



South African
Pharmacy Council

ANNUAL REPORT 2017

South African Pharmacy Council



@OfficialSAPC



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Standing: Mr Johannes Stephanus du Toit; Ms Josephine Winley Herbert; Prof Shirley-Anne Inez Boschmans; Ms Rachel Verity Wrigglesworth; Mr Charles John Cawood; Ms Helen Catherine Hayes; Mr Mathys Jacobus Snyman; Mr Johannes Albertus Raats; Dr (Adv) Nazreen Shaik-Peremanov; Ms Claudette Norina Jasson; Mr Hezron Tshupo Mphaka; Mr Panajiotaki George Kyriacos

Absent: Mr Ayanda Soka; Ms Letty Mahlangu; Mr Gaoboihe Jonas Kgasane



Annual Report 2017

South African Pharmacy Council

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 2017 to 31 December 2017.


PROF M CHETTY
PRESIDENT
TA MASANGO
REGISTRAR

Contents

Vision	1
Mission Statement	1
Core Values	1
Foreword by the President of SAPC	2
Foreword from the Registrar/CEO of SAPC.....	4
Council – Role and Responsibilities	7
Objectives and Functions of Council	7
Governance Structure	7
Council Members	7
Corporate Services	9
Strategic focus area.....	9
Council Meetings	9
Executive Committee	9
Board Notices	9
Management of fixed assets of Council.....	9
Strategic plan 2014–2018.....	10
Operational plans 2017 and 2018.....	10
National/International Conferences.....	10
2017 Attendance at meetings	10
Communication and Stakeholder Relations (CSR)	13
Strategic focus area.....	13
Corporate Communication	13
Public and Media Relations.....	13
Internal communication.....	14
Stakeholder Relations.....	15
Service Delivery Task Team and surveys	17
Professional Affairs - Practice	21
Strategic focus area.....	21
Practice Committee.....	21
Criteria developed	22
Criteria developed – in progress	22
Inspections of pharmacies	22
Inspections Conducted - Promoting compliance with good pharmacy practice in both the private and public sectors	22
Premises approval for the training of pharmacist interns and pharmacy support personnel	23
Recommending the issuing of permits, exemptions and licence applications	23
Professional Affairs - CPD and Registrations.....	25
Strategic focus area.....	25
Committees.....	25
Continuing professional development (CPD)	25
Health Committee	25
Other meetings	26
Registrations.....	26
Review of competency standards for pharmacists in South Africa.....	26
Internship.....	27
Continuous professional development (CPDs)	27
Pre-registration examinations	27
Candidates with qualifications obtained outside South Africa.....	27
Professional Affairs - Education	29
Strategic focus area.....	29

Education Committee	29
Good Education Standards	30
Qualifications	30
Criteria and Guidelines	30
Cooperation with other Quality Councils	30
Accreditation/Monitoring visits to Higher Education and Training providers	31
Accreditation of courses	31
Heads of Schools meeting	31
Meeting of the Skills Development Providers	31
Information Technology	32
Strategic focus area	32
Operational matters	32
Projects	33
The Register & Dashboard	33
Governance and policies	33
Human Resources	35
Strategic focus area	35
Remuneration Committee	35
Bargaining Committee	35
Employment Equity	35
Breakdown of the Council workforce	35
Employee development and training	36
Employee recruitment and retention	37
Employee wellness	37
Legal Services & Professional Conduct	37
Strategic focus area	37
Introduction	37
Professional Conduct	37
Provision of Legal Services and Legal Administration	39
Corporate Governance	40
Legislation	40
Financial Management	42
Strategic focus area	42
Coordination of standing committees of Council	42
Promotion of transparency to the profession and the general public	43
Provision of managerial and administrative support for the sustainability of Council as a going concern	43
Report of the Audit Committee	46
Financial Statements	50
SOUTH AFRICAN PHARMACY COUNCIL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017	50
COUNCILLORS' RESPONSIBILITIES AND APPROVAL	51
REPORT OF THE INDEPENDENT AUDITOR	52
COUNCILLORS' REPORT	54
Statement of Financial Position as at 31 December 2017	56
Statement of Comprehensive Income	57
Statement of Changes in Equity	58
Statement of Cash Flows	59
Accounting Policies	60
Notes to the Financial Statements	65
Detailed Income Statement	71
Glossary of Terminology	72



Vision

Sustainable quality pharmaceutical services for all

Mission Statement

We exist to:

- protect the public by improving health outcomes
- assist in promoting access to sustainable quality pharmacy services by embracing the use of innovation and technology
- ensure quality pharmaceutical services by developing, enhancing and upholding universally acceptable education and practice standards through stakeholder engagement
- promote the dignity of the profession through professional ethics and conduct, and ongoing competence

Core Values

- **People first** – we care, we serve, we collaborate, we belong to the community
- **Integrity** – we will be ethical, transparent and honest in conducting our business
- **Accountability** – we are responsible and answerable for our actions
- **Professionalism** – we will develop our staff to perform their work with expertise, dedication, care and act in a competent and excellent manner at all times



Foreword by the President of SAPC

*Prof Manoranjenni Chetty
(President)*

2017 was both successful and challenging for the SAPC. While the majority of the goals for the year were achieved, new obstacles were encountered, necessitating extra effort from Councillors and office staff to maintain satisfactory service levels to the profession. The details of the achievements and challenges for the year are presented in this annual report, with some of the highlights listed below:

- Once again, despite the increase in the services offered to pharmacists and pharmacy support staff and the rising costs to Council, we have endeavoured to curb general annual fee increases so that they do not exceed the rate of inflation. A decision was taken again for the fees of students, educational institutions and training providers and tutors to remain unchanged. The fees for these categories have remained unchanged since 2014, signalling the commitment of the Council to education and training of more pharmacists and pharmacy support personnel.
- Significant progress has been made with the online registration and payment system. The introduction of this system has increased efficiencies for both pharmacists as well as office staff. Many more people are now using the online system and further refinement is expected in the new year.
- Improvement in the service rendered by the customer care department of the SAPC has been a priority. Based on a work study, various measures to improve the customer care services have been implemented. Scores relating to customer experiences appear to have improved. Improved turnaround times have signalled that the Office of the Register has finalised requests from pharmacy professionals in shorter periods than usual. An automated system for the tracking of queries will be installed in the new year.
- Remarkable progress can be reported on the facilitation of the improvement in access to medicines, by developing good practice guidelines for innovative methods of medicines delivery. The following minimum standard documents were published:
 - Collection and delivery of medicines to patients from a community/institutional pharmacy,
 - Institutional (Public) to operate a Remote Automated Dispensing department of Health Unit (RADU),
 - Community or institutional pharmacy to provide pharmaceutical services from a mobile unit,
 - Community or institutional pharmacy to operate a website for purposes of selling medicines.
- Unfortunately, new regulations relating to CPD for pharmacists, education and training of pharmacy support personnel, specialist pharmacist qualifications and other related regulations have not progressed to the publication stage due to delays within the National Health Department.
- A pro-active approach was used by the SAPC to minimise the need for panic by prospective interns and candidates for community service. Although the placement of the majority of interns and pharmacists qualifying for community service is the function of the National

Department of Health (NDoH), SAPC provided the NDoH with early updates on expected numbers that will require placements. A task team established by the SAPC is also looking at alternate models for internship, to increase the number of available opportunities for internships. However, the NDoH informed the SAPC that places made available to interns and community pharmacists are sometimes declined by the candidate, because of a need to remain in a major city. This confounds the statistics regarding candidates without placements.

- With the growing numbers of pharmacists, pharmacies, training institutions and pharmacy support personnel in the country, the number of personnel in the office of the Registrar as well as the number of Council committee and task team meetings have increased. The SAPC offices and conference facilities have been renovated to accommodate some of these changes. However, due to the limited opportunity for further expansion on the current property, new office premises were purchased in the Hatfield area. The finance department of the SAPC will relocate to the new offices in the new year.
- The difficulties being experienced by the academic institutions involved in the teaching and training of pharmacists remain a concern for Council. Limited funding, declining staff numbers and the problems associated with attracting appropriately qualified staff to vacant positions are among their challenges.
- The unqualified audit opinion for 2017 was welcomed by the SAPC and highlights the continued adherence to good governance principles.

These are some of the highlights for 2017 and as evident from the full annual report, the activities for the year required dedication and effort from Councillors as well as the staff of the Office of the Registrar. Thank you to Councillors, the Registrar and his team as well as pharmacists and pharmacy support personnel, for contributing to our success as a profession.



Prof M Chetty
President



Foreword from the Registrar/CEO of SAPC

*Amos Masango
(Registrar/CEO)*

This year marks almost a decade of consistently exhibiting impeccable good governance and sheer excellence, as we have managed to secure our ninth consecutive unqualified audit opinion. It gives me great joy to have the honour to present to you the 2017 Annual Report of the South African Pharmacy Council (henceforth 'Council'). This report details what has been a momentous and fulfilling journey in our quest to deliver "sustainable quality pharmaceutical services for all" – a vision we continuously pursue with dogged resolution.

Advancing human resources for pharmacy

Among its strategic objectives, Council aims to "assist in the promotion of the health of the population of the Republic of South Africa". This encompasses both the advocacy for good health and the training of adequately qualified pharmacy professionals who can apply their expertise to improve the nation's health. In pursuit of this objective, through its various committees and the Office of the Registrar, the Council unremittingly supports and works together with education providers, both higher and further education and training, to ensure that the applicable standards in these areas are upheld by conducting accreditation visits to these institutions. In the period under review, more than 4 300 learners and students were registered in education programmes leading to registration as a professional in the following cadre groups: Basic and Post-Basic Pharmacist's Assistants, Pharmacy Technicians, and Pharmacists.

In pursuit of the Human Resources Plan for Pharmacy goals, we can announce that the multi-stakeholder effort to produce adequate pharmacy professionals is yielding results

– the output of newly registered pharmacists has grown 16,6% year-on-year between 2016 (649 newly qualified pharmacists) and 2017 (778 newly qualified pharmacists).

Efforts to ensure the adequate production of high calibre pharmacy support personnel are also yielding exceptional results, with more than 2 300 new pharmacy support personnel entering the profession in 2017 alone.

Improving compliance to universally accepted standards

During the period under review, Council continued to fulfil its legislative mandate to uphold and safeguard the rights of the general public to universally accepted standards of pharmacy practice in both the public and private sectors. This we do in order to maintain and enhance the dignity of the pharmacy profession and the integrity of persons practising that profession, as required by the Pharmacy Act, 53 of 1974. As a consequence, certain minimum standards as detailed in the report were published for implementation by the profession to address best practice in institutional/hospital and community pharmacies given advancements in technology impacting on the delivery of medicines.

The minimum standard for the sale of HIV self-screening test kits was also published for comment during the period under review.

We continue to make headway in our mission to ensure compliance to universally accepted standards across all sectors of pharmacy. In 2017, our efforts saw a 15% year-on-year increase in the number of pharmacy premises inspected

– from 1 626 in 2016 to 1 912 in the year under review.

Communication and Stakeholder Relations

Open and honest communication is a conduit through which transparency is delivered to our stakeholders. The year in review has seen us make great strides in improving our communication channels – it gives me great pride to announce that development of a new device-responsive website is underway and should be completed towards the end of 2018. We have taken note of all suggestions on how we can make our web presence more user-friendly and we will be implementing these user experience enhancing changes on this new website.

Our public education drives through the media this year focused largely on Pharmacy Month and Council's decision to allow the sale of HIV Home Self-Test Kits in pharmacies throughout the country – a media programme highlighting key requirements for the sale of these kits was rolled out in the first half of the year. In order to give ample time to ensure that pharmacy awareness messages are shared with all South African residents, 2017 saw the elevation of Pharmacy Week to Pharmacy Month.

We realise that the world is moving more towards digital direct communication platforms in the form of social media networks. As such, our usual direct communication channels have also been beefed up with the introduction of social media channels across all noteworthy social media networks.

Two information-packed issues of Council's official mouthpiece, the *Pharmaciae*, were circulated to all registered pharmacy professionals. The *Pharmaciae* continues to deliver Council resolutions and stances on current issues as well as important updates on matters affecting the immediate operating environment of pharmacy professionals in the country.

Enhancing stakeholder channels for better communication

Our efforts to make transacting with Council seamless and time-efficient are also bearing some fruit, testament to this is the increased number of applications being submitted online. An overwhelming majority (81,3%) of all new service requests (cases) were executed online, this greatly improved turnaround time and ensured that the Office of the Registrar finalised requests from pharmacy professionals in shorter periods than usual.

The advent of the online payments process is being embraced by the profession at a reassuring rate. A comparison of 2016

and 2017 online payments statistics indicates that the number of pharmacy professionals taking advantage of the convenience provided by the online payments system has increased by 94,4%, year-on-year.

Our virtual front desk, the Customer Care Centre, received 66 642 calls in the past year, with services levels having improved to an impressive 91,1%. We will continue to strive to minimise the number of dropped calls in the coming year. To ensure that we kept our stakeholders informed almost instantaneously of developments that may affect them, we also communicated through direct communication means such as SMS and e-mail, executing a combined total of 61 campaigns throughout the year. In this period, we have also processed and issued 16 148 registration cards for all cadre categories.

Ensuring adequate internal controls for optimised operation efficiency

The audited financial statements for the year 2017 serve as validation that the Office of the Registrar continues to implement sufficient and adequate internal controls in all aspects of operations, especially budgetary, risk management and asset controls. This, however, does not provide us with an opportunity to rest on our laurels. This is why, in the year under review, the services of an internal audit firm, Sondlo Chartered Accountants, were sought to provide assistance in the work of the Audit Committee. I would like to commend the Finance team for having ensured that the Office of Council exhibits calculated financial prudence as we have managed to keep the current assets of Council appreciating in an economic environment that has been turbulent for most of the time.

This year's clean audit marks our ninth, a feat that would not have been possible with pure luck. It is an achievement that attests to the vigour with which we execute any and every transaction, no matter its size.

Having taken stock of the economic times, we controlled expenditure appreciation in line with annual average headline inflation for the country.

Supporting business processes for better service

Support departments are meant to be success enablers – the lifeblood that fuels technical departments to fulfil the core objectives of any organisation. I express gratitude to all our business-enabling departments for unswervingly living up to our expectations.

In the year under review, we have managed to migrate most of our Information Technology tools to a cloud-based service. This not only allows us to be a truly information-age company where work does not stop when we leave the office, but also mitigates the risks associated with information loss in the event of damage to physical infrastructure due to one or other disaster. To improve service satisfaction levels among our stakeholders and ensure better resolution of requests from the profession, we have this year appointed a service provider to deploy a customer relationship management (CRM) solution.

We have managed to retain the majority of our skilled staff across all skills levels; however, the attraction of talented candidates is still a challenge as our operating environment has not allowed us to competitively reward prospective recruits. The upskilling of our current staff complement has also been a key focus of the Office of the Registrar, with more than half of the office staff having attended skills programmes and/or enrolled for higher qualifications.

This foreword details only highlights of our activities for the period under review, I urge you to take some time to familiarise yourselves with the contents of this report and Council's success in 2017.

I want to now thank you, the Council members, our President and every single staff member in the Office of the Registrar for the successes we achieved in 2017. I think we all agree we have had a truly engaging and constructive year. Thank you.

A handwritten signature in black ink, appearing to be 'TA Masango', written over a light blue horizontal line.

TA Masango
Registrar/CEO

COUNCIL – ROLE AND RESPONSIBILITIES

The South African Pharmacy Council (SAPC) is an independent statutory body established in terms of the Pharmacy Act, 53 of 1974, as amended, to regulate the pharmacy profession. The SAPC is vested with statutory powers of peer review and embraces as its objectives those outlined in the Pharmacy Act.

The SAPC (hereinafter referred to as Council) is responsible for its own funding and endorses the principles contained in the King IV Report on Corporate Governance for South Africa. These principles form part of the councillors' responsibilities and are embedded in the Charter for Councillors. Councillors are required to familiarise themselves with both the objectives of Council as outlined in the Pharmacy Act and their responsibilities as outlined in the Charter for Councillors.

Council is representative of the profession and consists of 25 members, of which 16 are appointed by the Minister of Health, and 9 are elected by pharmacists.

Objectives and Functions of Council

In terms of the Pharmacy Act, 53 of 1974, 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 for:
 - 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 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.
- To coordinate the activities of Council and its committees, give guidance to the Office of the Registrar, and provide oversight on risk management and financial controls.
- To improve internal efficiency and effectiveness through improved customer care relations and service delivery, and investigation of alternative sources of funds.
- To build a pipeline of highly skilled staff to meet the Council's mandate through training, implementation of performance management and retention of key personnel.

Governance Structure

The Council is the custodian of the management and control of the profession and its meetings are public. Management and various committees support Council in carrying out its mandate.

Council Members

The President presides over Council meetings and is supported by the Vice-President and the Treasurer, all of which are elected from the members of Council by a majority vote, and they hold these positions for a period of five years. The Registrar is the secretary for Council. The councilors elected/appointed for the term 2013 to 2018 are:

Council members	
Prof. Manoranjenni Chetty	President
Douglas James Heaslet Defty	Vice-President
Nocawe Portia Thipa	Treasurer
Vusi Cornelias Dlamini	Chairperson: Health Committee
Rajatheran Moodley	Chairperson: Committee of Informal Inquiries
Jacqueline Ann Maimin	Chairperson: Practice Committee
Dr Panjasaram Naidoo	Chairperson: CPD Committee
Tshuba Solomon Rasekele	Chairperson: Committee of Preliminary Investigation
Prof Roderick Bryan Walker	Chairperson: Education Committee
Gavin Stewart Steel	Representative of the National Department of Health
Prof. Shirley-Anne Inez Boschmans	
Charles John Cawood	
Johannes Stephanus Du Toit	
Helen Catherine Hayes	
Josephine Winley Herbert	
Claudette Norina Jasson	
Gaoboihe Jonas Kgasane	
Panajiotaki George Kyriacos	
Letty Mahlangu	
Hezron Tshepo Mphaka	
Johannes Albertus Raats	
(Adv) Dr Nazreen Shaik-Peremanov	
Matthys Jacobus Snyman	
Ayanda Soka	
Rachel Verity Wigglesworth	

Executive Committee



Seated: Vice-President: Mr Douglas James Heaslet Defty; President: Prof Manoranjenni (Mano) Chetty; Treasurer: Ms Nocawe Portia Thipa

Standing: Chairperson CII: Mr Rajatheran Moodley (Sham); Chairperson CPI: Mr Tshuba Solomon Rasekele; NDoH Representative: Mr Gavin Stewart Steel; Chairperson Education: Prof Roderick Bryan Walker; Chairperson Practice: Ms Jacqueline Ann Maimin; Chairperson CPD: Dr Panjasaram Naidoo (Vassie); Chairperson Health: Mr Vusi Cornelias Dlamini

Corporate Services



Vincent Tlala
(Chief Operating
Officer)

Strategic focus area

The activities of the Corporate Services Department focus on five of Council's strategic objectives, being to:

- assist in the promotion of health of the population of the republic.
- 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.

Council meetings

Four Council meetings were conducted in February, May, July and October 2017.

Executive Committee

The Office of the Registrar facilitated three meetings of the Executive Committee and four teleconference meetings under the chairpersonship of the President, Prof. Manoranjenni Chetty.

Board notices

The Office of the Registrar published the following Board Notices during the year under review

- (a) Amendments and new minimum standards for inclusion in the *Rules relating to good pharmacy practice (GPP)*
 - Minimum standards specifically relating to the collection and delivery of medicines to patients from a community/institutional pharmacy
 - Minimum standards for the selling of HIV self-screening test kits
- (b) Amendments and new standards for comments
 - Board Notice 590, published on 16 August 2017 – *Competency standards for pharmacists in South Africa*
 - Board Notice 591, published on 16 August 2017 – *Minimum standards relating to Pharmacy Linked Distribution Points (PDLP)*
- (c) Board Notice 841, published on 27 October 2017 – Fees payable to the Council under the Pharmacy Act, 53 of 1974
- (d) *Rules relating to services for which a pharmacist may levy a fee*
- (e) Good pharmacy education standards (HET) published for implementation

Regulations

- The *Regulations relating to the Continuing Professional Development* were approved by Council and submitted to the Department of Health for publication for implementation.
- The amendment to the *Regulations relating to education and training* were resubmitted to the Department of Health for publication for comment.
- The amendment to the *Regulations relating to the practice of pharmacy* were resubmitted to the Department of Health for publication for comment.
- The amendment to the *Regulations relating to the registration of persons* were resubmitted to the Department of Health for publication for comment.

Management of fixed assets

In addition to the routine management functions of fixed assets, Council approved the project for the renovations and

addition of the conference facilities for the 3rd floor of the offices in Arcadia. The building consultants (principal agent, quantity surveyor, structural engineer, electrical engineer and land surveyor) were appointed.

ABE Contracting Services was appointed as contractor for the renovations and the addition of the conference facilities on 3rd floor and phase 1 of the project commenced in May 2017 and was completed on 3 August 2017.

Strategic plan 2014–2018

A presentation was made at the first Council meeting in February 2017 on the progress in terms of Council's strategic plan as well as the operational plans for 2017.

Operational plans 2017 and 2018

The Office of the Registrar held a Management Bosberaad on 23 and 24 November 2017 to discuss operational challenges during 2017, and to plan for 2018.

National/international conferences

Council appreciates valuable communication and interaction with pharmacy professionals and public stakeholders. Informative exhibitions took place at the following pharmaceutical conferences in 2017:

- 30th South African Association of Hospital Institutional Pharmacists (SAAHIP) Conference, Drakensberg Champagne Sport Resort, KwaZulu-Natal, 23–25 March 2017
- South African Society of Clinical Pharmacy (SASOCP), Birchwood, Gauteng, 8–11 June 2017
- Dis-Chem National Congress, Birchwood, Gauteng, 11–14 June 2017
- South African Association of Community Pharmacists (SAACP), Indaba, Gauteng, 6 July 2017
- Pharmaceutical Society of South Africa, Indaba, Gauteng, 7–8 July 2017
- Spar Conference, Premier Hotel OR Tambo, Gauteng, 14–15 July 2017
- Board of Healthcare Funders (BHF), CTICC, Cape Town, 16–19 July 2017
- Independent Community Pharmacy Association (ICPA), Emperors Palace, Gauteng, 8–10 September 2017
- Gauteng Pharmaceutical Services Research Day, Midrand Conference Centre, 8 September 2017
- Gauteng Annual Provincial Pharmaceutical Services, Birchwood, Gauteng, 21–22 September 2017
- International Pharmaceutical Federation (FIP), Seoul, South Korea, 9–13 September 2017
- 10th Annual Clicks Healthcare Conference, Emperors Palace, Johannesburg, 2–4 November 2017
- Gauteng Annual Provincial Pharmacist's Assistants Conference, St George's Hotel, Gauteng, 11 November 2017

2017 Attendance at meetings

In terms of the principles of Corporate Governance and legal principles of administrative law, Council and Committee members must exercise their discretion in making decisions or providing recommendations to Council. The exercising of discretion must be within the Pharmacy Act and the associated regulations.

The Council committees, appointed in terms of Section 4(o) of the Act, consider and discuss matters relevant to their portfolios as provided in various regulations, and provide recommendations to Council for consideration. Council makes decisions in terms of its general functions as in Section 4 of the Act, as well as the recommendations provided by various committees. In order for Council to be transparent to both the profession and public in achieving its objectives, performing its functions and exercising its powers, Council resolutions are published as a standard feature in each edition of *e-Pharmaciae*.

For purposes of Corporate Governance, the attendance registers for 2017 Council and committee meetings are represented in the tables below:

Date of meeting	Total members	Present on both days	Attending one day	Absent/ Apologies
14–16 February 2017	24	18	5	1
10–11 May 2017	24	20	0	4
12–13 July 2017	24	23	0	1
11–12 October 2017	25	23	1	1

Table 1: Council

Date of meeting	Total members	Present	Absent
Add telecon 25 January 2017	10	10	0
20 April 2017	10	7	3
24 August 2017	10	9	1
30 Nov 2017	10	9	1

Table 2: Executive Committee

Date of meeting	Total members	Present	Absent/Apologies
06 March 2017	6	6	0
05 June 2017	6	5	1
14 August 2017	6	5	1
06 November 2017	6	6	0

Table 3: Continuing Professional Development (CPD) Committee

Date of meeting	Total members	Present	Absent
7 March 2017	13	12	1
26 April 2017 (Special meeting)	12	6	6
6 June 2017	12	10	2
12 July 2017	12	10	2
15 August 2017	12	10	2
7 November 2017	12	0	0

Table 4: Education Committee

Date of meeting	Total members	Present	Absent
08 March 2017	12	10	2
Practice Teleconference			
4 May 2017	12	4	8
10 May 2017	12	12	0
7 June 2017	13	11	2

Table 5: Practice Committee

Date of meeting	Total members	Present	Absent
09 March 2017	6	6	0
08 June 2017	6	6	0
17 August 2017	6	6	0
09 November 2017	6	6	0

Table 6: Health Committee

Date of meeting	Total members	Present	Absent
21 February 2017	5	5	0
18 July 2017	5	5	0
31 October 2017	5	5	0

Table 7: CII Committee

Date of meeting	Total members	Present	Absent
2/3 May 2017	7	6	1
10/11 August 2017	7	5	2
21/22 November 2017	7	6	1

Table 8: CPI Committee

Date of meeting	Total members	Present	Absent
1/2 February 2017	3	3	0
14/15 June 2017	3	3	0
27 July 2017	3	3	0
28 September 2017	3	3	0

Table 9: CFI Committee

Date of meeting	Total members	Present	Absent
06 February 2017	5	4	1
25 April 2017	5	4	1
08 August 2017	5	5	0
14 November 2017	5	4	1

Table 10: Audit Committee

Date of meeting	Total members	Present	Absent
27 June 2017	8	5	3
27 November 2017	8	7	1

Table 11: Trustees Committee

Date of meeting	Total members	Present	Absent
19 April 2017	4	4	0
22 August 2017	4	3	1
29 November 2017	4	2	1

Table 12: Bargaining Committee

Date of meeting	Total members	Present	Absent
19 April 2017	4	4	0
October 2017	4	4	0

Table 13: REMCO Committee

Date of meeting	Total members	Present	Absent
04 April 2017	3	2	1
18 April 2017	4	4	0
29 June 2017	6	6	0

Table 14: Tender Committee

Chief Operating Officer's unit in the Corporate Service Department



Thelma Nkosi (Committee Secretariat); Vincent Tlala (Chief Operating Officer); Letty Mathebe (PA: Chief Operating Officer)
Absent: Lynette Malan (Committee Secretariat)

Communication and Stakeholder Relations (CSR)



Elmari Venter
(Senior Manager:
CSR)

Strategic focus area

The activities of the 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 and media relations, general communication and publication-related activities for both internal and external stakeholders. In addition, the department manages Council's customer and logistics services.

Corporate communication

3rd National Pharmacy Conference

Scatterlings was appointed and approved as the preferred service provider of the 3rd National Pharmacy Conference (NPC) by Council on 13 July 2017. The conference is to be held from 3 – 6 October 2019. The Office of the Registrar is currently in discussion with Scatterlings for the delivery of the best conference ever.

Public and media relations

Media interactions

Council issued media releases on a number of topics in 2017. Public communication aimed at announcing the approval of the sale of HIV Self-Testing Home Kits was distributed to the media at the beginning of the year, with several media houses publishing the messages and inviting Council spokespeople to engage their audiences on the matter. The Office of the Registrar, together with other stakeholders, also participated in Pharmacy Month media interviews towards the end of the year.

September was National Pharmacy Month 2017

The pharmacy profession's annual awareness drive was elevated to new heights in 2017, and Council proudly announced the extension of National Pharmacy Week to a full month. The theme for 2017 was **'Don't Wait – Vaccinate'**. The aim of extending the awareness period was to strengthen the profession's efforts to improve consumer awareness of the crucial role pharmacists play in fulfilling their daily healthcare needs, and to promote an understanding of the importance of pharmacists in the provision of quality healthcare.

Media tools sent to the pharmacy profession included the Pharmacy Month official poster and flyers in eight official languages, Infographics for digital display in pharmacies, the SAPC official media release, as well as links to download the official vaccination manual and material from the National Department of Health. The profession was urged to use the month to promote pharmacy and visibly demonstrate the significant role the profession plays in the healthcare sector. Pharmacists were encouraged to promote the importance of vaccinations in safeguarding the health of the country as a whole.

The key messages focused on emphasising the benefits of vaccinations; what they give protection against, where they are available and when they should be administered. The campaign emphasised the need for individuals and families to understand how important it is to protect themselves and to comply with the recommended vaccination schedules. Posters and pamphlets, developed



by the National Department of Health, Pharmaceutical Society of South Africa and South African Pharmacy Council, consisted of a central image of a child in the forefront of a collage image of the community.

This image served to reinforce the sub-theme of: 'protect yourself, protect your family, protect your community'. Artwork was available for download from www.health.gov.za, www.sapc.za.org, and www.pssa.org.za. The posters were tagged with a Quick Response (QR) code to enable patients to download the information on their smart phones. The social media hashtag #PharmMonth2017 was used widely by pharmacy professionals who wished to share their Pharmacy Month experiences with the healthcare community. Social media messages and postings continuously carried the message nationwide. Council and its partners once again urged the profession to make this year's campaign the biggest and most impressionable yet and as usual, the profession did not disappoint.

Publications and posters

Two editions of e-Pharmaciae and the 2016 Annual Report were produced. Outlined below is the analytics comparison between the two mid-year editions issued in 2016 and 2017 respectively.



Market research shows that with each bulk e-campaign, only 30% of emails are opened. The August 2017 e-Pharmaciae beat this market ratio by 2.6%.



	Analysis	July 2016 analytics	August 2017 analytics
1.	Emails sent	29 322	32 196
2.	Emails opened	32%	32.06%

Table 15: Analysis of e-Pharmaciae opened

Instant messaging and e-messages

- SMS automated messages sent from the website and the register system: A total of 96 837 SMSes were sent out during the period under review.
- SMS campaigns: A total of 115 578 SMSes, an increase of 17% more than for the same period in 2016, were sent out. These consisted of 29 different SMS campaigns and are inclusive of automated responses sent from the Dashboard and customised SMSes sent from the Contact Centre.
- Bulk email campaigns: A total of 32 different bulk e-campaigns were conducted during 2017, communicating to 56 609 pharmacy stakeholders.

Internal communication

Council uses internal e-notes to communicate news, operational updates and events to employees. Internal events including team building sessions, and events themed on national holidays were also held to boost staff morale.



Celebrating Heritage Day: Zanele Masombuka; Tebogo Mnisi (Contact Centre Agents)

CSR (Communication and Media Unit)



Neo Ramokoka (Contact Centre Agent); Jermina Matlaila (Secretarial Support); Elmari Venter (Senior Manager: CSR); Madimetja Mashishi (Manager: Communication and Media)

Stakeholder relations

SAPC IP PBX self-help functionality

The self-help functionality on VOIP-PBX to enhance customer service experience when telephoning Council was introduced

in 2014. Customers are now able to interactively request Council's banking details, their login passwords on the secure site and also their individual financial statements. Table 16 indicates the types of activities the functionality recorded in 2016 and January to October 2017.

Type of transaction requests	Number of users	
	2016	2017
Council's banking details	880	1236
Login passwords	139	190
Financial statements	1 160	1446

Table 16: Usage of Council's IP PBX self-help functionality

SAPC website

The website recorded a total of 763 807 sessions during 2017, with new visitors comprising 27,07% of the number. The secure login site recorded an increase of 5% (324 000 secure logins in 2017 compared with 307 576 in 2016). The public website recorded 4 617 364 page views. Of interest is that the following pages were

identified as the top most active pages on the website:

- Search functionality
- CPD Dashboard
- CPD Assessments
- Financial Overview
- Publications
- Online Applications

Recorded logins by category	2016	2017
Provider/Employer Administration	10 648	15 504
SAPC - Organisations	3879	6463
SAPC - Registered Persons	295 335	308 084

Table 17: Logins recorded per category

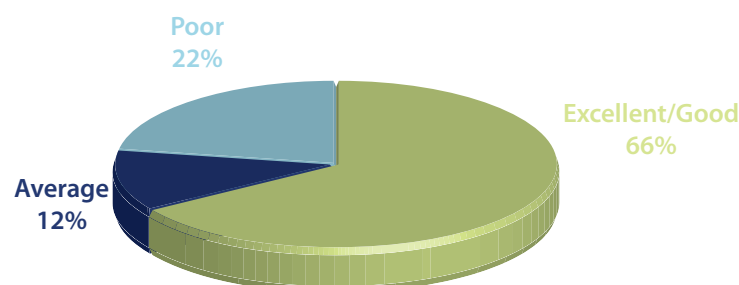


Figure 1: Overall satisfaction rating of Council's online functionality in 2017

Online application and payment functionality

Online payments

During 2017, online payment transactions totalled R6,971,718.74; representing an increase of 56% in the value of online payments compared to the previous financial year. A total of 4 326 pharmacy professionals used the online payment portal.

Online applications

In December 2014, the online completion and submission of the majority of Council applications became mandatory. A comparison breakdown of the online submission of applications between 2015, 2016 and 2017 is shown in Table 18:

Category of application	Number of applications		
	2015	2016	2017
Application for approval of premises to train interns and assistants.	160	145	162
Application for approval of tutor for the purpose of training	1055	2056	1315
Application for extension of registration	0	1	13
Application for Pharmacist's Assistant Learner Basic	1544	1820	1726
Application for Pharmacist's Assistant Learner Post-Basic	1841	1533	1331
Application for Pharmacy Technician Student (Advanced Certificate)	78	5	5
Application for Pharmacy Technician Student (Higher Certificate)	135	117	129
Application for pre-registration exam	4	32	88
Application for recording of new pharmacy premises	19	377	345
Application for registration as a Community Service Pharmacist	394	614	521
Application For Registration As A Pharmacist Intern	601	786	331
Application for registration as a Pharmacy Technician (Assistant Post Basic)	0	0	53
Application for registration as a PT trainee	25	54	76
Application for registration as a PTA trainee	3	3	0
Application for registration as the Responsible Pharmacist	507	697	587
Application for review of pre-registration examination paper in terms of Pharmacy Act, 53 of 1974	0	0	14
Application for Student (B Pharm)	1207	1054	1044
PCDT Permit	0	20	32
Person- entrance to Professional Examination for purposes of registration as a pharmacist (per paper)	0	3	0
Pharmacist's assistant - change of pharmacy	0	0	143
Pharmacist's assistant - change of provider	0	0	19
Pharmacist's assistant - change of tutor	0	0	278
Pharmacy Premises Application for Licensing	0	17	46
Schedule Inspection/Evaluation of a pharmacy for purposes of approval for training	504	836	556
Supplementary training certificate- PCDT/Family planning	0	3	11
	8077	10173	8825

Table 18: Number of online applications submitted in 2015, 2016 and 2017

Service delivery task team and surveys

In October 2016, Council appointed a Service Delivery Task Team to review service delivery issues. One of their initiatives was the drafting of a targeted service delivery survey in an attempt to gain actual data from the profession in terms of the following aspects:

- (a) How often do you contact or make use of the services of the South African Pharmacy Council?
 - (i) My calls are answered promptly
 - (ii) The agent understands my problem
 - (iii) My issue is resolved by the agent
 - (iv) My issue is referred to the relevant department
- (b) Please rate your overall opinion of the South African Pharmacy Council?
 - (i) Finance (fees)
 - (ii) Professional Affairs: CPD & Registrations
 - (iii) Professional Affairs: Practice
- (c) Contact Centre
 - (i) My calls are answered promptly
 - (ii) The agent understands my problem
 - (iii) My issue is resolved by the agent
 - (iv) My issue is referred to the relevant department
- (d) Service in departments
 - (i) Finance (fees)
 - (ii) Professional Affairs: CPD & Registrations
 - (iii) Professional Affairs: Practice

- (iv) Professional Affairs: Education
- (v) Legal Services & Professional Conduct
- (vi) Walk in Services
- (vii) IT Services

- (e) Rate the online functionality of
 - (i) Registration
 - (ii) Payment
 - (iii) CPD
 - (iv) Website Information

- (f) Council's communication with you
 - (i) e-Pharmaciae (www.pharmaciae.org.za)
 - (ii) Workshop and exhibition
 - (iii) Bulk e-mail campaigns
 - (iv) SMS campaigns

The survey was published online on the home page of Council's website and also at all five major exhibitions Council held at the sectoral pharmacy conferences. The results are herewith published as follows:

Service Delivery Ratings

	2016	2017
Excellent/good	33%	32%
Average	24%	22%
Poor/shocking	43%	46%

Table 19: Service delivery rating comparison 2016 and 2017

A total of 1 638 surveys were submitted in 2017. The excellent/good rating improved with 2% compared to 2016. The average rating decreased with 2% and the poor/shocking rating increased with 3%.

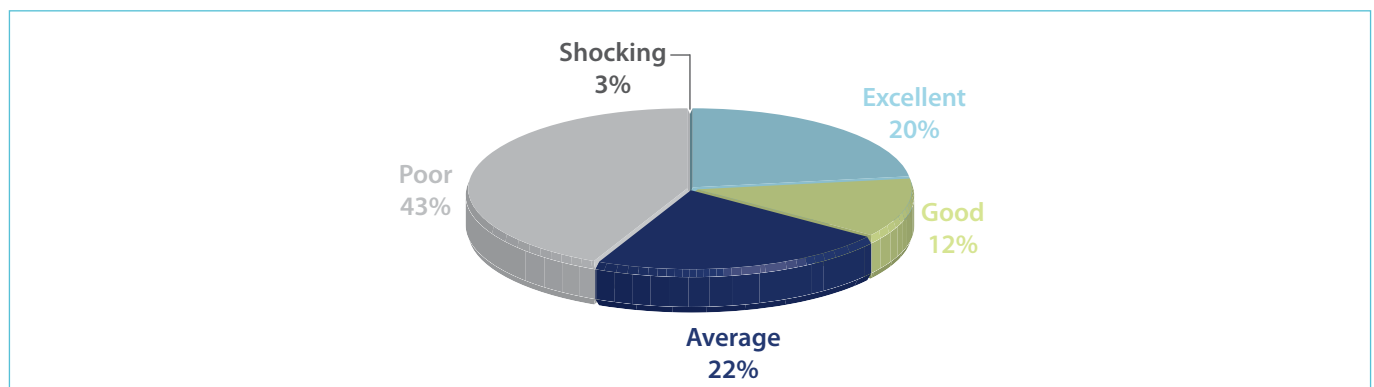


Figure 2: Service delivery rating in 2017

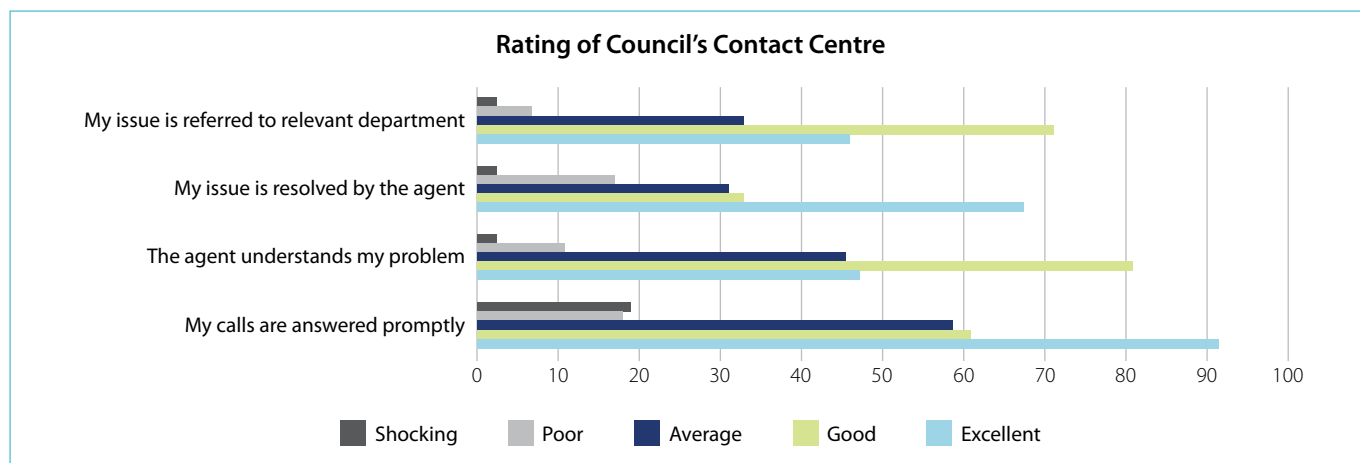


Figure 3: Service delivery rating in 2017

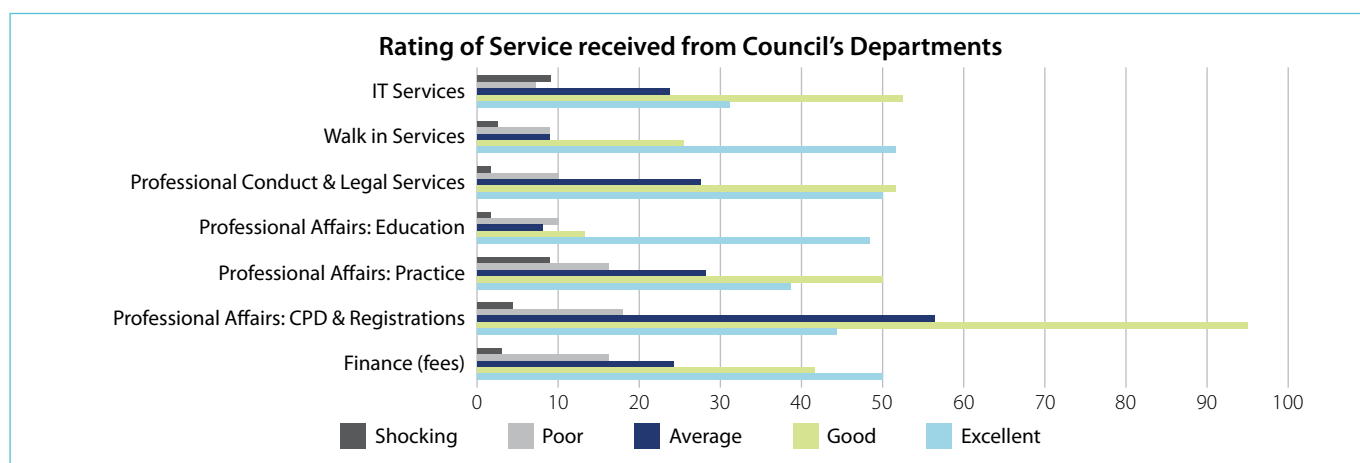


Figure 4: Service delivery rating in 2017

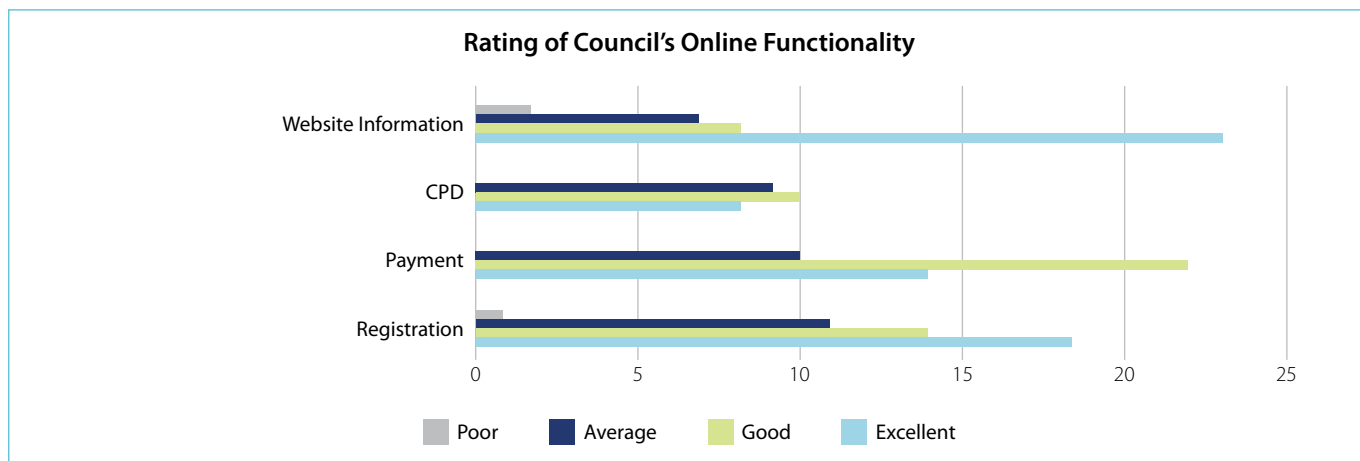


Figure 5: Service delivery rating in 2017

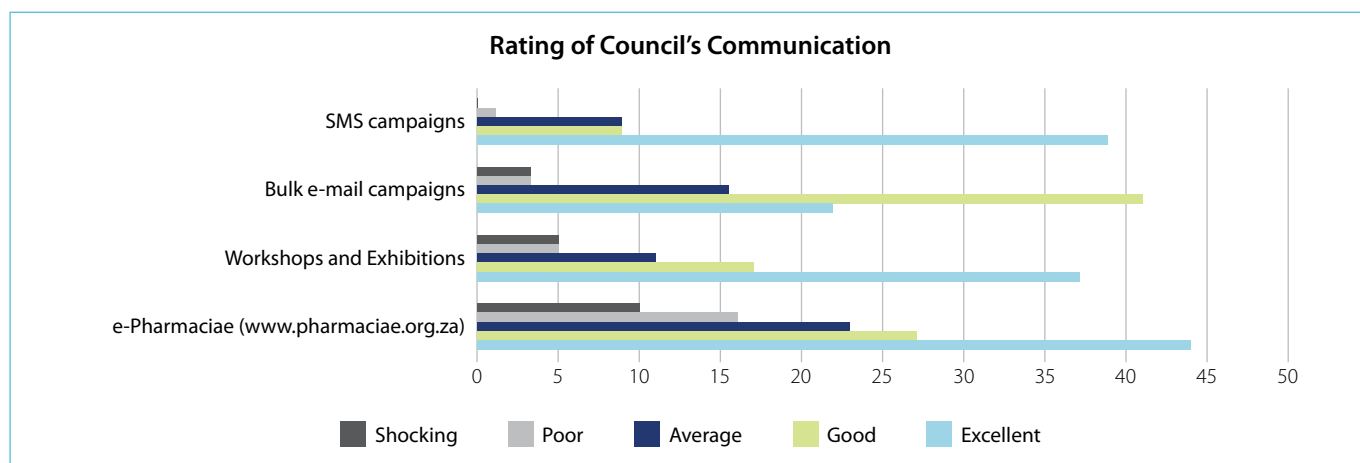


Figure 6: Service delivery rating in 2017

CSR (Contact Centre)



Front row: Tshireletso Mokono (Contact Centre/Logistic Clerk); Zeodine Felix (Contact Centre Agent); Zanele Masombuke (Contact Centre Intern); Audrey Mathekga (Contact Centre Agent); Mpho Musi (Contact Centre Agent); Tebogo Mnisi (Contact Centre Agent); Gomolemo Morapedi (Contact Centre Agent)

Back row: Neo Ramokoka (Contact Centre Agent); Elmari Venter (Senior Manager: CSR); Ofentse Motloutsi (Contact Centre Agent); Brian Baloyi (Stakeholder Relations Practitioner) and Michelle de Beer (Manager: Stakeholder Relations)

Absent: Stephina Mogotsi (Contact Centre Agent); Mpho Marole (Contact Centre Agent); Phumzile Sonyamba (Contact Centre Intern)

Telephones

	2016	2017
Number of incoming calls	70 660	66 625
% of calls serviced	88.7%	91.1%

Table 20: Contact Centre service rating comparison 2016 and 2017

The Contact Centre received 66 625 incoming calls and serviced 91.1 % during 2017, an improvement of 2.4% compared to 2016. A total of 16 045 cases were created online.

Front desk and pre-audit of manual applications

Of the 18 256 cases received during the period under review, 3 420 were created manually, the balance of 14 836 were created online. The improved online web functionality and self-help telephony service offered by Council and the profession's usage thereof, have decreased the number of incoming manual cases considerably. The Contact Centre created 1 761 (52%) of the 3 420 manual cases. The balance of 1 659 cases were created by the Logistics Unit. The unit validated 2 523 applications during 2017 (almost 35% less than in 2016 due to the new online cases created). Of the total number of applications, 2 476 (98%) complied with Council's requirements and were, after validation, escalated to the technical departments for immediate processing. A total of 47 (2%) applications required a follow up for outstanding documentation. The Office of the Registrar attended to 3 430 walk-in customers during 2017.

CSR (Logistics Centre)



Front row: Tshiriletso Mokono (Contact Centre/Logistics Clerk); Violet Mothupi (Logistics Clerk); Betty Thubane (Logistics Clerk); Sinah Mabje (Logistics Clerk); Nicole Furst (Logistics Officer); Thembi Maboho (Logistics Clerk)
Back row: Elmari Venter (Senior Manager: CSR); Abram Moropa (Logistics Clerk); Michelle de Beer (Manager: Stakeholder Relations) and Johannes Mosetlha (Logistics Officer)
Absent: Thembi Shabangu (Logistics Practitioner)

A total of 1 813 grading certificates were printed, scanned and couriered. A further 8 564 certificates and registration documents were printed and couriered. A total of 21 656 items were couriered and 2 577 items posted by EDBN mail.

ID registration card

Council's registration cards are fitted with 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 16 148 ID registration cards for *inter alia* pharmacy students, basic assistants, post-basic assistants and pharmacists were issued in 2017.

PROFESSIONAL AFFAIRS - PRACTICE



Mojo Mokoena
(Senior Manager:
Professional Affairs -
Practice)



Jacqueline Ann Maimin
(Chairperson: Practice
Committee)

Strategic focus area

The activities of the Professional Affairs, Practice Unit 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 Pharmacy Act, as well as the promotion of the provision of pharmaceutical care.

- Establish, develop, maintain and control universally acceptable standards of practice in the professional conduct required of a person registered in terms of the Pharmacy Act.

Practice Committee

The Practice Committee held four meetings and one teleconference with Ms Jackie Maimin as chairperson.

Minimum standards approved by Council and published for implementation

- (a) Minimum standards - Collection and the delivery of medicines to patients from a community/institutional pharmacy
- (b) Minimum standards - Institutional (Public) to operate a Remote Automated Dispensing Unit (RADU)
- (c) Minimum standards - Community or institutional pharmacy to provide pharmaceutical services from a mobile unit
- (d) Minimum standards - Community or institutional pharmacy to operate a website for purposes of selling medicines

Minimum standards approved by Council and published for comments

- (a) Minimum standards - for the approval of any other facility in terms of Regulation 12 of the Regulations relating to the practice of pharmacy (PLDP)
- (b) Minimum standards - for the sale of HIV self-screening test kits

Minimum standards development still in progress

- (a) Minimum standards - for the dispensing of medicine or scheduled substances on the prescription of an authorised prescriber

Comment: New Committee decision – Office to develop a new standard named monitoring patients outcomes

- (b) Minimum standards - for the handling of electronic scripts in accordance with legislation

Comments: Item be held in abeyance whilst awaiting publication of Regulation 28 of the General Regulations published in terms of the Medicine and Related Substances Act, 101 of 1965.

- (c) Minimum standards - for Unit dose dispensing
Comment: The Office of the Registrar is awaiting the guidelines from MCC related to this item.
- (d) Minimum standards - relating to the supervision of pharmacy support personnel (Board Notice 271)
Comment: Awaiting finalisation of the qualification being developed.
- (e) Review or amendments to the minimum standard and or Criteria for approval of another business or practice in a pharmacy
Comment: Matter still being considered by the Practice Committee.

Criteria developed

- (a) Criteria for the evaluation of an application for the installation of an ADU in a Primary Healthcare Clinic Dispensary for the purpose of dispensing medicines and medical devices.
- (b) Criteria for the evaluation of an application for the installation of a RADU in an institutional (Public) pharmacy to operate a Remote Automated Dispensing Unit (RADU).
- (c) Criteria for the evaluation of an application for the installation of an ADU in a community or institutional pharmacy for the purpose of dispensing medicines and medical devices.

Criteria developed – in progress

Criteria for the evaluation of an application for the designation as a health service rendering organisation in terms of Section 56(6) of the Nursing Act, 33 of 2005.

Comment: Request for a full meeting to finalise this document. A meeting is to be arranged between SAPC, SANC and HPCSA to discuss the implication of this.

Inspections of pharmacies

- (a) Council approved the inspection questionnaire for a Consultant Pharmacy – for implementation in 2018. The Office of the Registrar is finalising the online inspection.
- (b) A total of 1 912 inspections were conducted in 2017, with 400 remaining for the year. These include monitoring, training, new pharmacies and disciplinary inspections.
- (c) Three meetings were conducted, the dates were 26 January for new inspectors, 7 February and 6 July 2017. The Inspectors Bosberaad was held on 26/27 October 2017.
- (d) Council increased the number of inspectors from 26 to 28.
- (e) Council revised all inspection questionnaires for 2017, reviewed the online inspection questionnaire and implemented the new inspection questionnaire on 6 October 2017.
- (f) Two meetings for the Task Team for Grading were held on 1 March and 30/31 May 2017.

Inspections Conducted - Promoting compliance with good pharmacy practice in both the private and public sectors

As at 6 October 2017, a total of 1 912 inspections had been conducted and pharmacies graded compared with the 1 626 conducted in 2016 (i.e. up to 1 November 2016).

Province	EC	FS	GP	KZN	LP	MP	NW	NC	WC	Grand Total
A	82	64	205	127	35	68	26	29	165	801
B	55	19	169	129	31	22	32	6	91	554
C	56	2	100	73	28	11	6	9	42	327
D	17	8	97	32	23	12	10		31	230
Grand Total	210	93	571	361	117	113	74	44	329	1912

Table 21: Number of inspections conducted

Premises approval for the training of pharmacist interns and pharmacy support personnel

A total of 962 pharmacy premises had been approved for training purposes by 6 October 2017.

Professional Affairs - Practice Unit



Front row: Puseletso Mogano (Manager: Professional Affairs - Practice); Nsovo Mayimele (Manager: Professional Affairs - Practice); Mojo Mokoena (Senior Manager: Professional Affairs - Practice)
Back row: David Nkuna (Officer: Professional Affairs - Practice); Aziza Soopee (Manager: Professional Affairs - Practice); Nelisiwe Manyika (Secretarial Support Officer: Professional Affairs - Practice)
Absent: Marié Koekemoer (Practitioner: Professional Affairs - Practice) and Humbulani Makamu (Officer: Professional Affairs - Practice)

Recommending the issuing of permits, exemptions and licence applications

The Office of the Registrar received **104** applications for permits. These permits were for processing and issuing in terms of Section 22A (15) of the Pharmacy Act, 53 of 1974.

The Office also processed applications pertaining to internal changes in a pharmacy and the installation of automated dispensing units. A total of **552** applications for licences were evaluated. Of these, **424** were recommended to the NDoH for the issuing of licences and **128** were declined.

The Office of the Registrar conducted three meetings with the NDoH and South African Health Products Authority (SAHPRA) to streamline operational processes with regard to the licensing of pharmacies. The meetings were held on 6 March, 19 May and 30 June 2017.

	Another business or practice in a pharmacy	Applica- tion for licence	Change of name of centre, facility, street, town, city or province (NOT relocation)	Change of Ownership	Change of ownership and trading title	Change of Trading title	Internal Change	New	Relocation	Relocation and trading title	Grand Total
Not Recommended	3			15	18	5	7	62	15	3	128
Recommended	2	1	1	44	77	12	14	205	57	11	424
Grand Total	5	1	1	59	95	17	21	267	72	14	552

Table 22: Number of permits recommended and not recommended for 2017

PROFESSIONAL AFFAIRS - CPD AND REGISTRATIONS

PROFESSIONAL AFFAIRS - CPD AND REGISTRATIONS

form part of the scope of practice of the category in which such person is registered.

- Coordinate the activities of Council and its committees.

Committees

The CPD Committee and Health Committee meetings were held in March, June, August and November 2017.

Continuing professional development (CPD)

In 2017, the CPD Committee chaired by Dr P Naidoo-

- (a) evaluated 30 applications for candidates with qualifications obtained outside South Africa;
- (b) revised the criteria for recognition of persons with qualifications obtained outside South Africa to include requirements for South African citizens / permanent residents who obtained their qualifications outside South Africa;
- (c) reviewed the competency standards for pharmacists in South Africa; and
- (d) discussed and approved the amendments to the *Regulations relating to continuing professional development* for submission to the National Department of Health (NDoH).

Health Committee



Vusi Dlamini
(Chairperson: Health Committee)

In 2017, the Health Committee, chaired by Mr VC Dlamini, managed 16 cases, received 5 new cases and closed 6 cases.



Avril Lewis
(Senior Manager:
Professional Affairs - CPD
and Registrations)



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

Strategic focus area

The activities of the Professional Affairs, CPD and Registrations Unit focus on four of Council's strategic goals:

- 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.
- 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

Other meetings

Skills development providers (previously FET providers)

A consultative meeting with the skills development providers was held in February 2017. System enhancements requested by the providers during the meeting, such as access to view learner registration certificates, were implemented. A follow-up meeting was held with the allocated provider in November 2017 in order to improve turn-around times and relationships between Council and the providers.

Heads of pharmaceutical services

Meetings with allocated heads of provincial pharmaceutical

services were held to improve relations and update them on developments and to address any challenges.

Training for Customer and Stakeholder Relations

Information sessions on CPD, registration and pre-registration matters were conducted at Customer and Stakeholder Relations as per schedule.

Registrations

The following categories of persons and organisations were registered during 2017. Most of these applications are online to improve turn-around-times and data integrity.

Category of persons and organisations	Count*
Persons:	
Assessors and moderators	14
B Pharm students	1221
Community service pharmacists	856
CPD assessors and moderators	28
Interns	851
PCDT permits	42
Pharmacist's assistants (Basic and Post-Basic)	3125
Pharmacist's assistant learner (Basic and Post-Basic)	3728
Pharmacy Technician (Post-Basic)	71
Pharmacy technician students	237
Pharmacy technician trainees	75
Pharmacists after community service	535
Tutors	2020
Responsible pharmacists	777
Organisations:	
Recording of licenses	453
Premises approval for training	981

Table 23: Number of persons and organisations registered in 2017

* Completed cases on dashboard

First and fourth year students' information sessions were conducted at nine universities accredited by Council to inform students about Council, the requirements of registration and internship. The onsite students' registrations were conducted for first year students. Meetings with the heads of schools were conducted to improve turn-around times and relationships between Council and the providers.

The system was enhanced to permit the assessment of students CPD entries by assessors at respective universities. Training was provided to the assessors of students who needed training. The register system was enhanced to allow registration of community service pharmacists in private sector pharmacies linked to public sector pharmacies and the

National Department of Health.

Review of competency standards for pharmacists in South Africa

The competency standards for pharmacists in South Africa were reviewed by the task team and approved by Council for publication via Board Notice for public comment. The task team appointed by Council discussed the comments received and incorporated them in the document. The document with comments incorporated will serve at the joint CPD, Education and Practice Committee meeting in February 2018 before final approval by Council for implementation.

Internship

In 2017, the intern manual was updated and published on the SAPC website together with the intern/tutor workshop presentations. Email and SMS notifications were sent to all interns, their tutors and RPs informing them on the availability of the manual. The trainee manual for pharmacy technician trainees was also updated and published on the SAPC website, and the trainees and their tutors were informed of the availability of the manual via email and SMS. The internship review task team met at the end of October 2017.

Continuous professional development

The guidelines for assessors and moderators were reviewed and incorporated in the independent contractors' agreement which was signed by the appointed assessors and moderators of intern CPD activities.

Training and feedback sessions for assessors and moderators of intern CPD activities were conducted in January and June 2017. Assessors and moderators of intern CPD activities assisted Council in conducting intern/tutor workshops in March 2017 in all provinces to prepare interns and tutors for CPD submissions.

The CPD system was enhanced to allow tutors access to view their intern CPD activities in order to assist them to submit quality CPD activities. The tutor verification of intern CPD activities will be mandatory from 2018.

Pre-registration examinations

Examiners and moderators were appointed to set the pre-registration examination papers. The task team for pre-registration examinations met in January, April and August 2017 to approve examination papers for the three examinations scheduled for 2017. The questions for these examinations were loaded on the online system to facilitate the newly implemented online examinations. The task team, which includes the examiners and moderators, has started the process of reviewing questions from past papers in order to create a bank of online questions to be used for future examinations.

Pre-registration examinations were conducted in April, July and October 2017. The examination went online for the first time in April 2017. In preparation for the online examination in April, an optional revision class, including training on the online examination system, was conducted. Prior to the implementation of the online examinations, service providers such as universities accredited by Council to provide the BPharm programme, UNISA and the University of Free State, were consulted to hire out their computer labs to Council. Service level agreements were signed with most of them.

Intern workshops were conducted in June 2017 in all provinces to prepare interns for the examination in July. The July examination had 634 interns writing it online in 13 examination centres. Invigilators were trained on the online system and the invigilation thereof. Moderators were trained on processing online reports for the examination results. An oral/supplementary examination was conducted in September 2017 for candidates who have attempted the examinations more than two times. A compulsory revision class was conducted prior to the oral/supplementary examinations. The policy for Council examinations is being reviewed to include all the changes to the pre-registration examination.

In 2017, of the 1 073 interns who wrote the examination, 784 passed and 289 failed.

Candidates with qualifications obtained outside South Africa

Applications for recognition of foreign qualifications

In 2017, Council had 30 applications for recognition of foreign qualifications evaluated by the CPD Committee. The criteria for evaluating these applications were reviewed to include requirements for South African citizens / permanent residents who obtained their qualifications outside South Africa.

Professional examination

Upon evaluation by the Committee, pharmacists with foreign qualifications are required to pass the professional examination, register as interns, 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.

Examiners and moderators, from universities accredited by Council for the BPharm programme, were appointed based on their expertise in pharmacology, pharmaceuticals, pharmaceutical chemistry and pharmacy practice, law and ethics to set professional examination papers in the respective subjects. Professional examinations, which comprise four papers, were conducted in May and October 2017 for foreign qualified candidates approved by the CPD Committee. In 2017, out of the 27 candidates who wrote the professional examination, 22 candidates passed and 5 candidates failed.

The task team for reviewing the professional examinations met in October 2017 to review the format, the content and the process for the examinations. A workshop on setting multiple-choice questions was arranged in January 2018 in order to capacitate the task team to finalise the task.

Professional Affairs – CPD and Registrations Unit



Front: Kamohelo Malaku (Manager: Professional Affairs – CPD and Registrations); Mpho Moselakgomo (Practitioner: Professional Affairs – CPD and Registrations); Avril Lewis (Senior Manager: Professional Affairs – CPD and Registrations); Ziyanda Mfuku (Manager: Professional Affairs – CPD and Registrations); Lebogang Magano (Officer: Professional Affairs - CPD and Registrations)
Back: Dorcas Magagula (Practitioner: Professional Affairs – CPD and Registrations) Pitsi Mojela (Officer: Professional Affairs – CPD and Registrations); Monkatso Malatsi (Manager: Professional Affairs – CPD and Registrations) and Refilwe Letlalo (Secretarial Support Officer: Professional Affairs – CPD and Registrations),
Absent: Amanda Seloane (Officer: Professional Affairs – CPD and Registrations), Paulina Motecwane (Practitioner: Professional Affairs – CPD and Registrations)

Professional Affairs - Education



Hlonelikaya Masiza
(Senior Manager:
Professional Affairs -
Education)

Strategic focus area

The activities of the Education Unit focus on five of Council's strategic goals:

- 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 the private sectors, with the goal of achieving definite therapeutic outcomes for the health and quality of life of a patient.
- Establish, develop, maintain and control universally acceptable standards in pharmaceutical education and training.
- Coordinate the activities of Council and its committees.

Education Committee

The Education Committee chaired by Professor Rod Walker held three meetings in 2017. The committee made the following recommendations, which Council approved:

- (a) the current competencies associated with the current BPharm qualification be sent to all examiners of professional examinations to ensure they can use these competencies to set the examinations;
- (b) the examiners for professional examinations be instructed

not to apply negative marking for the May and October 2017 professional examinations;

- (c) the analysis of results for March and October pre-registration examinations per university be reviewed as only a small number of interns write these examinations and reporting for these examinations provides a skewed overall performance of interns per university;
- (d) consistency of the quality and standard of the examination papers be an integral part of the review of the pre-registration examination process;
- (e) the pre-registration examination be completed online only and the print examination papers be made available to interns on request;
- (f) the examination rules be amended to include the following-
 - (i) the hard copy question papers are available on request for the ease of reading;
 - (ii) if a candidate does not finish the examination within the stipulated time, no additional time will be granted; and
 - (iii) all printed examination papers must be handed back to the invigilator and be returned to the Office of the Registrar.
- (g) interns to be informed that no assessments will be performed in December and the implications thereof;
- (h) the University of KwaZulu-Natal be fully accredited to offer the BPharm programme;
- (i) North West University (NWU) be granted an extension to offer the Primary Care Drug Therapy (PCDT) course for an additional year;
- (j) Council for Higher Education (CHE) be requested to assist in the review of the BPharm qualification;
- (k) Council provides the funding to the CHE for the review of the BPharm qualification;
- (l) the Office of the Registrar invite CHE to join the Council panel for the 2017 accreditation/monitoring visits to universities in Pretoria, in order to identify the different roles which can be played by CHE and Council;
- (m) Council conducts an accreditation visit annually to the skills development provider until the skills development provider acquires full accreditation;

- (n) Council conducts a monitoring visit to the skills development providers on a triennial cycle, after full accreditation;
- (o) professional examinations be in the current format until the new format is ready for implementation;
- (p) an oral examination be considered for interns who have:
 - (i) attempted the examination more than twice and failed;
 - (ii) completed 12 months of internship;
 - (iii) successfully submitted all required CPD entries and are found competent;
 - (iv) favourable progress reports; and
 - (v) attended a revision session arranged by the Office of the Registrar prior to the assessment.
- (q) an examiner be required to set and conduct the oral examination based on the areas of overall weakness identified in the examination, and the oral examination be moderated;
- (r) interns who are not successful in two attempts of the oral examination be subjected to remediation;
- (s) interns who obtained a mark of 23/40 for Paper 1 and/or a mark of 24/50 for Paper 2 be condoned;
- (t) condoning of interns be implemented from the October 2017 pre-registration examination; and
- (u) Council requests that the South African Qualifications Authority (SAQA) extends the registration end date for the Advanced Certificate: Pharmacy Technical Support from 30 June 2018 to 30 June 2019 and the last date of enrolment from 30 June 2019 to 30 June 2020, to allow students who will complete the Higher Certificate: Pharmacy Support in 2018 to enrol for the Advanced Certificate: Pharmacy Technical Support in 2019.



Prof Roderick Walker
(Chairperson: Education Committee)

Good education standards

- (a) Council developed an accreditation/monitoring visit instrument based on Good Education Standards.
- (b) The Good Education Standards were reviewed in order to be aligned with the accreditation/monitoring instruments and were subsequently approved by Council in July 2017.

Qualifications

- (a) The Office of the Registrar together with the Quality Council for Trade and Occupations (QCTO) and the Health and Welfare Sector Education and Training Authority (HWSETA) facilitated meetings of pharmacy stakeholders to draft the qualifications for pharmacy support personnel on the Occupational Qualifications Sub-Framework (OQSF). The qualification was published for comment in the Government Gazette in December 2016. The comment period ended in March 2017 and comments were considered by the task team. The final qualification was approved by Council in July 2017 for implementation.
- (b) The Diploma: Pharmacy Technician was also approved by the Executive Committee of Council on 30 November 2016 for wider consultation. The qualification was published for comment in the Government Gazette in December 2016. The comment period ended in March 2017 and comments were considered by the task team. The qualification was approved in July 2017 for implementation.
- (c) Master of Pharmacy in Industrial Pharmacy was approved by Council in May 2016 for narrow consultation. Consultation was done with the South African Health Products Regulator Authority (SAHPRA) and other industry stakeholders.

Criteria and Guidelines

- (a) The criteria for accreditation of providers with multiple sites was approved by Council in July 2017; and
- (b) The accreditation/monitoring visit process was approved by Council in July 2017.

Cooperation with other quality councils

- (a) The South African Qualifications Authority (SAQA) conducted a verification visit to Council in order to register Council as a professional body;
- (b) Council is the Quality Assurance Partner (QAP) for the current qualifications for pharmacy support personnel (PSP) and has submitted the quarterly reports required by the QCTO;

- (c) Council attended two meetings of the QAP forum;
- (d) Council attended the Department of Higher Education and Training (DHET) Colloquium held on 18-19 May 2017;
- (e) Council had two successful National Learners' Records Database (NLRD) submissions to SAQA;
- (f) A workshop was held between the task team for PSP, the HWSETA and the Chemical Industries Education and Training Authority to motivate for the occupational qualification relating to pharmacy to be recognised for funding; and
- (g) Council attended CHE's Professional Councils workshop on 24 March 2017.

Accreditation/monitoring visits to Higher Education and Training providers

The new accreditation/monitoring visit instrument was approved by Council in May 2017 and was piloted during the 2017 visits. Council appointed panel members, in line with the criteria it approved in February 2016, to conduct accreditation/monitoring visits for 2017. The panel members were trained on 20/21 June 2017.

Monitoring visits were conducted to the following institutions:

- (a) Rhodes University.

Accreditation visits were conducted to the following institutions:

- (a) Tshwane University of Technology

Accreditation/monitoring visits to providers of occupational certificates (qualifications for pharmacy support personnel)

Monitoring visits were conducted to the following institutions:

- (a) Pharmacy Healthcare Academy
- (b) Sefako Makgatho Health Sciences University - Pharmacy Training and Development Project
- (c) Abaluleki-Fort Hare University Consortium
- (d) Health Sciences Academy

Accreditation of courses

Mpilo Royal College of Health Education was accredited/ approved as a provider of the qualification National Certificate: Pharmacist Assistance (Institutional Pharmacy).

Heads of schools meeting

The heads of schools had a meeting on 16 May 2017. The Department of Health delivered a presentation on the process of conducting community service within institutions of higher learning offering pharmacy education.

Meeting of the skills development providers

The meeting of the skills development providers was held on 23 February 2017 and the following recommendations were approved by Council-

- (a) a tutor must be given 10 days to accept a learner;
- (b) the learner must be given 20 days to find another tutor and/or premises should the selected tutor decline the learner;
- (c) the request for the providers to charge the learners an administration fee for submitting their learner applications to Council be declined; and
- (d) providers be given access to view their learner documents, practical days worked and progress reports submitted online.

Professional Affairs – Education Unit



Front: Hlonelikaya Masiza (Senior Manager: Professional Affairs – Education); Amanda Mtimunye (Officer: Professional Affairs – Education); Nkele Mengoai (Officer: Professional Affairs – Education)
Back: Sarah Nyama (Practitioner: Professional Affairs – Education); Mokoadi Mogano (Manager: Professional Affairs – Education); Tebogo Madigoe (Manager: Professional Affairs – Education) and Elsa Jacobs (Practitioner: Professional Affairs – Education)
Absent: Mulalo Phungo (Manager: Professional Affairs – Education)

Information Technology



Clement Manenzhe
(Senior Manager:
Information
Technology)

Strategic focus area

The focus of the Department of Information Technology is on improving internal efficiency and effectiveness.

The Information Technology (IT) Department is responsible for providing robust, reliable and highly secured technological platforms to enable Council to discharge its fiduciary duties and meet the service needs of stakeholders.

The IT status report covers the work of the IT division within the SAPC for the period January 2017 until September 2017.

Operational matters

Annual Renewal of Microsoft Open Value Subscription (OVS)

SAPC is subscribed to an OVS agreement plan for the use of Microsoft applications/software which is renewable annually. The anniversary for the renewal is March/April every year. Currently the subscription covers 90 users and offers flexibility to increase or decrease during the year of subscription. The subscription is essential for compliance and eliminates the risk of using pirated software. The renewal also ensures that the SAPC enjoys the built-in software assurance so that computing equipment receives all necessary updates and patches for optimal functioning and security.

The renewal was completed with increased Office 365 plans from last year's 36 to 90 in 2017. The Office 365 plan will offer SAPC a leverage to host and run Office applications such as Outlook, Word and Excel on a Cloud. This means that the

emails and files are available anywhere, anytime and on any device that is connected to the internet which is essential for mobile users and cuts costs on infrastructure investment.

Computing tools

Office computing hardware is replaced or updated from time to time, as the need arises due to expired warranties or faults. Due to a high number of laptop computers within the SAPC, we have deployed the laptop tracking software – Absolute Data & Device Security (DDS) to minimise the risk of loss and to protect data as contained in the laptop. Twenty (20) licences have been purchased and activated. Once management is satisfied with the tool and when the budget allows, additional licenses will be added.

Client query tracking tool

One of the main projects between IT and Communication and Stakeholder Relations (CSR) is the implementation of a query tracking/management tool to be used to record all queries addressed to Customer Care via telephones, emails, web forms or walk-ins. The tool should issue a unique reference number to be dispatched to the customer via SMS or email. The captured query would then go via the necessary stages from opening until the query is resolved. The system should also be able to assign the query to a user or group, be able to escalate the matter and have service level agreement (SLA) metrics. Gijima has been appointed to provide and implement the NetHelpDesk system.

Operating system upgrade and Microsoft Office 2013

We have embarked on an exercise to upgrade all users to the latest Microsoft Office Professional. All new computers have been rolled out with Microsoft Windows 10 and Office 2016 Professional.

Connectivity

The Council network is secure and reliable with limited outages, which minimises disruptions to business operations and its resilience increases end-user confidence. The network is backed by a 20MB Telkom fibre line with a Neotel failover line.

The corporate access point network (APN) allows users to connect to the main network remotely for effective and efficient service delivery. A secured Wi-Fi network is in place – laptop users can conveniently connect their devices and be able to work from any part of the SAPC office building.

Projects

Migration of Exchange to Office 365

SAPC took a decision to migrate all mailboxes from the physical Exchange server to Office 365. This is in line with the objective of reducing in-premise IT infrastructure at the data centre which will effectively reduce hardware running and replacement costs.

With the renewal of the OVS for 2017, the number of licences increased from 36 to 90. Of the 90 Office 365 Plans, 35 are on Microsoft's E3 Enterprise Plan (Senior Managers, Managers and other key personnel). The rest of the users remain on Microsoft's Entry-level Enterprise Plan E1.

Business Continuity Plan (BCP)

In addressing one of the persistent audit findings and risk mitigations on unexpected business disruption, the Council appointed Continuity SA to assist in the development of the BCP. The draft Emergency Response Plan has been concluded after business impact analysis meetings were conducted with departments. Engagement with Continuity SA will continue until finalisation. Continuity SA will also develop the Business Continuity Management (BCM) Policy and Framework as well as the Business Continuity and IT Disaster Recovery Plans.

SAPC Server 2016 HOST OS Upgrade

The project was intended to upgrade host servers to the latest operating system which is Microsoft Server 2016 Standard which is more stable. The upgrade would remove single point of failure of a single blade, lessen the business risk of downtime, create a more holistic environment and increase storage clean-up.

The register & dashboard

The following were major change requests implemented to improve the efficiency on the Register and Dashboard Systems:

- CPD assessment page
- Online claim forms for inspectors
- Capturing of inspections questionnaires
- Remove dashboard process for online claims and delete current cases
- Add a new process for inspection - no response
- Develop an online application for pre-reg exam remarking
- SAPC 13th April inspection changes

- Review of exam
- Group access/group owner access
- CPD for BPharm IV students
- Recommendation of a pharmacy licence
- Change of legal complaint process on dashboard

Governance and policies

Policies

The following IT policies were reviewed and approved:

- Acceptable User Policy
- IT Backup Policy
- IT Antivirus Policy
- IT Password Authentication and Protection Policy
- IT Physical and Environmental Policy
- IT User Account Management Policy
- IT Remote Access Policy
- ICT Change Management Policy
- IT Project Management Policy
- Information Systems Security Policy

Information and Communication Technology Governance Framework

Council has no formal governance framework in place as it relates to information technology. However, all matters of strategic importance, including risks, projects, policies and plans are thoroughly discussed in properly structured senior management meetings.

We have envisaged a consultative process with experts in the area of IT governance although the Audit Committee resolved that SAPC should customize the Corporate Governance of the ICT Policy Framework for government, which is available from DPSA, to Council's needs.

The effectiveness of IT controls

The Information Technology Department is responsible for providing robust, reliable and highly secured technological platforms to enable the Council to discharge its fiduciary duties and to meet the service needs of the Council's stakeholders. To this end, appropriate access is applied for all systems, segregation of duty is duly applied in both the Register and other accounting applications to ensure accountability. We have also implemented proper change management processes for all system changes and have a security policy in place.

IT Audits and IT Risk Management

There were four issues highlighted by the internal audit itemised as follows:

- Non-compliance physical and environmental controls – The finding has been corrected. The server room has been renovated with raised floor to meet the appropriate standards.
- Inadequate patch management process – patch management (WSUS) for installing critical computer updates has been deployed and runs weekly on all computers attached to the domain.
- Disaster recovery and business continuity – the department has already started with a process for development of the BCP and Continuity SA was appointed to that effect. An online DRP will then be advertised with specification derived from the BCP.

Information Technology Unit



Front: Maggy Maisela (Technician: Information Technology); Liza Mangoale (Technician: Information Technology);
Back: Thabo Matsetela (Officer: Information Technology); Clement Manenzhe (Senior Manager: Information Technology);
 and Kgomotso Ntemane (Technician: Information Technology)

Human Resources



John Mashishi
(Manager: HR)

Strategic focus area

The Human Resources (HR) Department focuses on managing the recruitment and selection of staff, labour relations, transformation in the workplace (Employment Equity), occupational health and safety matters, performance management, training and development, and the salary administration.

Remuneration Committee

The Remuneration Committee had three meetings (March, April and August 2017) to deal with issues related to revision of the remuneration policy, salary benchmarking, remuneration and reimbursement of Councillors and the Registrar. The committee also sat in November 2017 to consider and recommend the 2018 cost of living adjustment for management staff and other matters related to remuneration of staff for Council's consideration.

Bargaining Committee

The Committee met twice (April and August 2017) and deliberated on several matters of mutual interest. This included pay progression, collective agreement, and performance management cycle. The last meeting of the Committee took place in November 2017 and focused on finalising the 2018 cost of living adjustment for non-management staff as well as the finalisation of recognition agreement and the constitution of the Bargaining Committee.

Employment Equity

The Employment Equity Committee had its meeting in November 2017 to determine progress towards employment targets as set in the Employment Equity Plan for 2014-2019, as well as to prepare a report to the Department of Labour.

Breakdown of the Council workforce

The employment level per race groups and gender in Council during 2017, was as follows:

African		Coloured		Indian/Asian		White	
Male	Female	Male	Female	Male	Female	Male	Female
25	48	0	2	0	2	0	8
73		2		2		8	

Table 24: Breakdown of SAPC workforce in 2017

Employment Equity table showing Council's staff demographics as at October 2017

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	1	0	0	0	3	0	0	2	0	0	6
Professionally qualified and experienced specialists and mid-management	5	0	0	0	7	0	1	1	0	0	14
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	3	0	0	0	11	0	0	3	0	0	17
Semi-skilled and discretionary decision making	11	0	0	0	26	2	1	1	0	0	41
Unskilled and defined decision making	2	0	0	0	0	0	0	0	0	0	2
TOTAL PERMANENT	24	0	0	0	47	2	2	7	1	0	83
Temporary employees	1	0	0	0	1	0	0	1	0	0	3
GRAND TOTAL	25	0	0	0	48	2	2	8	1	0	86

Table 25: Employment equity showing Council's staff demographics

Employee development and training

The workplace skills training for the year under review was carried out as per the table below. The Skills Development Committee was appointed to adjudicate over training going forward.

Course description	Number of employees
Communication and Service Delivery (CSR)	22
Prince 2	4
Itil & Cobit	1
Social Media	4
POPI	2
Master Coach Training 1	1
Assessor Course	1
King IV	2

Table 26: Skills training offered in 2017

The professional development continued in 2017. The programs outlined in the table below were partly funded by Council.

Under/Postgraduate	Category	Number of employees
Master of Laws (Constitutional Law)	Staff	1
Advance Program HRM	Staff	1
Development Program for Management	Staff	1
Bachelor of Commerce	Staff	1
Bachelor of Administration	Staff	1
Total	Staff	5

Table 27: Breakdown of study assistance offered in 2017

Employee recruitment and retention

The systematic filling of positions was executed with a large percentage of the positions being filled. The remaining percentage will be filled progressively based on the availability of funds. The office has a challenge in recruiting the right calibre of staff at management level due to the inability to match the expected remuneration. The staff turnover remains at a relatively low ebb.

Employee wellness

In terms of the annual employee wellness report, the utilisation rate has improved significantly. A wellness event was held on 22 September 2017 and the turnout was good. It was characterised by presentations by various professionals on stress and stress management, breast and prostate cancer awareness and examinations, clinical measurement of blood pressure, cholesterol levels and HIV testing. Emphasis was placed on promoting healthy lifestyles and raising awareness about topical health issues.

Legal Services & Professional Conduct

Strategic focus area

The activities of the Legal Services and Professional Conduct (LS&PC) Department focus on four of Council's strategic objectives:

- Establish, develop, maintain and control universally acceptable standards of:
 - the practice of the various categories of persons required to be registered in terms of the Pharmacy Act
 - professional conduct required of persons registered in terms of the Pharmacy Act
 - control over persons registered in terms of the Pharmacy 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 (corporate governance).
- Maintain and enhance the dignity of the profession.
- Coordinate the activities of the disciplinary committees of Council.

Introduction

The results of Legal Services & Professional Conduct (LS&PC) departmental planning and the revision of systems and procedures for 2017 are clearly visible in terms of the output results within the professional conduct domain of the department, as detailed below.

Professional conduct

Committee of Preliminary Investigation

Council received a total number of 512 complaints as from 1 November 2016 to 6 October 2017. The Committee of Preliminary Investigation (CPI) was chaired by Mr Solly Rasekele. Complaints received in terms of Section 39 of the Pharmacy



Debbie Hoffmann
(Senior Manager:
Professional Conduct
and Legal Services)



Solly Rasekele
(Chairperson: CPI)

Act, 53 of 1974 were reviewed and addressed as follows: CPI reviewed a total of 269 matters, and recommended a total of

R617 000 in terms of potential fines. The recommendations of the CPI meetings can be summarised as follows:

Meeting	Total number of cases	No further action	CII	CFI	Health Committee	Proposed fines
Nov 2016	100	66	18	3	0	R124 500
May 2017	104	57	29	4	2	R400 500
Aug 2017	65	32	11	14	1	R92 000
Total	269	155	58	21	3	R617 000

Table 28: Recommendations of the CPI meetings

A year-on-year analysis of the total of CPI case numbers is provided hereunder:

2013	2014	2015	2016	2017
239	224	299	407	269

Table 29: Year-on-year analysis of the total number of CPI cases

Committee of Informal Inquiries

The Committee of Informal Inquiries (CII) was chaired by Mr Sham Moodley for 2017, reviewing a total of 63 matters, with confirmed fines to the value of R506 740 and cost orders to the amount of R226 691.

The findings of the CII meetings can be summarised as follows:



Sham Moodley
(Chairperson: CII)

Meeting	Total number of cases	Appearances	Consent orders	CFI referrals	Amounts	
					Fines	Cost orders
Feb 2017	22	3	15	3	R109 500	R59 926
Jul 2017	28	5	21	2	R308 000	R77 525
Oct 2017	13	1	10	2	R89 240	R38 776
Total	63	9	46	7	R506 740	R176 227

Table 30: Finding of CII meetings

A year-on-year analysis of the total of CII case numbers is provided hereunder:

2013	2014	2015	2016	2017
134	83	87	95	63

Table 31: Year-on-year analysis of the total number of CII cases

Committee of Formal Investigation

The Council held 11 formal inquiries heard by the Committees of Formal Inquiries (CFI) during 2017 which Committees found five respondents guilty and five respondents not guilty, and

one respondent was referred to the Health Committee before a suitable sentence could be imposed. The total value of the fines ordered by CFI amounted to R50 000 with corresponding cost orders of R63 925,55. A year-on-year analysis of the total of CFI case numbers is provided hereunder:

2013	2014	2015	2016	2017
1	10	11	6	11

Table 32: Year-on-year analysis of the total number of CFI cases

Provision of legal services and legal administration

Legal Enquiries and Legal Opinions

The LS&PC Department provided legal services to the public, the profession and stakeholders by addressing legal enquiries, emanating from email communication, Council's website, and telephonic enquiries or by means of any other forms of communication. As per previous years, the topics covered in such enquiries varied, with enquiries related to scopes of practice and responsible pharmacists' duties and authorities being addressed. LS&PC formally addressed a total number of 51 legal and legal related enquiries during 2017. In addition, LS&PC provided a presentation to industry on the role of the Responsible Pharmacist in industry, and the collaboration with industry and MCC/MRA on combating the distribution of counterfeit medicines in RSA. The LS&PC have also been actively participating with Medical Schemes units in order to address the issue of medical aid fraud committed by pharmacists.

LS&PC provided legal support to the Office of the Registrar and Council by way of 2 formal legal opinions drafted as a result of the request of Council and/or the Office of the Registrar, these included issues relating to the keeping of Specified Schedule 5 registers and the professional conduct enquiry of certain members of the profession dating back to the 1990's. LS&PC also obtained the external legal opinion pertaining to the application of another business within a pharmacy, which included *inter alia* the application of the standards when there is a hybrid business model of another business within a pharmacy.

In September 2017 the LS&PC unit facilitated the first meeting of the task team established by Council to address issues pertaining to ownership of pharmacies and the impact on patient care and pharmaceutical care.

Certificates of Good Standing

LS&PC provided a total of 52 Certificates of Good Standing to applicants during 2017, this being just over a 25% decrease of such applications during 2016. The distribution of the requested destinations for such certificates is reflected in the table below:

Destination country	
Canada	17
South Africa (local)	7
Australia	5
USA	5
United Kingdom	4
Botswana	3
Namibia	3
Dubai	2
New Zealand	2
Swaziland	1
Israel	1
Ireland	1
Zimbabwe	1

Table 33: Certificates of good standing issued

In addition, during 2017, statistics were generated to reflect the ratio of applicants in terms of gender and the ratio of applicants in terms of South African citizens and non-South African citizens. The results are reflected in the table on the next page:

Female applicants	Male applicant	Total number of certificates issued
37	15	52
South African Citizens	Non- South African Citizens	
41	11	52

Table 34: Certificates of good standing issued in terms of gender and ratio of SA citizens and non-SA citizens

Section 26 Certificates

LS&PC provided a total of 18 Certificates of Registration/Non-registration issued in terms of Section 26 of the Pharmacy Act, the purpose of which ranged from personal use to investigations undertaken by the Medicines Regulatory Authority under the National Department of Health, investigations by forensic companies for and on behalf of medical schemes and matters pertaining to civil litigation.

Contracts and Service Level Agreements

LS&PC, in ensuring that the Council is bound to, as well as being sufficiently legally covered in terms of its contractual relationship with service providers, saw to the drafting/editing of six new or updating existing contracts, containing service level agreements and nine service provider contracts for the pre-registration online examination, as well as the wrapping up of all the contracts after the 2nd National Pharmacy Conference.

Corporate governance

LS&PC administered and collated the Council Self-Assessment for 2016. In addition, LS&PC had an internal audit review in September 2017.

Legislation

South African Pharmacy Council Legislation

In August 2017, the South African Law Reform Commission issued a discussion document for statutory health councils in respect of the redrafting of legislation that were inconsistent with the Constitution and/or contained sections that had been repealed or were redundant, in particular the drafting of the Pharmacy Amendment Bill. LS&PC, after consultation with Council, will be resubmitting to the Law Reform Commission the urgent and relevant sections of the Pharmacy Act, 53 of 1974, that require amendment.

LS&PC assisted in preparing for publication 11 Board Notices including:

- (a) the publication of notices pertaining to the fees payable to Council for 2017;

- (b) The appointment of new Council members;
- (c) The services for which a pharmacist may levy a fee(s);
- (d) The Committee of Formal Inquiries findings for 2016;
- (e) The amendments and new minimum standards for implementation into the Rules pertaining to good pharmacy practice (GPP), which included mobile pharmacies, websites, the lifting on the prohibition of the selling of HIV self-screening test kits and the RADU (Board Notice 193 of 2016);
- (f) New minimum standards for implementation into the Rules pertaining to good pharmacy practice (GPP), which included the collection and delivery of medicines (BN 431 of 2017);
- (g) Proposed amendments to the Rules pertaining to good pharmacy practice (GPP) for comment in respect of the selling of HIV self-screen test kits;
- (h) Proposed amendments to the Rules pertaining to good pharmacy practice (GPP) for comment in respect of PDLs (BN 591 of 2017);
- (i) Proposed competency standards for pharmacists for comment (BN 590 of 2017);
- (j) The implementation of the GPES (awaiting publication); and
- (k) The implementation of the Rules pertaining to good pharmacy practice (GPP) for comment in respect of the selling of HIV self-screen test kits (awaiting publication)

LS&PC in consultation with the DoH, have attended to the redrafting of the following regulations:

- (a) CPD;
- (b) Education (pertaining to pharmacy support personnel);
- (c) Practice (pertaining to pharmacy support personnel); and
- (d) Registration of persons (pertaining to pharmacy support personnel).

Comments and contributions to proposed legislation published for comment

LS&PC facilitated Council's detailed comments to:

- (a) The proposed regulations of the OHSC;
- (b) The proposed new draft General Regulations under the Medicines and Related Substances Act;
- (c) The Competitions Commission: Health Market Inquiry: Cross ownership/directorship in the private healthcare

sector; and

- (d) The Competitions Commission: Health Market Inquiry:
Patient outcomes measurement.

Legal Services & Professional Conduct Unit



Front: Debbie Hoffmann (Senior Manager: LS&PC); Felicia Ngoveni (Practitioner: LS&PC)
Back: Nhlamulo Isaac Nkanyane (Manager: LS&PC); Natalie Urban (Secretarial Support Officer: LS&PC)

FINANCIAL MANAGEMENT



Voster Himbotwe
(General Manager:
Finance)

During the year under review, the Office of the Registrar ensured efficient and effective management of Council's financial resources and risk management in line with best practice.

The Audit Committee and the Board of Trustees maintained oversight on financial management and governance of the SA Pharmacy Council Pension Fund respectively.

Strategic focus area

Financial Management focuses on three strategic objectives of Council:

- coordination of standing committees of Council
- promotion of transparency to the profession and the public
- provision of managerial and administrative support for the sustainability of Council's operations.

Coordination of standing committees of Council

Audit Committee

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 financial reporting processes and internal control systems. The committee appraised the internal and external assurance functions and provided a channel of communication between the auditors and executive management.

The committee consisted of five members appointed in terms of the Audit Committee Charter, three independent members drawn from outside the Council, and two Council members. During the year, the Audit Committee held four meetings in line with its terms of reference. The report of the committee is on page 46.

Pension Fund Board

Council has a post-employment defined contribution benefit plan, established on 1 July 1977, operated as a separate legal entity in terms of the Pension Funds Act, 24 of 1956, the South African Pharmacy Council Pension Fund (the Fund). Under the defined contribution plan, Council's obligation is limited to the amount that it agrees to contribute to the Fund. Consequently, the actuarial and investment risks of benefits and/or assets invested being less than expected are borne by the employees.

The benefits payable by the Fund in the future, due to retirements and withdrawals from the Fund, are contributions by members to the Fund and investment returns net of operational expenses. Council's contribution to the plan is charged to the income statement when incurred. The audited financial statements of the Fund for the period ended 30 June 2017 were approved by the Pension Fund Board and submitted to the Financial Services Board (FSB).

The Fund general and governance information is as follows:

Employer representatives:

Professor M Chetty (Chairperson)
Ms NP Thipa
Mr TA Masango
Ms H Hayes (Alternate)

Employee representatives:

Mr NJ Mashishi
Ms MM Mokoena
Mr D Nkuna
Ms F Ngoveni (Alternate)

Principal Officer:

Mr V Himbotwe

Administrator:

ABSA Consultants and Actuaries (Pty) Ltd

Valuator:

Ms L Langner

Auditors:

Geyser & du Plessis

Investment manager:

Old Mutual

Promotion of transparency to the profession and the general public

The Council is governed in terms of the Pharmacy Act, 53 of 1974 and embraces the principles of good corporate governance, as espoused in the King IV Report on Corporate Governance for South Africa.

Councillors

Council members meet four times annually and are responsible for setting overall policy, 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 good practice. The president holds a non-executive office.

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, Rakoma and Associates Inc, are responsible for independently auditing and reporting on the financial statements. The auditors are appointed for a period of three years. 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 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 2017 fairly present Council's financial position and recommended that Council members approve the annual financial statements. The report of the committee is on page 46.

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. Any conflict of interest during meetings is declared and managed. 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 indicators

Description	2013	2014	2015	2016	2017
Current assets (R)	12 239 586	27 565 715	42 201 431	54 125 905	39 635 329
Current liabilities(R)	19 813 974	31 330 234	42 598 178	43 320 998	40 834 452
Liquidity ratio	0.62	0.88	0.99	1.25	0.97
Income (R)	54 144 362	62 436 396	64 899 419	80 275 776	82 144 907
Expenditure(R)	54 191 014	57 522 292	61 747 959	71 277 271	74 934 351
Total comprehensive income for the year [Surplus/ (deficit)](R)	(46 652)	4 914 104	3 151 460	8 998 505	7 210 556

Table 35: Financial performance indicators

Financial position

Assets grew by over 7.29% because of an increase in non-current assets resulting from purchase of property in Hatfield, Pretoria for future office development to meet challenges of office space and parking for the pharmacy profession and public. Current assets were made of accounts receivable, cash on hand, and short-term deposits on the back of fees for the year 2018 received in advance. Total equity and liabilities grew in line with assets. The liquidity ratio decreased from 1.25 in the prior year to 0.97 at 31 December 2017 primarily due to purchase of property as indicated above.

Comprehensive income

Council is a not for profit organisation with the funding for its operations drawn mainly from membership fees, such as annual fees, registration fees and restoration fees. Other sources of income are sponsorships/donations for specific one-off projects. During the year under review, overall income and expenditure grew inflationary by 2.33% and 5.13% respectively. Overall total comprehensive income decreased by 19.87%.

Budgetary control

Council's budget is guided by the five-year strategic plan. The budget for the year under review was approved at the 12/13 October 2016 Council meeting. Budget performance reports were presented to management, the Executive Committee, the Audit Committee and Council. At various Council committee meetings respective budget performance reports formed part of the agenda.

Supply chain management

Council has adopted a proactive stance towards black economic empowerment. The procurement policies of Council are in support of government policy for the general good in addressing past imbalances. The list of prospective suppliers was updated. The adjudicating committee and tender committee presided on purchases above the value of R40 000 and R400 000 respectively.

Risk management

In line with Council's policy on risk management, risks were managed through the systematic analysis of actual and potential risks, and the development and implementation of measures to counter those risks. The aim is to support decision-making and thereby increase the likelihood of achieving objectives. The Audit Committee assisted Council

in carrying out its risk governance responsibilities. An updated risk register was maintained during the year. Identified risks are not an indication of what the organisation is doing wrong, rather they indicate the things that could go wrong which would have an impact on the achievement of objectives. The following were the top risk and control improvements to mitigate the risks:

- (a) Non-compliance with education and other related legislation:
 - submit learner achievement data for pharmacist's assistants to the South African Qualifications Authority (SAQA)
 - application for Assessment Quality Partner with QCTO
 - draft memorandum of understanding (MoU) with the Council for Higher Education
 - follow up on application to register as a professional body with SAQA.
- (b) Litigation as a result of setting and enforcing professional standards:
 - improve record keeping throughout the process of standard setting and version control
 - record the international benchmarking process
 - develop and implement the filing index for the organisation
 - implement Conduct of Meetings Policy.
- (c) Non-compliance with set turnaround times in processing customer requests/ applications:
 - review turnaround times on applications
 - investigate areas where there are bottlenecks in the system and manage them
 - review and revise the dashboard process
 - standing meetings with heads of pharmaceutical services in both public and private sectors
 - standing meetings with heads of departments and MECs in the provinces to address training constraints
 - review and automate remaining people/ organisation registration processes
 - implement internal audit service delivery recommendations.
- (d) Inadequate business continuity planning:
 - review five-year strategic plan
 - finalise development of business continuity plan.
- (e) Inadequate/insufficient building infrastructure (office and parking space):
 - finalise purchase of new office premises/plot

- building improvements to accommodate conference facilities.

Internal audit

During the year under review, the internal audit function was outsourced to an independent audit firm, Sondlo Chartered Accountants (Sondlo). Sondlo attended all Audit Committee meetings to report on the adequacy of internal controls implemented by management. A risk-based internal audit plan for three years ending 31 December 2019 was approved and audits were carried out. Internal controls were considered adequate, with minor improvements recommended in some areas. Below is the list of audits performed:

(a) Follow – up Audits

- Human Resources management
- Governance and compliance
- Financial management and reporting (Pharmacy Conference)
- External Audit findings
- Service delivery
- Marketing and communications

(b) New Audits

- Pharmacy Practice
- Pharmacy Education
- Registration and Continuing Professional Development
- Legal Services and Professional Conduct

Financial Management Unit



Seated: Obakeng Mtimunye (Manager: Revenue); Voster Himbotwe (General Manager: Finance); Refilwe Mutlane (Manager: Supply Chain Management)

Middle row: Josephine Mokoka (Supply Chain Management Officer); Turtia Senamela (Financial Officer); Othelia Rosele (Financial Officer); Zanele Mahlangu (Financial Officer); Paulinah Makwela (Temporary Financial Officer); Nanatu Mongwe (Secretarial Support Officer: Finance); Zakia Mampe (Maintenance Officer)

Back row: Itani Nemathithi (Financial Controller); Lerato Sambo (Financial Controller); Anthula Thumbbran (Financial Officer); Boipelo Swaratlhe (Financial Officer); Tlhagi Khame (Financial Controller); Jerry Magwai (Financial Officer); Andries Thobane (Maintenance Officer); Mpho Shisana (Supply Chain Management Controller)

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 December 2017.

Purpose of the annual report

This annual report captures in summary form the activities of the Audit Committee (the Committee) for the financial year 2017, accounting how the Committee has performed, met its terms of reference and key priorities. The terms of reference were reviewed and revised, a process that is performed annually.

Audit Committee members and attendance

The Committee meets at least three times per annum in accordance with its terms of reference. During 2017, the Committee held four meetings. Attendance was satisfactory and all meetings were quorate. The Committee reported to Council after each meeting. The names of the members and attendance at meetings is recorded in Table 36.

Name of member	Number of meetings attended during 2017
Advocate MJ Ralefatane (Chairperson)	4
Mr Panajiotaki George Kyriacos	4
Mr Johannes Stephanus du Toit	4
Ms Anna Mirriam Mmanoko Badimo	2
Ms Shaila Hari	3

Table 36: Audit Committee meetings 2017

Audit Committee responsibility

The responsibilities of the Committee are set out in its terms of reference. The Committee assists Council in fulfilling its oversight responsibility by serving as an independent and objective party to oversee the establishment and maintenance of an effective system of internal control within Council. The Committee monitors and strengthens the objectivity and credibility of Council's financial reporting process and internal control systems. It supports and appraises the audit efforts of the external auditors and the internal audit function, and provides an open avenue of communication between the external auditors and the internal audit unit.

The Committee ensures there are effective internal audit arrangements in place, reviews the work and findings of internal and external audits, maintains oversight on counter fraud arrangements (including the establishment of whistleblowing systems) and reviews Council's corporate governance and risk management measures.

The Audit Committee reports that it has complied with its responsibility arising from the International Financial Reporting Standards appropriate to Council. The Audit Committee also reports that it has delivered on the key responsibilities as set out in the terms of reference. Compliance with a number of the key responsibilities is evidenced by the following actions:

- Regular review and monitoring of corporate risk register, with appropriate challenge to the proposed controls and risk scoring.
- Receive reports on progress against internal and external audit plans.
- Agree the external audit annual fee and work plan.
- Agree the internal audit annual work plan.
- Review of legal and ethical compliance including the processes for raising concerns (whistleblowing).
- Review financial and governance policies in line with best practice.
- Assess the Committee's annual performance in line with its terms of reference.
- Review of financial reporting.

Internal and external auditors

The internal audit function during the year under review was undertaken by Sondlo Chartered Accountants, with Rakoma & Associates Chartered Accountants Inc. (Rakoma) serving as the external auditors. The internal auditors attended every Committee meeting and the external auditors attended by invitation or when items needed to be presented. The auditors assured the Committee of their independence and ethical conduct in the discharge of their functions.

Effectiveness of internal control

The internal control system is effective, as the reports from the internal auditors, and the Audit Report on the 2017 annual financial statements from the external auditors record no material non-compliance with prescribed policies and procedures.

The unqualified/clean audit achieved for the year is evidence of the efficiency and effectiveness of internal controls.

Evaluation of financial statements

The Committee has:

- (a) reviewed and discussed with Rakoma and the accounting authority the audited annual financial statements;
- (b) reviewed Rakoma's management letter and management responses; and
- (c) reviewed significant adjustments resulting from the audit.

Going concern basis of accounting

The Committee is satisfied that Council is in a sound financial position to continue operations in the near future and, accordingly, the financial statements are prepared on a going concern basis.

Risk management

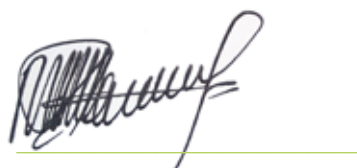
Management has implemented internal control processes for identifying, evaluating and managing significant risks to the achievement of Council's objectives. The Committee is satisfied that the measures are effective in mitigating the identified risks.

Irregularities and supply chain management

There were no reports of suspicious actions relating to irregularities or non-adherence to supply chain management policies.

The Committee concurs and accepts Rakoma's conclusions on the annual financial statements, and is of the opinion that the audited financial statements be accepted and read together with the report from Rakoma.

We thank management for their dedication and support, and for making the environment conducive for the Committee to effectively discharge its responsibilities.



Advocate MJ Ralefatane

Chairperson of the Audit Committee

South African Pharmacy Council

Financial Statements for the year ended 31 December 2017



These financial statements were prepared by: Voster Himbotwe
General Manager: Finance

These financial statements have been audited in compliance with the
applicable requirements of the Pharmacy Act 53 of 1974.

Issued 16 May 2018

South African Pharmacy Council

Financial Statements for the year ended 31 December 2017

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
Auditor	Rakoma and Associates Incorporated Chartered Accountants (S.A.) Registered Auditor
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Pharmacy Act 53 of 1974 and IFRS for SMEs.
Preparer	The financial statements were internally compiled by: Voster Himbotwe General Manager: Finance

South African Pharmacy Council

Financial Statements for the year ended 31 December 2017

INDEX

Page

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

Councillors' responsibilities and approval	51
Report of the independent auditor	52
Councillors' report	54
Statement of financial position as at 31 December 2017	56
Statement of comprehensive income	57
Statement of changes in equity	58
Statement of cash flows	59
Accounting policies	60
Notes to the financial statements	65

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

Detailed income statement	71
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Preparer

Voster Himbotwe
General Manager: Finance

Published

16 May 2018

South African Pharmacy Council

Financial Statements for the year ended 31 December 2017

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 Standard 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 Standard 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 2018 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 auditor whose report is presented on page 52.

The financial statements set out on pages 54 to 72, which have been prepared on the going concern basis, were approved by the councillors on 16 May 2018 and were signed on its behalf by:



Prof. M Chetty (President)



Ms. NP Thipa (Treasurer)



Mr. TA Masango (Registrar)

REPORT OF THE INDEPENDENT AUDITOR

To the councillors of the South African Pharmacy Council

We have audited the financial statements of the South African Pharmacy Council set out on pages 56 to 70, which comprise the statement of financial position as at 31 December 2017, and the statement of profit or loss and other comprehensive income and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of South African Pharmacy Council as at 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities and the requirements of the Pharmacy Act 53 of 1974.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the council in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

We draw attention to the matters below. Our opinion is not modified in respect of these matters.

Other information

The councillors are responsible for the other information. The other information comprises the Councillors' Report as required by the Pharmacy Act 53 of 1974, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Unaudited supplementary information

The supplementary information set out on pages 71 to 72 does not form part of the financial statements and is presented as additional information. We have not audited this information and, accordingly, we do not express an opinion thereon.

Responsibilities of the councillors for the annual financial statements

The councillors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities and the requirements of the Pharmacy Act 53 of 1974, and for

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.

In preparing the financial statements, the councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the councillors either intend to liquidate the council or to cease operations, or have no realistic alternative but to do so.

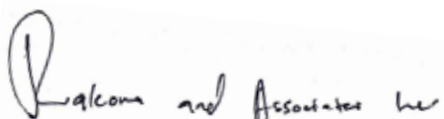
Auditor's responsibilities for the audit of the annual financial statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the councillors.
- Conclude on the appropriateness of the councillor's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the councillor's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Rakoma & Associates Incorporated

Per: Collins Malunga

Chartered Accountant (SA)

Registered Auditor

Director

28/05/2018

Fourways



COUNCILLORS' REPORT

The council members have pleasure in submitting their report on the financial statements of South African Pharmacy Council for the year ended 31 December 2017.

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:

- to assist in the promotion of the health of the population of the Republic;
- to advise the minister, or any other person, on any matters relating to pharmacy;
- to promote the provision of pharmaceutical care;
- to uphold and safeguard the rights of the general public to universally acceptable standards of pharmacy practice; and
- to 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 Standard for Small and Medium-sized Entities and the requirements of the Pharmacy Act 53 of 1974. The accounting policies have been applied consistently compared to the prior year.

3. Councillors

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

Councillors	Office	Designation	Nationality
Prof. Manoranjenni Chetty	President	Non-executive	South African
Mr. Douglas James Heaslet Defty	Vice President	Non-executive	South African
Ms. Nocawe Portia Thipa	Treasurer	Non-executive	South African
Mr. Gavin Stewart Steel	Representative from DOH	Non-executive	South African
Prof. Roderick Bryan Walker	Education committee chairperson	Non-executive	South African
Mr. Vusi Cornelias Dlamini	Health committee chairperson	Non-executive	South African
Mr. Tshuba Solomon Rasekele	CPI chairperson	Non-executive	South African
Mr. Rajatheran Moodley	CII chairperson	Non-executive	South African
Ms. Jacqueline Ann Maimin	Practice committee chairperson	Non-executive	South African
Dr. Panjasaram Naidoo	CPD committee chairperson	Non-executive	South African
Mr. Ayanda Soka		Non-executive	South African
Mr. Gaoboihe Jonas Kgasane		Non-executive	South African
Mr. Charles John Cawood		Non-executive	South African
Mr. Panajiotaki George Kyriacos		Non-executive	South African
Ms. Letty Mahlangu		Non-executive	South African
Mr. Johannes Albertus Raats		Non-executive	South African
Mr. Hezron Tshepo Mphaka		Non-executive	South African
Ms. Helen Catherine Hayes		Non-executive	South African
Mr. Mathys Jacobus Snyman		Non-executive	South African
Mr. Johannes Stephanus Du Toit		Non-executive	South African

Councillors	Office	Designation	Nationality
Prof. Shirley-Anne Boschmans		Non-executive	South African
Ms. Rachel Verity Wrigglesworth		Non-executive	South African
Ms. Claudette Norina Jasson		Non-executive	South African
Adv. Nazreen Shaik-Peremanov		Non-executive	South African
Ms. Josephine Herbert		Non-executive	South African

4. Events after the reporting period

The councillors are not aware of any material event which occurred after the reporting date and up to the date of this report.

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

Rakoma and Associates Incorporated continued in office as auditors for the Council for year ended 31 December 2017.

7. 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, information technology 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 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:

Name	Office	Designation	Nationality
Adv. Motlatjo Josephine Ralefatane	Chairperson	Independent	South African
Ms. Anna Mirriam Mmanoko Badimo		Independent	South African
Ms. Shaila Hari		Independent	South African
Mr. Panajiotaki George Kyriacos		Council member	South African
Mr. Johannes Stephanus Du Toit		Council member	South African

Statement of Financial Position as at 31 December 2017

	Note(s)	2017	Restated 2016
Assets			
Non-Current Assets			
Property, plant and equipment	2	22 205 241	10 392 725
Investment Property	3	6 833 322	-
Intangible assets	4	659 390	101 638
		29 697 953	10 494 363
Current Assets			
Trade and other receivables	5	13 287 851	15 949 056
Cash and cash equivalents	6	26 347 478	38 176 849
		39 635 329	54 125 905
Total Assets		69 333 282	64 620 268
Equity and Liabilities			
Equity			
Retained income		28 498 830	21 288 275
Liabilities			
Non-Current Liabilities			
Finance lease liabilities	7	-	10 996
Current Liabilities			
Trade and other payables	8	40 823 473	43 300 064
Finance lease liabilities	7	10 979	20 934
		40 834 452	43 320 998
Total Liabilities		40 834 452	43 331 994
Total Equity and Liabilities		69 333 282	64 620 268

Statement of Comprehensive Income

	Note(s)	2017	Restated 2016
Revenue	9	79 292 517	71 173 217
Other income	10	439 765	6 638 755
Operating expenses		(74 928 336)	(71 271 259)
Operating profit	11	4 803 946	6 540 712
Investment revenue	12	2 412 625	2 463 804
Finance costs	13	(6 015)	(6 011)
Profit for the year		7 210 556	8 998 505
Other comprehensive income		-	-
Total comprehensive income for the year		7 210 556	8 998 505

Statement of Changes in Equity

	Retained income	Total equity
Restated balance at 01 January 2016	12 289 770	12 289 770
Profit for the year	8 998 505	8 998 505
Other comprehensive income	-	-
Total comprehensive income for the year	8 998 505	8 998 505
Restated balance at 01 January 2017	21 288 275	21 288 275
Profit for the year	7 210 556	7 210 556
Other comprehensive income	-	-
Total comprehensive income for the year	7 210 556	7 210 556
Balance at 31 December 2017	28 498 830	28 498 830

Statement of Cash Flows

	Note(s)	2017	Restated 2016
Cash flows from operating activities			
Cash generated from operations	15	7 264 716	6 824 395
Interest income		2 412 625	2 463 804
Finance costs		(6 015)	(3 532)
Net cash from operating activities		9 671 326	9 284 667
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(20 713 227)	(554 845)
Sale of property, plant and equipment	2	25 070	61 190
Purchase of other intangible assets	4	(789 360)	-
Net cash from investing activities		(21 477 517)	(493 655)
Cash flows from financing activities			
Finance lease payments		(23 180)	(31 367)
Total cash movement for the year		(11 829 371)	8 759 644
Cash at the beginning of the year		38 176 849	29 417 205
Total cash at end of the year	6	26 347 478	38 176 849

Accounting Policies

1. Presentation of financial statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard 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.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that management have made in the process of applying the council accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Lease classification

The council is party to leasing arrangements, as a lessee. The treatment of leasing transactions in the financial statements is mainly determined by whether the lease is considered to be an operating lease or a finance lease. In making this assessment, management considers the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred.

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.

Useful lives of property, plant and equipment

The council reviews the estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date.

Impairment testing

The council reviews and tests the carrying value of property, plant and equipment and intangible assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Investment property valuation

The council reviews the fair value of investment property at each reporting date with impairments or any changes in fair value being recognised in profit or loss. The review of fair value requires the use of estimates and assumptions.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available.

Other estimates made

The council 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.

Trade receivables, Held to maturity investments and Loans and receivables

The Council assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Council makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

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, or 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. Cost 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 as follows:

Item	Depreciation method	Average useful life
Land	Straight line	Indefinite
Buildings	Straight line	20 years
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	4 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Cell phones & tablets (included in office equipment)	Straight line	2 years

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

The carrying values 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 Investment property

Investment property is property (land or a building, or part of a building, or both) held by the council to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes, or sale in the ordinary course of business.

Investment property is initially measured at its cost. After initial measurement, investment property whose fair value can be measured reliably without undue cost or effort is measured at fair value at each reporting date with changes in fair value recognised in profit or loss. Where council is not able to apply fair value, it classifies the investment property as property, plant and equipment and measures and presents it as such.

1.4 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, as follows:

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

1.5 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.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.6 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.

1.7 Impairment of assets

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

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.

1.8 Employee benefits

Council operates a defined contribution plan, the assets of which are held in a separate trustee-administered fund, the South African Pharmacy Council Pension Fund (the fund).

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.

The benefits payable by the fund in the future, due to retirements and withdrawals from the fund, are contributions by members to the fund together with fund interest at a rate determined by the valuator with the consent of the trustees. The rate is so determined that the value of total benefits of the fund shall not exceed the value of the total assets of the fund. Council's contribution to the plan is charged to the income statement when incurred.

1.9 Provisions and contingencies

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses. Provisions are recognised when:

- the company has an obligation at the reporting date as 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.

Contingent assets and contingent liabilities are not recognised

1.10 Borrowing

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.11 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

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

1.12 Share Capital and Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Notes to the Financial Statements

2017

2016

2. Property, Plant and equipment

	2017			2016		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
Land	8 600 000	-	8 600 000	600 000	-	600 000
Buildings	16 494 871	(6 802 778)	9 692 093	12 864 306	(6 283 917)	6 580 389
Furniture and fixtures	2 960 128	(1 596 513)	1 363 614	2 370 247	(1 417 994)	952 253
Motor vehicles	752 893	(528 444)	224 449	752 893	(340 221)	412 672
Office equipment	2 225 999	(1 404 753)	821 247	1 770 366	(1 211 556)	558 810
IT equipment	5 291 645	(3 787 806)	1 503 839	4 430 530	(3 141 929)	1 288 601
Total	36 325 535	(14 120 294)	22 205 241	22 788 342	(12 395 617)	10 392 725

Reconciliation of property, plant and equipment – 2017

	Opening Balance	Additions	Disposals	Depreciation	Total
Land	600 000	8 000 000	-	-	8 600 000
Buildings	6 580 389	3 630 565	-	(518 861)	9 692 094
Furniture and fixtures	952 253	668 651	(4 728)	(252 562)	1 363 614
Motor vehicles	412 672	-	-	(188 223)	224 449
Office equipment	558 810	484 524	(2)	(222 085)	821 247
IT equipment	1 288 601	1 096 166	(40 930)	(839 997)	1 503 839
Total	10 392 725	13 879 905	(45 660)	(2 021 728)	22 205 241

Reconciliation of property, plant and equipment – 2016

	Opening Balance	Additions	Disposals	Depreciation	Total
Land	600 000	-	-	-	600 000
Buildings	7 086 662	48 792	-	(555 066)	6 580 389
Furniture and fixtures	1 172 456	-	(4 233)	(215 970)	952 253
Motor vehicles	600 895	-	-	(188 223)	412 672
Office equipment	621 662	187 861	(2 168)	(248 545)	558 810
IT equipment	1 983 917	318 192	(18 227)	(995 282)	1 288 601
Total	12 065 592	554 845	(24 628)	(2 203 086)	10 392 725

Net carrying amounts of leased assets

Office equipment	23 594	36 803
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Details of properties

Land and buildings, Erf 1470, situated at 591 Belvedere Street, Arcadia, Pretoria in the extent of 1708 (one thousand seven hundred and eight) square meters.

Land and buildings, Erf/HAT 30, situated at 1019 Francis Baard Street, Hatfield, Pretoria in the extent of 2 552 (two thousand five hundred and fifty two) square meters.

	2017	2016
3. Investment property		

	2017			2016		
	Cost	Impairment	Fair Value	Cost	Impairment	Fair Value
Investment property	6 833 322	-	6 833 322	-	-	-

Reconciliation of investment of property – 2017

	Opening Balance	Additions	Impairment	Total
Investment property	-	6 833 322	-	6 833 322

Details of investment property:

Land and buildings, Portion 1 of Erf 35, situated at 1020 Arcadia Street, Hatfield, Pretoria in the extent of 1931 (one thousand nine hundred and thirty one) square meters. The property is used as communal for students and is earmarked in the long term for office development.

The investment property fair value was evaluated by Van Zyl Professional Associated Property Valuers.

4. Intangible assets

	2017			2016		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
Computer software	5 468 494	(4 809 104)	659 390	4 679 134	(4 577 496)	101 638

Reconciliation of intangible assets – 2017

	Opening Balance	Additions	Depreciation	Total
Computer software	101 638	789 360	(231 607)	659 390

Reconciliation of intangible assets – 2016

	Opening Balance	Additions	Depreciation	Total
Computer software	620 923	-	(519 285)	101 638

5. Trade and other receivables

Trade receivables	12 834 880	15 821 999
Deposits	13 536	11 822
VAT	377 456	63 157
Other receivables	61 979	52 079
	13 287 851	15 949 057

Included in the trade receivables amount is a provision for doubtful debts amounting to R13 901 779 (2016: R10 390 524).

2017

2016

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2 581	6 787
Bank balances	12 320 204	25 258 620
Short-term deposits	14 024 693	12 911 442
	26 347 478	38 176 849

Details of facilities held by the Council are as follows:

- Overdraft amounting to R1 500 000 of which the expiry date is 21/09/2018 for unforeseen emergencies. The facility has not been used at reporting date;
- Guarantees by the bank amounting to R50 000 of which the expiry date is 21/09/2018; and
- Card facility by the bank amounting to R350 000 of which the expiry date is 21/09/2018.

7. Finance lease liabilities

Minimum lease payments which fall due

Within one year	11 298	23 292
In second to fifth year inclusive	-	11 325
	11 298	34 617
Less: future finance charges	(319)	(2 687)
Present value of minimum lease payments	10 979	31 930
Non-current liabilities	-	10 996
Current liabilities	10 979	20 934
	10 979	31 930

8. Trade and other payables

Trade payables	1 769 219	338 846
Income received in advance	37 092 052	39 668 550
Employee leave days	1 870 976	1 813 976
Other payables	91 225	1 478 692
	40 823 473	43 300 064

9. Revenue

Annual and registration fees	68 799 438	61 972 018
Rendering of services	534 727	273 688
Other revenue	9 958 352	8 927 511
	79 292 517	71 173 217

	2017	2016
10. Other income		
Profit and loss on sale of assets and liabilities	-	30 270
Sponsorship	-	5 899 898
Other income	423 600	647 429
Insurance claim received	16 165	61 157
	439 765	6 638 755

11. Operating profit

Operating profit for the year is stated after accounting for the following:		
(Profit)/loss on disposal of assets	(24 533)	30 270
Amortisation of intangible assets	231 607	519 285
Depreciation on property, plant and equipment	2 021 728	2 203 086
Employee costs	42 119 891	37 732 696
Research and development costs	69 530	406 360

12. Investment revenue

Interest revenue		
Bank	2 412 625	2 463 804

13. Finance costs

Finance leases	-	2 479
Bank	6 015	3 532
	6 015	6 011

14. Auditor's remuneration

Fees	168 195	172 831
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15. Cash generated from operations

Profit before taxation	7 210 556	8 998 505
Adjustments for:		
Depreciation and amortisation	2 253 336	2 722 370
(Profit)/loss on sale of assets	24 533	(30 270)
Interest received	(2 412 625)	(2 463 804)
Finance costs	6 015	6 011
Movements in provisions	-	(908 777)
Movements in Security Deposits	(1 713)	-
Changes in working capital:		
Trade and other receivables	2 661 206	(3 164 832)
Trade and other payables	(2 476 591)	1 665 191
	7 264 716	6 824 395

2017

2016

16. Commitments

Authorised capital expenditure

Already contracted for but not provided for

Property, plant and equipment	578 596	3 550 054
Not yet contracted for and authorised by Council	3 151 664	-
	3 730 260	3 550 054

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	10 979	23 292
- in second to fifth year inclusive	-	11 325
	10 979	34 617

17. 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 executive management. Executive management includes the Registrar, Chief Operation Officer and General Manager: Finance/CFO.

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

Council members, in relation to attendance of meetings-		
Allowances	733 910	652 360
Committee meeting expenses	487 485	316 963
Council and sub-committee member fees	420 035	379 338
Locum fees	168 440	143 474
Preparation fees	107 263	89 150
Transport	904 961	830 290
Compensation of executive management	4 192 036	3 831 494

18. 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.

19. Events after the reporting period

There were no adjusting events after the reporting period.

20. 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 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 2017, 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.

21. Prior Period Errors

Management performed comprehensive reconciliations of member accounts during the year. It was identified that there were some members who were not invoiced in previous years. The annual, registrations and restorations fees for the previous years had to be adjusted retrospectively with the new invoices that were raised against member accounts. The impact of the prior period adjustment is noted below:

	2016	2015	2014
Revenue			
Annual fees	342 614	260 470	203 528
Registration fees	20 934	90 418	290 050
Restoration fees	101 559	125 898	32 369
Trade receivables	465 107	476 786	525 947
Retained income	465 107	476 786	525 947

Detailed Income Statement

	Note(s)	2017	2016
Revenue			
Annual and registration fees		68 799 438	61 972 018
Examination fees		534 727	273 688
Other revenue		9 958 352	8 927 511
	9	79 292 517	71 173 217
Other income			
Profit and loss on sale of assets		-	30 270
Sponsorship		-	5 899 898
Other income		423 600	647 429
Insurance claim received		16 165	61 157
	10	439 765	6 638 755
Investment income			
Interest received		2 412 625	2 463 804
	12	2 412 625	2 463 804
Expenses (Refer to page 72)		(74 928 336)	(71 271 259)
Operating profit	11	7 216 571	9 004 516
Finance costs	13	(6 015)	(6 011)
Profit for the year		7 210 556	8 998 505

Detailed Income Statement

	Note(s)	2017	2016
Operating expenses			
Advertising and promotions		(200 219)	(157 405)
Allowances		(733 910)	(652 360)
Auditors remuneration	15	(168 195)	(172 831)
Bad debts and provision for doubtful debts		(5 454 079)	(1 878 138)
Bank charges		(692 952)	(591 327)
Cleaning		(31 829)	(27 366)
Computer expenses		(3 717 169)	(3 510 665)
Committee meeting expenses		(487 485)	(316 963)
Conferences		(113 396)	(7 327 530)
Consumables		(138 180)	(111 464)
Council and sub-committee member fees		(420 035)	(379 338)
Curriculum development		(2 543 793)	(2 162 135)
Depreciation, amortisation and impairments		(2 253 336)	(2 722 370)
Disciplinary fees		(54 033)	(55 467)
Employee costs		(42 119 891)	(37 732 696)
Inspection fees		(3 988 573)	(3 381 540)
Insurance		(239 657)	(222 768)
Tax adjustments/ re-assessments - SARS		-	(445 901)
Lease rentals on operating lease		(429 287)	(421 077)
Legal expenses		(91 050)	(31 000)
Locum fees		(168 440)	(143 474)
Loss on disposal of assets		(24 533)	-
Office expenses		(2 620 734)	(1 206 675)
Postage		(888 269)	(677 111)
Preparation fees		(107 263)	(89 150)
Printing and stationery		(1 234 807)	(1 096 697)
Repairs and maintenance		(1 167 877)	(954 667)
Research and development costs		(69 530)	(406 360)
Security		(630 098)	(334 461)
Telephone and fax		(1 952 425)	(1 933 159)
Training		(728 542)	(605 434)
Transport expenses		(904 961)	(830 290)
Utilities		(553 787)	(693 439)
		(74 928 336)	(71 271 259)

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

Glossary of Terminology

AQP	Assessment quality partner
BCP	Business continuity plan
BHF	Board of Healthcare Funders
CEO	Chief Executive Officer
CHE	Council on Higher Education
CII	Committee of Informal Inquiry
CFI	Committee of Formal Inquiries
COO	Chief Operating Officer
CPD	Continuing professional development
CPI	Committee of Preliminary Inquiry
CSR	Communication and Stakeholder Relations
CTC	Clinical Trials Committee (Medicines Control Council)
DB	Defined benefit
DC	Defined contribution
DoH	Department of Health
EAP	Employee assistance programme
ETD	Education, training and development
EXCO	Executive Committee
FET	Further education and training
FIP	International Pharmaceutical Federation
FSB	Financial Services Board
GPE	Good pharmacy education
GPP	Good pharmacy practice
HEQSF	Higher Education Qualification Subframework
HET	Higher Education and Training
HWSETA	Health and Welfare Sector Education Training Authority
IFRS	International Financial Reporting Standards
IT	Information technology
LS&PC	Legal Services and Professional Conduct
MCC	Medicines Control Council
MEC	Minister of the Executive Council
MoU	Memorandum of understanding
NDoH	National Department of Health
OHSC	Office of Health Standards Compliance
PA	Pharmacist's assistant
PAB	Pharmacist's assistant basic
PALB	Pharmacist's assistant learner basic
PALPB	Pharmacist's assistant learner post basic
PCDT	Primary care drug therapy
PSSA	Pharmaceutical Society of South Africa
PT	Pharmacy technician
PTA	Pharmacy technical assistant
QAP	Quality assurance partner
QCTO	Quality Council for Trades and Occupations
REMCO	Remuneration Committee
SAACP	South African Association of Community Pharmacists
SAAHIP	South African Association of Hospital and Institutional Pharmacies
SAAPI	South African Association of Pharmacists in Industry
SAPC	South African Pharmacy Council
SME	Small and medium-sized enterprises
SMME	Small, medium and micro enterprises



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