Robertson Hospital Pharmacy – Public Institutional Pharmacy of the Year; Amos Masango, SACP Registrar

The above pharmacists represented particular sectors in the pharmacy facilities. Their pharmacies were national winners and were shortlisted for the National Pioneer Pharmacy Facility award.

No entries were received in the Wholesale (Distributor/Depot) Pharmacy of the Year and Manufacturing (Industry) Pharmacy of the Year categories.

Communications

Implementation of new IP PBX

In 2013 Council appointed MyVBX as the service provider for the telephony services with a focus on Voice over Internet Protocol (VoIP).

The department predominantly uses interactive communication portals to communicate with registered professionals via the secure login functionality on the website, bulk emails and SMS campaigns containing information on various issues, including progress in terms of applications submitted.

A statistical overview is shown below in terms of the use of these communication channels.

SACP website audience overview

In 2012, registered persons were, for the first time, able to apply online for registration as responsible pharmacists (RPs), pharmacist interns and community service pharmacists. Registered professionals are now able to register on www.sapc.za.org and maintain and update their personal details, upload their ID photos, make online credit card payments, submit online progress reports, update CPD activities, download annual fee invoices or receipts, and submit online applications as tutors. RPs may resign online and people may apply for voluntary removal.

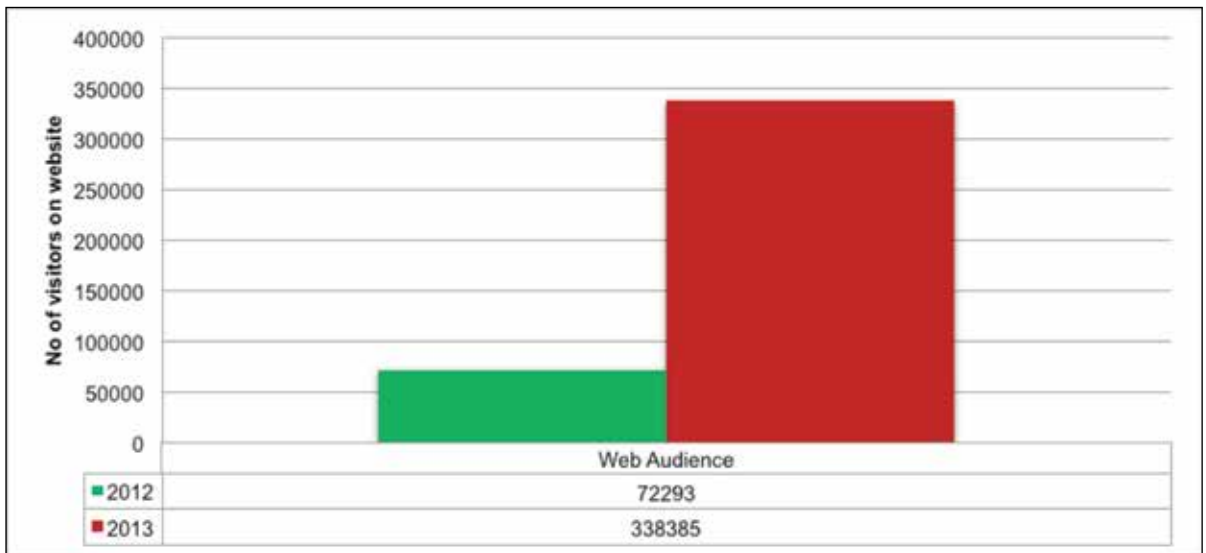


Figure 6: Website visitors in 2013 compared with 2012

Council's website recorded 2,107,318 page views in 2013 and 78% more visitors (338,385) than in 2012 (72,293 visitors). A total of 70% (237,301) of the visits were from members of the public and 30% (101,084) from pharmacy professionals using the secure login functionality on the site. The usage of the secure login functionality of the website increased by 34% compared with 2012.

The secure side of the website received twice as many logins in 2013 than in 2012. An average 8,365 logins per month were recorded in 2013 in comparison with an average 4,610 logins per month in 2012. Web tutorials that have been drafted assist pharmacy professionals in the use of the online functionality.

Website functionality opinion poll

Data shows that 73% of hits rated the website as 'excellent or good' (See Figure 7 below).



Figure 7: Web online functionality and login rating in 2013

Out of a total of 27,518 active pharmacy professionals on the register, 19,179 (70%) have recorded email addresses and 24,748 (90%) a cellular number with Council. Using technology in terms of bulk emails and SMS messaging is the preferred method of interaction with stakeholders.

Finalise, implement and monitor the development of online applications to improve operational efficiency

The Office of the Registrar developed an online registration process for pharmacist's assistants (learner basic and post-basic). The accredited providers received training in the use of the programme in December 2013. In 2014, the Office of the Registrar intends

finalising the process so that providers are able to register pharmacist's assistants online on completion of their basic/post-basic training. The heads of pharmaceutical services representatives received training in the online process of releasing pharmacists on completion of their pharmaceutical community service.

In addition, administrators from all higher education and training institutions accredited with Council received training in the online registration of students. Online student progression for all levels of study will be finalised in 2014.

Commencing in 2014, the Office of the Registrar will gradually phase out the manual registration processes and make the online process compulsory.

Instant messaging and e-messages

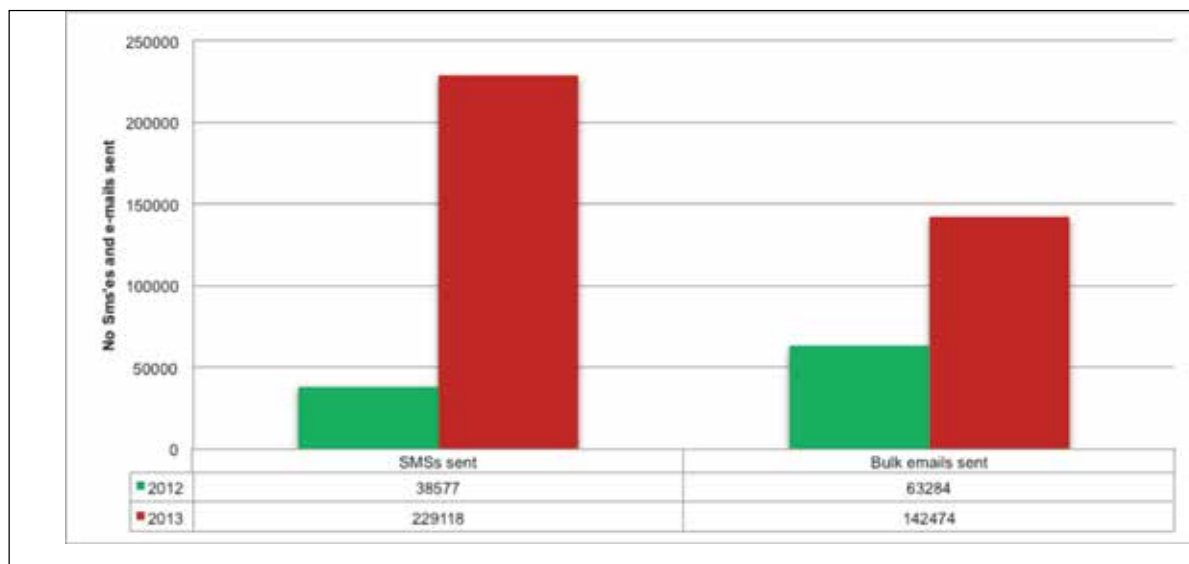


Figure 8: No of SMSs and emails sent in 2012 compared with 2013

In 2013 a total of 229,118 SMSs were sent out. This constituted 83% more than in 2012. SMS communication campaigns (listed below) constituted 36% of the total number of SMSs sent. The other 64% were operational SMSs sent from the SAPC Register, the Dashboard or ACCTEC systems.

The following SMS communication campaigns were conducted during 2013:

Date	SMS Communication Campaigns	Number of pharmacy stakeholders reached
Feb 2013	Invitation to intern workshops	1046
	Pharmaciae address confirmation	76
Mar 2013	Pharmacists annual fee reminders (outstanding payments)	583
	Promotion of 1st National Pharmacy Conference (NPC)	9821
	Pharmacists annual fee reminders (1)	293
	National Pioneer Pharmacy Awards (professionals and facilities)	16930
April 2013	Council elections – nomination notice	11856
	Pharmacists annual fee reminders (2)	592
	Pharmacists annual fee reminders (3)	293
	Pharmacists annual fee reminders (final)	625
May 2013	Responsible pharmacist annual fee reminder	72
	Council elections – nomination reminder	12639
Jul 2013	Responsible pharmacist annual fee reminder for pharmacies	257
Aug 2013	Responsible pharmacists invitation to attend SAPC HR workshops	3093
	Pharmacist's assistants invitation to attend SAPC HR workshops	4607
	NW attendees – SAPC HR workshop update	178
	Limpopo – SAPC HR workshop update	156
	Pharmacists – Council election reminder	12275
	Pharmacist's assistants – annual fee reminder	660
Sep 2013	PMB attendees – SAPC HR workshop update	6
	NW pharmacist's assistants – SAPC HR workshop update (Rustenburg venue)	548
	KZN attendees – SAPC HR workshop update	32
	WC – Responsible pharmacists reminder to attend SAPC HR workshops	493
	WC – Pharmacist's assistants reminder to attend SAPC HR workshops	557

	NC – Responsible pharmacists reminder to attend SAPC HR workshops	57
	NC – Pharmacist's assistants reminder to attend SAPC HR workshops	73
	MP – Pharmacist's assistants reminder to attend SAPC HR workshops	211
	KZN – Responsible pharmacists reminder to attend SAPC HR workshops	473
	KZN – Pharmacist's assistants reminder to attend SAPC HR workshops	483
	FS – Responsible pharmacists reminder to attend SAPC HR workshops	167
	FS – Pharmacist's assistants reminder to attend SAPC HR workshops	241
	EC – Responsible pharmacists reminder to attend SAPC HR workshops	267
	EC – Pharmacist's assistants reminder to attend SAPC HR workshops	342
	Gauteng – Responsible pharmacists reminder to attend SAPC HR workshops	1037
	Gauteng – Pharmacist's assistants reminder to attend SAPC HR workshops	1314
	Cost order reminders	109
Nov 2013	Address details update	422

Table 22: SMS campaigns conducted in 2013

In 2013 a total of 160,121 emails were sent out. This constituted 55% more than in 2012. Bulk email campaigns are listed in Table 23.

Date	Bulk email Communication Campaign	Number of pharmacy stakeholders reached
Feb 2013	2013 SAPC National Pharmacy (professional and facility) awards – call for nominations	19,179
	2013 Tutor intern workshop invitation	1046
	National Pharmacy Conference (23–26 June 2013, Sun City, South Africa) – call to register	2939
	Download your invoices/receipts from www.sapc.za.org or complete online payments	19,179
	SAPC February i-News	19,179
Mar 2013	Annual fee invoices – assessors	326
	Annual fee invoices – assistants	4607
	Annual fee invoices – public sector hospitals	257
April 2013	Bulk email re Council election nominations	11559
	Bulk email to invite and remind the entire profession of the conference	23013
May 2013	Bulk email to pharmacists – update on Primary Care Drug Therapy	11559
Jul 2013	Bulk email re Council distances itself from irregular election campaign	11559
	Reminder to responsible pharmacists on overdue fees	3929
Aug 2013	SAPC August i-News	23013
	Annual fee invoices – pharmacy students	2931
Sep 2013	Bulk email to EC responsible pharmacists re HR workshop	247
	Bulk email to WC responsible pharmacists re HR workshop	560
	Bulk email to active NW responsible pharmacists re HR workshop	203
	Bulk email to active KZN responsible pharmacists re HR workshop	500
	Bulk email to active FS responsible pharmacists re HR workshop	167
	Bulk email to active responsible pharmacists re HR workshop	1510
	Bulk email to active MP responsible pharmacists re HR workshop	211
	Bulk email to active Gauteng responsible pharmacists and pharmacist's assistants	3361
Nov 2013	Expiry of the approval of premises for the purposes of training	64
	2013 SAPC pharmacy grading certificate – correction	139
	Grading certificate	1221
	Old qualifications: pharmacist's assistants learner (basic and post-basic)	4318
	Advertisement position for assessors/moderators for CPD entries	11565

Table 23: Email campaigns conducted in 2013

Council's new ID registration card

Council launched its new five-year ID registration card, a first for health statutory councils, in 2011. The cards boast security and barcode features with ID passport photos. From printing to couriering, the process is in-house, which simplifies the handling of communication queries. A total of 2,453 ID registration cards for, inter alia, pharmacy students, learner basic assistants, basic assistants, learner post-basic assistants, post-basic assistants, pharmacist interns, community service pharmacists and pharmacists were issued in 2013.

Service delivery opinion poll

In the period under review the majority of customers rated the service 'excellent/good'. (See Figure 9). Measures have been put in place to improve the 'fair/poor' service ratings.

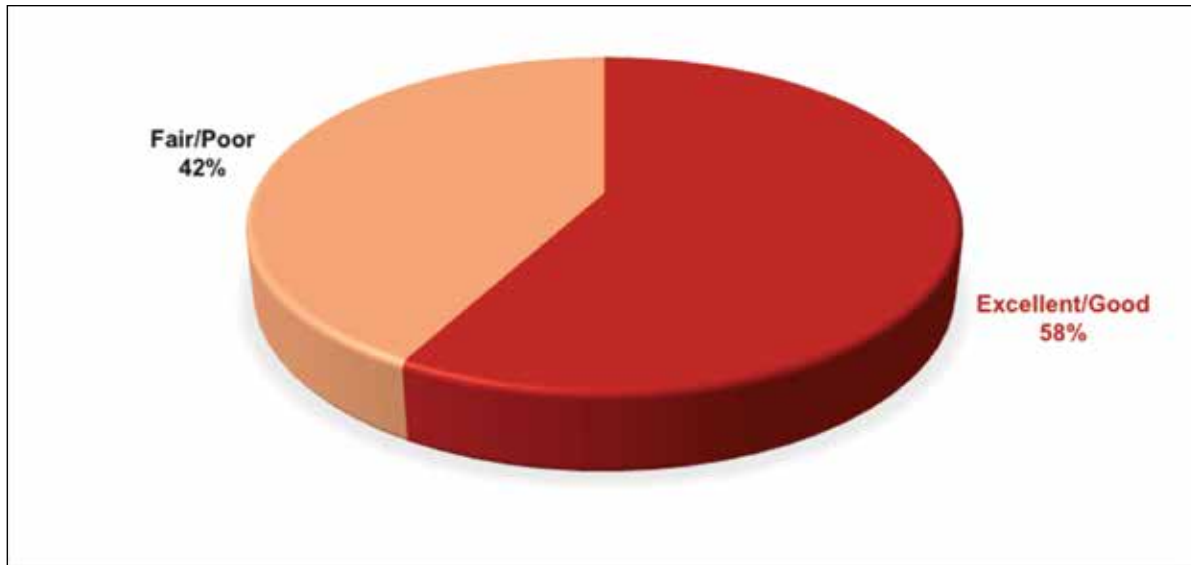


Figure 9: Service delivery rating on online opinion poll in 2013

Internal communication

The following campaigns were initiated and celebrated as special internal communication projects for the period under review:

- In celebration of International Mandela Day, Council and the Hatfield Christian Online School went live with the online programme at Wozanibone Secondary School on 19 July 2013.
- Secretaries in the Office of the Registrar were treated to a brunch at Leriba Lodge, Centurion on 4 September 2013.
- A year-end team building exercise was held on 29 November 2013 at Riviera on Vaal, Vereeniging. Participants were divided into three groups – CSR, Professional Affairs and Corporate Services.



Michelle de Beer, Manager Stakeholder Relations, and Moloko Masenya, Communication Practitioner, assisting delegates at the 1st National Pharmacy Conference Golf Day

Public and Media Relations

Council enjoyed valuable communication opportunities and interaction with pharmacy professionals and public stakeholders via informative exhibitions at five major pharmaceutical conferences during 2013:

- Dis-Chem National Congress, 18–22 January 2013
- The 27th South African Association of Hospital Institutional Pharmacists (SAHIP) conference, held at Drakensberg Champagne Sport Resort in KwaZulu-Natal, 14–17 March 2013
- 1st National Pharmacy Conference hosted by the South African Pharmacy Council, 23–26 June 2013
- ICPA conference, 3–5 October 2013
- National HR Workshops held during September
- 7th Annual Clicks Healthcare Conference, 3–5 October 2013.

National Pharmacy Week

Many consumers are reluctant to use generic medicines because they do not know if these products can be trusted. "They have the right to know that when they receive a generic medicine, the product offers good value for money, has been tested and approved by the Medicines Control Council, and is effective and safe," said Lorraine Osman, vice president of the South African Pharmacy Council. Pharmacy Week 2013 took place between 1 and 8 September 2013 and focused on generic medicines.

The theme, *Understand Generic Medicines*, addressed the consumer's need to know and understand the medicines they receive in pharmacies.

The SAPC, partnering with the Pharmaceutical Society of South Africa, the National Department of Health and Systems for Improved Access to Pharmaceuticals and Services (SIAPS), requested every pharmacy professional to continue promoting this message in their daily interactions with patients and to stay committed to making the most of every opportunity to educate and inform consumers about pharmacy.

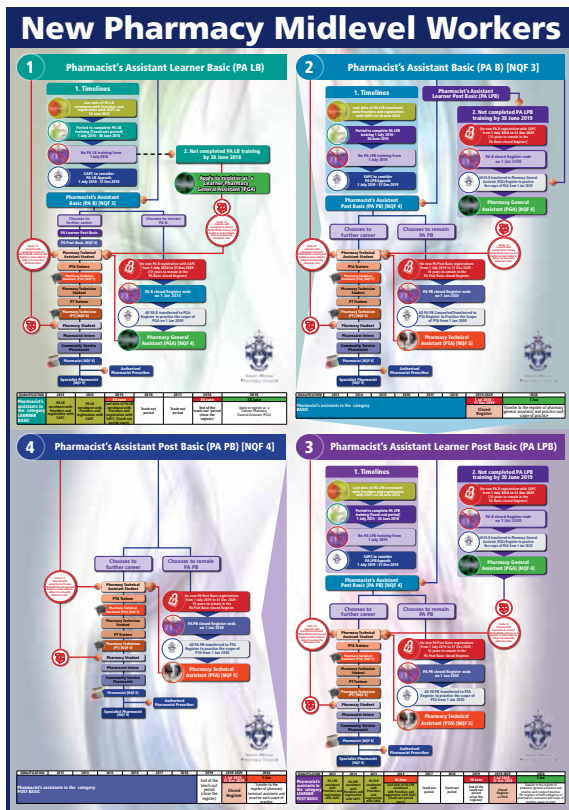


Publications and posters

Information on the activities of Council, important Council resolutions and articles on a diversity of issues were available to all persons on the register through the official publication, *Pharmaciae*.

Two editions of *Pharmaciae* and the 2012 Annual Report were produced during 2013.

Two posters were designed and distributed to professionals – the new pharmacy midlevel worker's process and the pharmacy support personnel's scope of practice.



Pharmacy Support Personnel Scope of Practice SAPC 2013

SCOPE OF PRACTICE	Pharmacist's Assistant Basic	Pharmacist's Assistant Post Basic	Pharmacy General Assistant	Pharmacy Technical Assistant	Pharmacy Technician
1. General housekeeping and administrative tasks in the pharmacy as specified by the responsible pharmacist	Yes	Yes	Yes	Yes	Yes
2. Assist with packaging and re-packaging of Schedule 0 to Schedule 5 (excluding Specified Schedule 5) medicines	Yes	Yes	Yes	Yes	Yes
3. Picking, packing and dispatching of orders for Schedule 0 to Schedule 5 medicines provided that orders that contain Schedule 5 medicines are validated by a pharmacist prior to release thereof	Yes	Yes	Yes	Yes	Yes
4. Assist with the management of stock of Schedule 1 to Schedule 5 medicines; provided that orders that contain medicines which fall into Schedule 5 are validated by a pharmacist	Yes	Yes	Yes	Yes	Yes
5. Assist with the compounding, manipulation, preparation and manufacturing of non-sterile Schedule 1 to Schedule 5 medicines; provided that the pharmacy general assistant is not involved in the planning of the production process, interpretation and evaluation, validation and quality assurance	Yes	Yes	Yes	Yes	Yes
6. The provision of information to individuals to promote health	Yes	Yes	No	No	No
7. The sale of Schedule 1 medicines without the prescription from an authorised prescriber; provided that supply of a Schedule 1 medicine takes place in consultation with a pharmacist	Yes	Yes	No	No	Yes
8. The sale of Schedule 1 and 2 medicines without a prescription from an authorised prescriber; provided that the supply of a Schedule 2 medicine takes place in consultation with a pharmacist	No	Yes	No	No	Yes
9. The dispensing of Schedule 1, 2, 3 and 4 medicines (i.e. the selection, manipulation or compounding of the medicine, the labelling and packing of the medicine in an appropriate container and the provision of information to a patient, caregiver or the agent of a patient regarding the correct use of medicine to optimize therapeutic outcomes) on the prescription of an authorised prescriber; provided that the pharmacist interprets and evaluates the prescription	No	Yes	No	No	Yes
10. Work under indirect supervision in a primary health care clinic	No	Yes	No	No	Yes
11. The checking of orders containing Schedule 1 to 4 medicines in closed packs, prior to the packing and despatch thereof, which have been picked by a pharmacist's assistant, as well as the supervision of such person; provided that this function may only be performed in a manufacturing pharmacy, wholesale pharmacy or bulk store of an institutional pharmacy	No	No	No	Yes	Yes
12. Assist with the manufacturing, compounding, manipulation or preparation of sterile medicine or scheduled substance, in accordance with the Medicines Act	No	Yes	No	Yes	Yes
13. Assist with the selection or preparation of a Schedule 1 to Schedule 5 medicine or scheduled substance prescribed by an authorised prescriber and the labelling of an appropriate container, following the interpretation and evaluation of the prescription by a pharmacist	No	Yes	No	Yes	Yes
14. The provision of information to a patient, caregiver or the agent of a patient to optimise therapeutic outcomes resulting from the use of medicines which have been dispensed at a pharmacy and sent to the primary health care clinic for supply to the patient or the patient's agent or caregiver	No	No	No	No	Yes
15. The ordering and receipt of Schedule 1 to Schedule 5 medicines; provided that orders that contain Schedule 5 medicines are validated by a pharmacist	No	Yes	No	No	Yes
16. The sampling or supervision of the sampling of medicines in accordance with Good Manufacturing Practice	No	No	No	No	Yes
17. The packaging and re-packaging of Schedule 0 to Schedule 5 (excluding Specified Schedule 5) medicines, in accordance with the Medicines Act, provided that the functions of the pharmacy technician may include: (i) checking and signing the identity of the bulk product and printed packaging material in accordance with the Batch Manufacturing/Packaging Document and in compliance with standard operating procedures (ii) start-up line clearance and opening of the packaging line in accordance with standard operating procedures; and detailed checklist, provided that the pharmacist has provided the necessary signed authorisation thereof (iii) in process control during packaging and re-packaging of Schedule 0 to Schedule 5 (excluding Specified Schedule 5) medicines, provided that the pharmacist does periodic checks in accordance with standard operating procedures and that final line closure is signed off by the pharmacist	No	No	No	No	Yes
18. Supervision of pharmacy support personnel as specified by the responsible pharmacist	No	No	No	No	Yes
19. The provision of technical support in the provision of screening tests provided that where an interpretation of results is required this is done by a pharmacist	No	No	No	No	Yes

Media interactions

A number of topical press statements were released before and during the 1st National Pharmacy Conference. The Office of the Registrar responded to these and other media queries from national newspapers.

Council does not have a separate budget for public relations campaigns, but cognisance was taken of the importance of celebrating awareness days, public education and awareness campaigns. The official media spokespersons for Council are the Registrar and the President.

Stakeholder Relations

Customer Care (pre-audit centre)

The pre-audit centre notifies customers instantly of the receipt of their documents or outstanding documents required for registration via SMS or email. This system assists customers with tracking their registration enquiries, follow-ups and progress in respect of their applications.

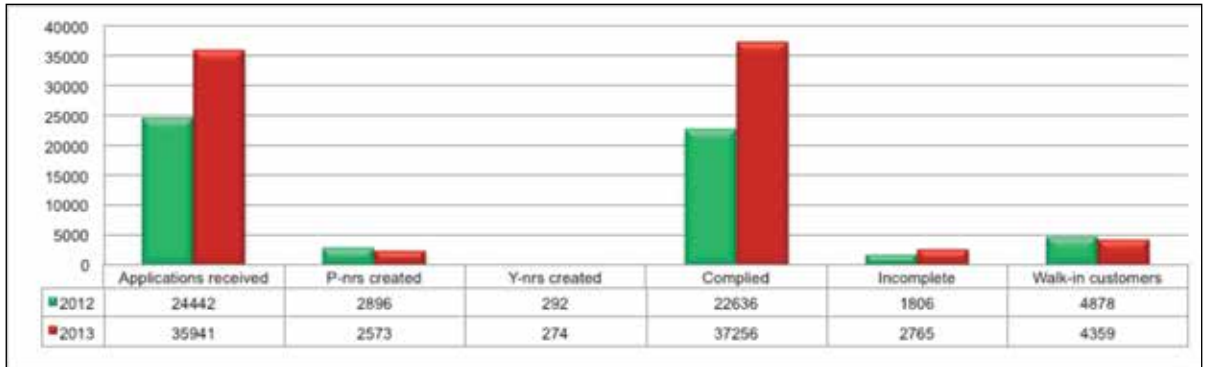


Figure 10: Customer Care (pre-audit centre) operations for 2013

During 2013, 32% more applications were received than for the same period in 2012. The Customer Care Contact Centre validated 39% more individual applications than in 2012, as indicated in Figure 10. A customer care officer validated an average of 32 applications per day compared with 20 applications per day in 2012, indicating a productivity improvement of 37.5%.

Of the total number of applications submitted in 2013, 93% complied with Council's requirements and were, after validation, escalated to the technical departments for immediate processing. A total of 2,765 applications were followed up for outstanding documentation. This total excluded the non-dashboard documents. The Office of the Registrar attended to 4,359 walk-in customers during 2013. The service delivery opinion poll that was conducted at the walk-in centre indicated that 89% rated the service received as either 'excellent' or 'good'.

Contact Centre

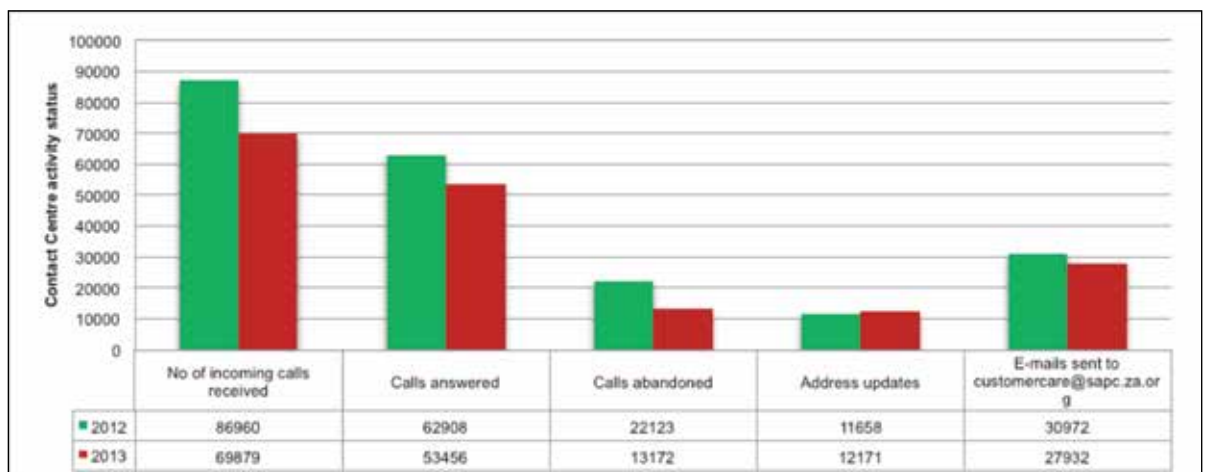


Figure 11: Customer Care Contact Centre operations for 2012 and 2013

Of the incoming calls in 2012, 56% of callers were directed to 'queue'. In 2013, this number dropped to 18% due to the assistance of contact centre interns. This allowed the contact centre to achieve a service level of 77% in 2013 compared with 41% in 2012. It is anticipated that from the improved online web functionality offered by Council, and the usage thereof by the profession, the physical interaction numbers in terms of telephone usage and email will decrease.

Logistics Centre

The primary responsibilities of this unit include scanning and imaging of all documents received; creating 35% of all new applications received and mailing cases on the dashboard; mailing and courier services; printing and binding of all authorised documentation; controlled access to all electronic and hardcopy records, including archiving and/or off-site storage of all records.

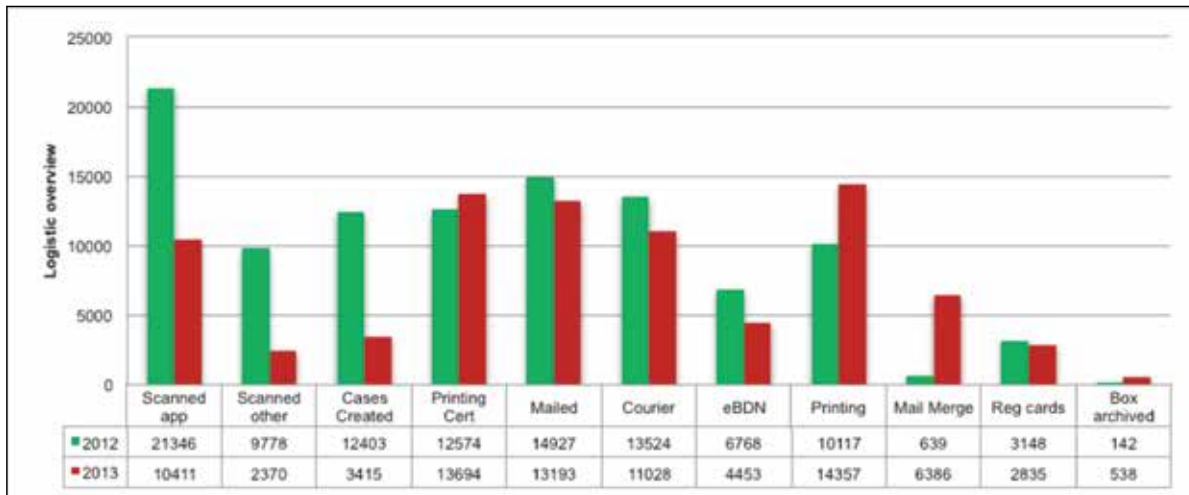


Figure 12: Logistics Centre operations for 2013

After the implementation of the new organisational structure in December 2011, the CSR management expressed concern that the skills level of three of the four logistic clerks allocated to the logistic operations were inadequate to meet the service level demands of the unit. This unit is increasingly evolving to an information technology platform. The unit serves as the entry and exit point of all service delivery traffic in terms of creating cases, printing and mailing/couriering. The service delivery audit identified the time frames of this unit as a risk factor and Council’s operational comments in terms of ‘lost documents’ were also raised.

Of significance is that Council’s Optical Character Recognition (OCR) system significantly improved the efficiency of creating cases. Of the 31,582 cases created during the period under review, 64% were created using the OCR system, 35% were created manually and 1% created online.

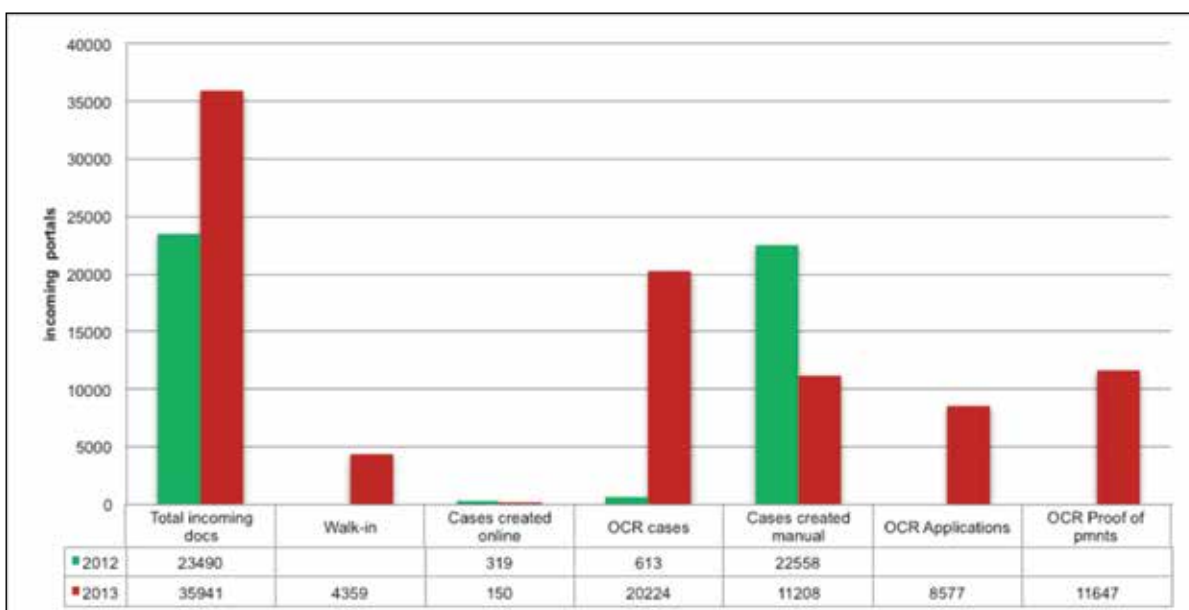


Figure 13: Cases created from OCR and manually

Financial Management

Financial management focuses on two strategic objectives of Council:

- Promotion of transparency to the profession and the public.
- Provision of managerial and administrative support for the sustainability of Council as a going concern.

In line with the above strategic focus areas, the Office of the Registrar ensures efficient and effective management of Council's financial resources, fixed assets and business risk mitigation in line with best practice.

In the year under review, the Audit Committee had oversight on financial management controls, and the Board of Trustees had oversight on the governance of the SAPC Pension Fund. The Treasurer, Mr S Choma, a member of Council, liaised with management and signed on behalf of Council for certain threshold commitments per supply chain management and investment policies.



*Voster Himbotwe
General Manager: Finance*

Coordination of Standing Committees of Council

Audit Committee report

The Audit Committee assisted Council in fulfilling its oversight responsibility by serving as an independent and objective party to monitor and strengthen the objectivity and credibility of financial reporting process and internal control systems.

The committee appraised the internal and external assurance functions and provided a channel of communication between the external auditors, the outsourced internal audit and management.

The committee consisted of five members appointed in terms of the Audit Committee Charter, three of whom were independent professionals, namely Mr T Boltman (chairperson), Advocate MJ Ralefatane and Prof J Kruger (appointed on resignation of Mr CD Kneale). The two Council members were Ms L Osman and Mr K Johnson.

During the year, the Audit Committee held three meetings in line with the Audit Committee Charter.



*Trevor Boltman
Chairperson: Audit Committee*

Trustees Committee (Board)

The board oversees the functioning of the SAPC Pension Fund (the Fund) which is a separate legal entity to the SAPC.

From 1 July 2010, the Fund converted to defined contribution (DC) and all employees employed after that date are on DC. During the period under review, investigations were finalised to convert fully the Fund from defined benefit (DB) to DC. The conversion could not be finalised due to financial constraints.

The reasons that necessitate conversion of the Fund are:

- DB is incompatible with cost to company salary structure in that there is cross subsidisation on contributions made into the fund by members. Consequently, two employees employed on the same date with the same salary but different ages would have different fund values
- DB exposes Council, not the Fund, to risk of being sued by members whose contributions are used to subsidise other members
- Council as employer carries the risk of funding any shortfall or deficit in perpetuity arising from actuarial valuation in terms of the Pension Funds Act No 24 of 1956.



*Bada Pharasi
Chairperson: Trustees Committee*

The Financial Services Board (FSB) accepted and approved the actuarial valuation as at 30 June 2012. The valuation indicated a deficit of R1 394 000 that was paid off by Council during the year. Additional employer pension contributions per month amounted to R50 000 to facilitate full conversion of the Fund in the near future.

The audited financial statements of the Fund were prepared punctually and approved by FSB.

The Fund's general and governance information is as follows:

Principal Officer:
Mr V Himbotwe

Administrator:
ABSA Consultants and Actuaries (Pty) Ltd

Valuator:
Mr M Venter

Auditors:
Geyser & Du Plessis

Investment manager:
Old Mutual

Employer representatives:
Mr OMB Pharasi (Chairperson)
Mr MS Choma
Mr TA Masango
Dr P Naidoo (Alternate)

Employee representatives:
Ms DG Hoffmann
Mr NJ Mashishi
Ms MM Mokoena
Mr D Nkuna (Alternate)

Promotion of transparency to the profession and the general public

The core values of Council embrace the principles of good corporate governance, as espoused in the King III Report on Corporate Governance for South Africa.

Councillors

Council members meet four times annually and are responsible for preparing financial statements, monitoring executive management, and exercising control over the organisation's activities. The roles of the president and the chief executive officer are separate in accordance with the King recommendations. The president holds a non-executive office. Council members set the overall policy for the organisation and make decisions on matters of strategic importance.

Financial statements

Council members are responsible for the preparation of annual financial statements that fairly present the financial position of the organisation and the results of its operations and cash flow information for the year then ended. The auditors, OMA Chartered Accountants Inc. (OMA), are responsible for independently auditing and reporting on the financial statements. Their report is presented on page 52. In preparing the financial statements Council applied judgment and estimates, and adhered to International Financial Reporting Standards for Small- and Medium-sized Entities (IFRS for SMEs).

Audit Committee

The Audit Committee is an independent committee established to provide oversight and additional assurance on the reliability and integrity of both financial and non-financial activities of Council. The Audit Committee was satisfied that the annual financial statements for the year 2013 fairly present Council's financial position and recommended that Council members approve the annual financial statements. The report of the committee is on page 47.

Code of conduct

Council is committed to an exemplary standard of business ethics and transparency in all its dealings with stakeholders. Both Council members and employees are bound by a code of conduct. Conflict of interest is avoided during Council meetings. Gifts received, if accepted, are declared in line with good corporate governance.

Provision of managerial and administrative support for the sustainability of Council as a going concern

Financial performance and position

Description/Year	2009	2010	2011	2012	2013
Current assets (R)	13,370,580	7,862,340	9,443,139	15,358,998	12,239,586
Current liabilities(R)	15,132,491	11,112,746	12,317,016	18,049,631	19,813,974
Liquidity ratio	0.88	0.71	0.77	0.85	0.62
Income (R)	28,080,796	32,258,854	37,049,391	39,160,954	54,144,362
Expenditure (R)	28,042,607	32,075,207	36,814,079	41,109,098	54,191,014
Total comprehensive income for the year [Surplus/(deficit)](R)	38,189	183,647	235,312	(1,948,144)	(46,652)

There was an overall reduction of 7.01% in assets resulting from current assets, bad debts write-off. Bad debts relate mainly to pharmacies closed off over years, confirmed through various ways, including debt collection and monitoring inspections. However, non-current assets grow by 12.44% because of surplus from the pension benefit asset, which also resulted in overall reduction of 8.18% in liabilities.

Liquidity ratio reduced by 27.06% due to reduction in current assets as explained above and due to an increase of 9.75% in trade and other payables. Trade and other payables relate mainly to income received in advance from members' payment of annual fees for the year 2014. Annual fees for retail pharmacies and pharmacists are due on 2 January and 1 February respectively.

Overall revenue/income and expenditure grew by 38.26% and 31.82% respectively, attributed to the 1st National Pharmacy Conference held at Sun City, resulting in deficit of R46 652. The conference funding was from registration fees of participants and various sponsors.

Budgetary control

The budget for the year 2013 was approved at the 17/18 October 2012 Council meeting. Budget performance reports were presented to management, the Executive Committee, the Audit Committee and Council. At various committee meetings respective budget performance reports formed part of the agenda.

Supply chain management

Council has adopted a proactive stance towards black economic empowerment. Procurement policies are in support of government policy for the general good in addressing past imbalances. The list of prospective suppliers was updated. The adjudicating and tender committees presided on purchases above the value of R30 000 and R300 000 respectively.

Business risk and internal controls assurance

A risk focused internal audit plan for the three years ending 31 December 2015 was developed by internal audit and approved by the Audit Committee. The internal audit function was outsourced to independent auditors, SAB&T Chartered Accountants Inc (SAB&T). SAB&T attended Audit Committee meetings to report on adequacy of internal controls implemented by management. During the year, SAB&T conducted the following audits and reported to the Audit Committee:

- Education and Training
- Pharmacy Practice
- Governance
- Financial Management
- Pharmacy conference factual findings audit.

The appointment cycle of the internal auditors was coming to an end in 2013 and an advertisement was prepared for the appointment of new internal auditors.

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 December 2013.

Audit Committee members and attendance

The committee consisted of the members listed hereunder and met three times during the year, in accordance with its terms of reference.

Name of Member	Number of meetings attended 2013
Mr Trevor Boltman (Chairperson)	2
Mr KA Johnson	3
Ms L Osman	2
Adv M Ralefatane	3
Mr CD Kneale – resigned due to other commitments	1
Prof J Kruger – was appointed	1

Table 25: Number of meetings attended by Audit Committee members

Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibility arising from the International Financial Reporting Standards appropriate to the SAPC. The Audit Committee reports it has adopted formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter, and has discharged all its responsibilities as contained therein.

Effectiveness of internal control

The system of internal control is effective, as the reports of the Internal Auditors and the Audit Report on the 2013 annual financial statements of OMA Chartered Accountants Inc. (OMA) have not reported any material or non-compliance with prescribed policies and procedures.

Evaluation of financial statements

The Audit Committee has:

- reviewed and discussed with OMA and the Accounting Authority the audited annual financial statements;
- reviewed OMA's management letter and management responses; and
- reviewed significant adjustments resulting from the audit.

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



Mr T Boltman

Chairperson of the Audit Committee

14 May 2014

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Pharmacy industry regulator
Registered office	591 Belvedere Street Arcadia Pretoria 0083
Business address	591 Belvedere Street Arcadia Pretoria 0083
Postal address	Private Bag X40040 Arcadia Pretoria 0007
Bankers	Standard Bank of South Africa Investec Bank Limited
Auditors	OMA Chartered Accountants Incorporated Chartered Accountants (S.A.) Registered Auditors
Secretary	Debbie Hoffman
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Pharmacy Act, 53 of 1974.
Preparer	The financial statements were internally compiled by Voster Himbotwe, General Manager: Finance

Index

The reports and statements set out below comprise the financial statements presented to the South African Pharmacy Council:

Index	Page
Councillors' Responsibilities and Approval	51
Independent Auditors' Report	52
Councillors' Report	54-56
Statement of Financial Position	57
Statement of Comprehensive Income	58
Statement of Changes in Equity	59
Statement of Cash Flows	60
Accounting Policies	61-63
Notes to the Financial Statements	64-69
Detailed Income Statement	70-71

Preparer

Voster Himbotwe
General Manager: Finance

Published

14 May 2014

Councillors' Responsibilities and Approval

The Registrar shall keep true and accurate records of all income and expenditure as required by the Pharmacy Act, 53 of 1974 and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the councillors' responsibility 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, in conformity with the International Financial Reporting Standards for Small- and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standards for Small- and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The councillors 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 councillors to meet these responsibilities, the councillors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Council and all employees are required to maintain the highest ethical standards in ensuring the Council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Council is on identifying, assessing, managing and monitoring all known forms of risk across the Council. While operating risk cannot be fully eliminated, the Council endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The councillors 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 loss.


The councillors have reviewed the Council's cash flow forecast for the year to 31 December 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 auditing 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 52.

The financial statements set out on pages 54-71, which have been prepared on the going concern basis, were approved by the councillors on 14 May 2014, and were signed on its behalf by:



Dr M Chetty (President)



Ms NP Thipa (Treasurer)



Mr TA Masango (Registrar)

Report of the independent auditors to the councillors of South African Pharmacy Council

We have audited the financial statements of South African Pharmacy Council, as set out on pages 57 to 69, which comprise the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Councillors' Responsibility for the Financial Statements

The councillors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small- and Medium-sized Entities, and requirements of the Pharmacy Act, 53 of 1974, and such internal control as the councillors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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 aspects, the financial position of the South African Pharmacy Council as at 31 December 2013, and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards for Small- and Medium-sized Entities, and the requirements of the Pharmacy Act, 53 of 1974.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 December 2013, we have read the Councillors' Report for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. This report is the responsibility of the respective preparer. Based on reading this report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.



O.M.A Chartered Accountants Incorporated
Registered Auditors

Per: Osman Moosa CA (S.A.)
Pretoria
14 May 2014

South African Pharmacy Council

Financial Statements for the year ended 31 December 2013

Councillors' Report

The council members have pleasure in submitting their report on the financial statements of the South African Pharmacy Council for the year ended 31 December 2013.

1. Nature of business

The South African Pharmacy Council is a non-profit making statutory body governed by the Pharmacy Act, 53 of 1974. The objectives of the Council (as contained in the Act) may be summarised as follows:

- assist in the promotion of the health of the population of the Republic;
- advise the minister, or any other person, on any matter relating to pharmacy;
- promote the provision of pharmaceutical care;
- uphold and safeguard the rights of the general public to universally acceptable standards of pharmacy practice; and
- establish, develop, maintain and control universally acceptable standards relating to pharmaceutical education and training, registration, practice and professional conduct.

There have been no material changes to the nature of the Council's business from the prior year.

2. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards for Small- and Medium-sized Entities and the requirements of the Pharmacy Act, 53 of 1974. The accounting policies have been applied consistently compared with the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

3. Councillors

The councillors in office at the date of this report are as follows:

Councillors	Office	End of term: 21/10/2013
Mr OMB Pharasi	President	
Ms L Osman	Vice President	
Mr MS Choma	Treasurer	
Dr JC Gouws	DoH Representative	
Dr SI Boschmans	Education Committee Chairperson	
Mr CB Shabalala	Practice Committee Chairperson	
Mr KA Johnson	CPI Chairperson	
Ms S Mthiyane	Health Committee Chairperson	
Dr P Naidoo	CPD Committee Chairperson	
Mr CJ Cawood		
Prof CM Dangor		
Mr DJH Defty	Vice President (effective 13/02/2014)	
Prof AGS Gous		
Mr W Jordaan		
Mr MC Joubert		
Ms N Makunzi		
Mr J Meakings		
Mr L Moshiga		
Mr HT Mphaka		
Ms TL Mulovhedzi		
Prof DW Oliver		
Mr S Ramasala		
Ms PB Santho	CII Chairperson	
Ms ME Sclanders		
Ms SEN Skweyiya		

South African Pharmacy Council

Financial Statements for the year ended 31 December 2013



South African
Pharmacy Council

Councillors' Report

The following councillors were re-elected/re-appointed for the next term end in 2018.

Mr DJH Defty (Vice President)
Dr P Naidoo CPD Committee Chairperson
Mr CJ Cawood
Mr HT Mphaka
Prof SI Boschmans

The council members appointed from 1 January 2014 are as follows:

Prof M Chetty	President (effective 13/02/2014)
Ms NP Thipa	Treasurer (effective 13/02/2014)
Mr G Steel	DoH Representative
Prof RB Walker	Education Committee Chairperson
Mr VC Dlamini	Health Committee Chairperson
Ms L Roets	CPI Chairperson
Mr R Moodley	CII Chairperson
Mr JS du Toit	
Ms HC Hayes	
Ms CN Jasson	
Mr GJ Kgasane	
Mr PG Kyriacos	
Ms L Mahlangu	
Ms JA Maimin	
Ms SD Mayinga	
Mr JA Raats	
Mr TS Rasekele	
Mr MJ Snyman	
Ms A Soka	
Ms RV Wrigglesworth	

4. Events after the reporting period

The councillors are not aware of any event which occurred after the reporting date and up to the date of this report that has a material effect on the financial statements.

5. Going concern

The councillors believe that the Council has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The councillors have satisfied themselves that the Council is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The councillors are not aware of any new material changes that may adversely impact the Council. The councillors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Council.

6. Auditors

OMA Chartered Accountants Incorporated continued in office as auditors for the Council for 2013.

At the council meeting, the Registrar will be requested to reappoint OMA Chartered Accountants Incorporated as the independent external auditors of the Council and to confirm Mr Osman Moosa as the designated lead audit partner for the 2014 financial year.

7. Secretary

The company secretary is Ms Debbie Hoffman.



South African Pharmacy Council

Financial Statements for the year ended 31 December 2013

Councillors' Report

Postal address

Private Bag X40040
Arcadia
0007

Business address

591 Belvedere Street
Arcadia
0083

8. Audit Committee

The Audit Committee is constituted in terms of the requirements of sound corporate governance practices and operates within that framework. The committee consists of non-executive members of which two are councillors and three are independent professionals with accounting, auditing and legal background. The committee meets at least three times a year.

The primary responsibility of the committee is to assist the councillors in carrying out their duties relating to the Council's accounting policies, internal control systems, financial reporting and practices. The external auditors formally report to the committee on critical findings arising from audit activities.

The committee members during the year were: Mr T Boltman (chairperson), Mr KA Johnson, Ms L Osman, Advocate M Ralefatane and Prof J Kruger.

South African Pharmacy Council

Financial Statements for the year ended 31 December 2013

Statement of Financial Position as at 31 December 2013

	Note(s)	2013 R	2012 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	8 787 390	8 598 024
Intangible assets	3	1 602 637	1 902 302
Retirement benefit asset	4	1 417 000	-
		11 807 027	10 500 326
Current Assets			
Trade and other receivables	5	6 529 655	8 267 067
Cash and cash equivalents	6	5 709 931	7 091 931
		12 239 586	15 358 998
Total Assets		24 046 613	25 859 324
Equity and Liabilities			
Equity			
Retained income		4 224 204	4 270 856
Liabilities			
Non-Current Liabilities			
Finance lease obligation	7	8 435	116 837
Retirement benefit obligation	4	-	3 422 000
		8 435	3 538 837
Current Liabilities			
Finance lease obligation	7	40 259	23 876
Trade and other payables	9	18 474 603	16 833 726
Provisions	8	1 299 112	1 192 029
		19 813 974	18 049 631
Total Liabilities		19 822 409	21 588 468
Total Equity and Liabilities		24 046 613	25 859 324

South African Pharmacy Council

Financial Statements for the year ended 31 December 2013

Statement of Comprehensive Income

	Note(s)	2013 R	2012 R
Revenue	10	52 249 452	37 847 423
Other income	11	1 459 447	921 123
Operating expenses		(51 813 584)	(39 245 902)
Operating profit (loss)		1 895 315	(477 356)
Investment revenue	12	435 463	392 408
Finance costs	13	(2 377 430)	(1 863 196)
Loss for the year		(46 652)	(1 948 144)
Other comprehensive income		-	-
Total comprehensive loss for the year		(46 652)	(1 948 144)

South African Pharmacy Council

Financial Statements for the year ended 31 December 2013

Statement of Changes in Equity

	Retained income R	Total equity R
Balance at 01 January 2012	6 219 000	6 219 000
Loss for the year	(1 948 144)	(1 948 144)
Other comprehensive income	-	-
Total comprehensive loss for the year	(1 948 144)	(1 948 144)
Balance at 01 January 2013	4 270 856	4 270 856
Loss for the year	(46 652)	(46 652)
Other comprehensive income	-	-
Total comprehensive loss for the year	(46 652)	(46 652)
Balance at 31 December 2013	4 224 204	4 224 204

South African Pharmacy Council

Financial Statements for the year ended 31 December 2013

Statement of Cash Flows

	Note(s)	2013 R	2012 R
Cash flows from operating activities			
Cash generated from operations	15	2 898 843	4 392 502
Interest income		435 463	392 408
Finance costs		(2 266 573)	(1 859 559)
Net cash from operating activities		1 067 733	2 925 351
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(1 654 515)	(1 077 774)
Sale of property, plant and equipment	2	38 955	(275 152)
Purchase of other intangible assets	3	(631 299)	(357 908)
Net cash from investing activities		(2 246 859)	(1 710 834)
Cash flows from financing activities			
Finance lease payments		(202 876)	137 076
Total cash movement for the year		(1 382 002)	1 351 593
Cash at the beginning of the year		7 091 931	5 740 338
Total cash at end of the year	6	5 709 929	7 091 931

South African Pharmacy Council

Financial Statements for the year ended 31 December 2013

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the International Financial Reporting Standards for Small- and Medium-sized Entities, and the Pharmacy Act, 53 of 1974. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the financial statements.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated value of employee benefit plan

Assumptions were made in the valuation of the Council's retirement benefit plan. Details of the assumption and risk factors used are set out in note 4.

Other estimates made

The Council also makes estimates for:

- the calculation of finance lease present values; and
- the determination of useful lives and residual values of items of property plant and equipment

1.2 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

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.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Land	indefinite
Buildings	20 years
Furniture and fixtures	10 years
Motor vehicles	4 years
Office equipment	5 years
IT equipment	3 years
Cellphones & tablets (included in office equipment)	2 years

South African Pharmacy Council

Financial Statements for the year ended 31 December 2013

Accounting Policies

1.2 Property, plant and equipment (continued)

Land is not depreciated as it is deemed to have an indefinite life.

The carrying value of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recovered. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The residual values and useful lives of each asset are reviewed at each financial period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.3 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are initially recognised at cost.

All research and development costs are recognised as an expense unless they form part of the cost of another asset that meets the recognition criteria.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date if there are indicators present that there is a change from the previous estimate.

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

Item	Useful life
Computer software	2 years
Register (included in computer software)	5 years

1.4 Financial instruments

Initial measurement

The Council classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

1.5 Leases

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

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term except in cases where another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or where the payments are structured to increase in line with expected general inflation.

1.6 Impairment of assets

The Council assesses at each reporting date whether there is any indication that an asset may be impaired.

Accounting Policies

1.6 Impairment of assets (continued)

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.7 Employee benefits

Defined contribution plans

Under defined contribution plan the Council's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund. Consequently, the actuarial risk that benefits will be less than expected and the investment risk that assets invested will be insufficient to meet expected benefits is borne by employees

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

Past service costs are recognised immediately as an expense.

Actuarial gains or losses are recognised in profit or loss.

1.8 Provisions and contingencies

Provisions are recognised when:

- the company has an obligation at the reporting date as a result of a past event;
- it is probable that the company will be required to transfer economic benefits in settlement; and
- the amount of the obligation can be estimated reliably.

Contingencies are disclosed in note 17.

1.9 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

South African Pharmacy Council

Financial Statements for the year ended 31 December 2013

Notes to the Financial Statements

	2013			2012		
	R			R		
2. Property, plant and equipment						
	2013			2012		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying Value	Cost/ Valuation	Accumulated depreciation and impairments	Carrying Value
Land	600 000	-	600 000	600 000	-	600 000
Buildings	10 254 952	(4 557 349)	5 697 603	9 673 292	(4 065 231)	5 608 061
Furniture and fixtures	1 974 145	(951 504)	1 022 641	1 917 961	(815 182)	1 102 779
Motor vehicles	155 220	(155 219)	1	155 220	(155 219)	1
Office equipment	1 237 010	(791 355)	445 655	1 458 389	(868 247)	590 142
IT equipment	2 541 627	(1 520 137)	1 021 490	1 924 514	(1 227 473)	697 041
Total	16 762 954	(7 975 564)	8 787 390	15 729 376	(7 131 352)	8 598 024

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Disposals	Depreciation	Total
Land	600 000	-	-	-	600 000
Buildings	5 608 061	581 660	-	(492 118)	5 697 603
Furniture and fixtures	1 102 779	98 683	(7 603)	(171 218)	1 022 641
Motor vehicles	1	-	-	-	1
Office equipment	590 142	154 236	(19 503)	(279 220)	445 655
IT equipment	697 041	819 936	(15 165)	(480 322)	1 021 490
	8 598 024	1 654 515	(42 271)	(1 422 878)	8 787 390

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Disposals	Depreciation	Total
Land	600 000	-	-	-	600 000
Buildings	5 940 960	149 369	-	(482 268)	5 608 061
Furniture and fixtures	1 120 112	148 814	(2 848)	(163 299)	1 102 779
Motor vehicles	1	-	-	-	1
Office equipment	569 371	280 993	(2 600)	(257 622)	590 142
IT equipment	609 505	498 598	-	(411 062)	697 041
	8 839 949	1 077 774	(5 448)	(1 314 251)	8 598 024

Assets subject to finance lease (Net carrying amount)

Office equipment	34 095	136 111
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Details of properties

Land and buildings is situated at 591 Belvedere Street, Arcadia, Pretoria.

Erf 1470, Arcadia, Pretoria in the extent of 1708 (one thousand seven hundred and eight) square meters is held under title deed number T9380/1988.

South African Pharmacy Council

Financial Statements for the year ended 31 December 2013

Notes to the Financial Statements

	2013	2012
	R	R

3. Intangible assets

	2013			2012		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	3 682 283	(2 079 646)	1 602 637	3 050 984	(1 148 682)	1 902 302

Reconciliation of intangible assets - 2013	Opening balance	Additions	Amortisation	Total balance
Computer software	1 902 302	631 299	(930 964)	1 602 637

Reconciliation of intangible assets - 2012	Opening balance	Additions	Amortisation	Total balance
Computer software	2 199 927	357 908	(655 533)	1 902 302

4. Retirement benefits

Defined benefit plan

As at 01 July 2010 the structure of the Council Pension Fund changed from defined benefit plan to defined contribution plan. The rules of the fund states that a member is entitled to a benefit on the defined contribution basis, with a guarantee that it will not be less than the benefit the member was entitled to on the defined benefit basis.

The Council Pension Fund was established on 01 July 1977. The rules of the fund were revised with effect from 01 July 2010.

The Council is yet to fully convert the fund to defined contribution structure as to avoid exposure to open ended liability at statutory valuation per Pension Funds Act No 24 of 1956.

The most recent actuarial valuation of the plan assets and the present value of the defined obligations were carried out on 31 December 2013 by ABSA Consultants and Actuaries. The present value of the defined benefit obligation and the related current service costs were measured using the Projected Unit Credit Method.

Carrying value

Present value of the defined benefit obligation wholly funded	(28 452 000)	(26 095 000)
Fair value of plan assets	29 869 000	22 673 000
	1 417 000	(3 422 000)
Non-current assets	1 417 000	-
Non-current liabilities	-	(3 422 000)
	1 417 000	(3 422 000)

Reconciliation of opening and closing balances of the defined benefit obligation

Opening balance	3 422 000	1 947 000
Contributions by members	(3 903 000)	(3 542 000)
Net expense recognised in profit or loss	(936 000)	5 017 000
	(1 417 000)	3 422 000

South African Pharmacy Council

Financial Statements for the year ended 31 December 2013

Notes to the Financial Statements

	2013	2012
	R	R
Net expense recognised in profit or loss		
Current service cost	4 023 000	2 758 000
Interest cost	2 257 000	1 841 000
Actuarial (gains) losses	(5 246 000)	2 541 000
Transfers	-	(110 000)
Expected return on plan assets	(1 970 000)	(2 013 000)
	(936 000)	5 017 000

Key assumptions used

Discount rates used	9,00 %	8,30 %
Expected rate of return on assets	9,00 %	10,50 %
Expected rate of general inflation	6,20 %	6,00 %
Expected increase in salaries	7,20 %	7,00 %

Assumptions regarding mortality are based on published tables and are consistent with previous statutory valuations.

5. Trade and other receivables

Trade receivables	5 893 106	8 100 654
Deposits	29 556	119 180
VAT	606 993	-
Accrued income	-	47 233
	6 529 655	8 267 067

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2 509	1 090
Bank balances	3 765 531	3 926 561
Short-term deposits	1 941 891	3 164 280
	5 709 931	7 091 931

7. Finance lease obligation

Minimum lease payments due

- within one year	65 686	123 294
- in second to fifth year inclusive	10 631	25 195
	76 317	148 489
less: future finance charges	(27 623)	(7 776)
Present value of minimum lease payments	48 694	140 713

Non-current liabilities	8 435	116 837
Current liabilities	40 259	23 876
	48 694	140 713

South African Pharmacy Council

Financial Statements for the year ended 31 December 2013

Notes to the Financial Statements

	2013	2012
	R	R

8. Provisions

Reconciliation of provisions - 2013

	Opening balance	Additions	Total balance
Provisions for leave pay	1 192 029	107 083	1 299 112

Reconciliation of provisions - 2012

	Opening balance	Additions	Total balance
Provisions for leave pay	881 657	310 372	1 192 029

9. Trade and other payables

Trade payables	1 658 858	877 693
Income received in advance	16 729 545	15 471 710
VAT	-	316 004
Deposits received	-	108 028
Other payables- Department of Health	86 200	60 291
	18 474 603	16 833 726

10. Revenue

Annual and registration fees	39 556 596	32 889 690
Rendering of services	41 686	34 267
Other revenue	12 651 170	4 923 466
	52 249 452	37 847 423

11. Other income

Sponsorship	1 459 447	250 175
VAT refund	-	670 948
	1 459 447	921 123

12. Investment revenue

Interest revenue

Bank	435 463	392 408
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13. Finance costs

Retirement fund interest	2 257 000	1 841 000
Finance leases	110 857	3 637
Bank	9 573	18 559
	2 377 430	1 863 196

14. Auditors' remuneration

Fees	170 949	152 952
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South African Pharmacy Council

Financial Statements for the year ended 31 December 2013

Notes to the Financial Statements

	2013	2012
	R	R
15. Cash generated from operations		
Loss before taxation	(46 652)	(1 948 144)
Adjustments for:		
Depreciation and amortisation	2 353 840	1 969 783
Loss on sale of assets	3 316	280 600
Interest received - investment	(435 463)	(392 408)
Finance costs	2 377 430	1 863 196
Movements in retirement benefit assets and liabilities	(4 839 000)	1 475 000
Movements in provisions	107 083	310 372
Changes in working capital:		
Trade and other receivables	1 737 412	(4 564 266)
Trade and other payables	1 640 877	5 398 369
	2 898 843	4 392 502

16. Commitments

Authorised capital expenditure

Committed but not contracted

• Property, plant and equipment	5 664 234	2 681 245
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This committed expenditure relates to plant and equipment and will be financed by funds internally generated.

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	658 575	753 990
- in second to fifth year inclusive	61 457	1 581 261
	720 032	2 335 251

17. Contingencies

There is a legal claim currently outstanding against the South African Pharmacy Council by Medirite (Proprietary) Limited in terms of which the South African Pharmacy Council has an undetermined contingent liability should an adverse legal cost order be made against the Council. The contingent liability is estimated at R 600 000.00

18. Related parties Relationships

Key management personnel are those members having authority and responsibility for planning, directing and controlling the activities of the Council. Key management personnel include the councillors, committee members and the Registrar.

Related party balances and transactions with persons with control, joint control or significant influence over the council

Related party transactions

Allowances	186 966	163 003
Committee meeting expenses	196 824	188 468
Council and sub-committee member fees	416 184	247 732
Election expenses	379 733	-
Locum fees	85 095	73 686
Preparation fees	185 802	42 586
Transport	692 469	672 322

South African Pharmacy Council

Financial Statements for the year ended 31 December 2013

Notes to the Financial Statements

	2013	2012
	R	R

19. 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.

20. Events after the reporting period

There were no adjusting events after the reporting period.

21. Financial risk management

The Council's activities expose it to a variety of financial risks including interest rate risk, credit risk and liquidity risk. The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the council's financial performance.

Risk management is carried out by the senior management under financial policies approved by council members.

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities. The Council manages liquidity risk through the compilation and monitoring of cash forecasts, as well as ensuring that adequate borrowing facilities are maintained. The maturity profile of the council's financial instruments is less than 12 months.

Interest rate risk

The Council's interest rate risk arises from the interest payable on operating leases. Interest rate is based on prime.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The Council only deposits cash with major banks with high quality credit standing and limits exposure to any one counter party.

As at 31 December 2013, the carrying values of trade payables, cash and accrued expenses are assumed to approximate their fair values due to the short- term maturities of these financial statements.

South African Pharmacy Council

Financial Statements for the year ended 31 December 2013

Detailed Income Statement

	Note(s)	2013 R	2012 R
Revenue			
Annual and registration fees		39 556 596	32 889 690
Examination fees		41 686	34 267
Other revenue		12 651 170	4 923 466
	10	52 249 452	37 847 423
Other income			
Sponsorships received		1 459 447	250 175
VAT refunds received		-	670 948
Interest received	12	435 463	392 408
		1 894 910	1 313 531
Expenses (Refer to page 71)		(51 813 584)	(39 245 902)
Operating profit (loss)		2 330 778	(84 948)
Finance costs	13	(2 377 430)	(1 863 196)
Loss for the year		(46 652)	(1 948 144)

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

South African Pharmacy Council

Financial Statements for the year ended 31 December 2013

Detailed Income Statement

	Note(s)	2013 R	2012 R
Operating expenses			
Advertising		(367 549)	(532 437)
Allowances		(186 966)	(163 003)
Auditors remuneration	14	(170 949)	(152 952)
Bad debts and provision for doubtful debts		(5 652 682)	(1 464 646)
Bank charges		(427 761)	(327 067)
Committee meeting expenses		(196 824)	(188 468)
Computer expenses		(1 234 074)	(1 342 043)
Conferences		(3 342 373)	(20 507)
Consumables		(100 756)	(87 612)
Council and sub-committee member fees		(416 184)	(247 732)
Curriculum development		(922 434)	(828 010)
Depreciation, amortisation and impairments		(2 353 840)	(1 969 783)
Disciplinary fees		(45 045)	(87 504)
Election expenses		(379 733)	-
Employee costs		(26 631 176)	(23 627 982)
Inspection fees		(2 267 736)	(2 478 905)
Insurance		(181 818)	(177 577)
Lease rentals on operating lease		(711 228)	(597 001)
Legal expenses		(731 079)	(106 404)
Legislation review		(102 000)	(47 368)
Locum fees		(85 095)	(73 686)
Loss on disposal of assets		(3 316)	(280 600)
Office expenses		(1 516 820)	(1 057 253)
Postage		(521 420)	(330 700)
Preparation fees		(185 802)	(42 586)
Printing and stationery		(412 392)	(403 822)
Repairs and maintenance		(422 206)	(598 142)
Research and development costs		(68 828)	(215 387)
Security		(212 542)	(227 953)
Telephone and fax		(782 935)	(484 130)
Training		(136 372)	(63 068)
Transport expenses		(692 469)	(672 322)
Utilities		(351 180)	(349 252)
		(51 813 584)	(39 245 902)

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

Glossary of Terms

AIDS	Acquired Immune Deficiency Syndrome
ARV	Antiretroviral
BHF	Board of Healthcare Funders
BPharm	Bachelor of Pharmacy
CFI	Committee of Formal Inquiry
CII	Committee of Informal Inquiry
CMS	Council for Medical Schemes
CPD	Continuing Professional Development
CPI	Committee of Preliminary Investigation
CSR	Communication and Stakeholder Relations
DB	Defined Benefit
DC	Defined Contribution
DoE	Department of Education
DoH	Department of Health
DHET	Department of Higher Education and Training
PharmD	Doctorate in Pharmacy
DST	Department of Science and Technology
EC	Eastern Cape
EE	Employment Equity
ETQA	Education and Training Quality Assurance
FET	Further Education and Training
FS	Free State
FSB	Financial Service Board
GP	Gauteng
GPE	Good Pharmacy Education
GPP	Good Pharmacy Practice
GPT	General Pharmacy Technician
HET	Higher Education and Training
HIV	Human Immunodeficiency Virus
HoD	Head of Department
HR	Human Resources
HWSETA	Health and Welfare Sector Education and Training Authority
ICPA	Independent Community Pharmacy Association
IFRS	International Financial Reporting Standards
IT	Information Technology
KZN	KwaZulu-Natal
LP	Limpopo
LS&CS	Legal Services and Company Secretary
MCC	Medicine Control Council
MDG	Millennium Development Goals
Medunsa	Medical University of Southern Africa
MP	Mpumalanga
NC	Northern Cape
NGO	Non-governmental Organisation
NHI	National Health Insurance
NMMU	Nelson Mandela Metropolitan University
NPO	Non-profit Organisation
NQF	National Qualifications Framework
NC	Northern Cape
NW	North West
PA	Pharmacist's Assistant
PCDT	Primary Care Drug Therapy
PHC	Primary Healthcare
PT	Pharmacy Technician
PTA	Pharmacy Technical Assistant
RP	Responsible Pharmacist

RPL	Recognition of Prior Learning
RU	Rhodes University
SA	South Africa
SAAHIP	South African Association of Hospital Institutional Pharmacists
SADC	Southern African Development Community
SAPC	South African Pharmacy Council
SAQA	South African Qualifications Authority
SETA	Sector Education and Training Authority
SME	Small- and Medium-sized Entities
SMME	Small, Medium and Micro Enterprises
TM	Traditional Medicine
TUT	Tshwane University of Technology
UCT	University of Cape Town
UJ	University of Johannesburg
UKZN	University of KwaZulu-Natal
UL	University of Limpopo
UNISA	University of South Africa
WC	Western Cape
WHO	World Health Organisation



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