



SOUTH AFRICAN PHARMACY COUNCIL

ANNUAL REPORT

2015



**South African
Pharmacy Council**



Councillors elected for the term 2014 to 2018



Front row: Rajitharam Moadley, Matthys Jacobus Snyman, Jacqueline Ann Maimin, Gaebohe Jonas Kgaseane, Vusi Cornelias Dlamini, Tshuba Solomon Rasekele
Middle row: Prof Roderick Bryan Walker, Hezron Tshelo Mpiaka, Nockwe Portia Thiipa (Treasurer), Prof Mamoranjenni Chetty (President), Douglas James Heaslet Defty (Vice President), Amos Masango (Registrar/CEO), Dr Panjasaram Naidoo
Back row: Helen Catherine Hayes, Claudette No'ina Jasson, Rachel Werity Wrigglesworth, Gavin Stewart Steel, Panajotaki George Kyriacos, Johannes Albertus Raats, Lizette Roets, Prof Shirley-Anne Boschmans, Letty Mahlangu
Absent: Ayanda Saka, Charles John Cawood, Sphiwe Darris Mayinga (until March 2015)

South African Pharmacy Council

Annual Report 2015

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 2015 to 31 December 2015.



PROF M CHETTY
PRESIDENT



TA MASANGO
REGISTRAR/CEO

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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 and care, and act in a competent and excellent manner at all times

President's Message ● ● ● ○ ●

Foreword

Dear Colleagues,

It is time to reflect on the activities and achievements of the South African Pharmacy Council in 2015 as well as general events relating to pharmaceutical services in the country.

The shortages in supply of specific medicines in the country were probably at their worst in 2015. Public sector healthcare facilities appeared to have experienced the scarcities to a greater extent than the private sector. While this trend has been observed globally due to challenges with manufacture and supply, some of the reasons are country specific. Simple but crucial principles of stock control and ordering have been reported to be amongst the reasons for shortages in public healthcare facilities. The need to emphasise stock control principles and procedures during the training and supervision of pharmacists and pharmacy support staff cannot be underestimated. Council will be more attentive to these aspects of training and supervision during future monitoring visits.



Prof Manoranjenni (Mano) Chetty – SAPC President

The issue of adequate pharmacy and pharmacy support staff to provide the country with an effective pharmaceutical service remains an area of high priority. Various options for increasing the number of pharmacists being trained have been considered and deliberations will continue in 2016. The introduction of new cadres of pharmacy support personnel was an area of concern to us, but has now been resolved. Although the initial thoughts were to introduce three new cadres and phase out the pharmacist's assistants (basic and post basic), the decision taken this year was to retain the pharmacist's assistants and introduce the pharmacy technician. The pharmacy technician will have a university qualification and a skills set that permits them to assume responsibility for some of the daily, routine tasks a pharmacist performs, allowing the pharmacist to concentrate on activities that improve pharmaceutical care. With the introduction of specialisations in pharmacy, this support will enable pharmacists to practice their specialisations more effectively. Equipped with more advanced skills and training than the current cadres of pharmacy support personnel, the pharmacy technician is destined to play a meaningful role in effectively improving pharmaceutical services in the proposed new universal health coverage in South Africa.

The year 2015 saw governments taking an active role in developing strategic plans to reduce the global health threat associated with antibiotic resistance. Our national Minister of Health has formed an advisory committee to steer the activities in this area. As custodians of medicines, pharmacists have an essential role in identifying practices that may contribute to antibiotic resistance. Pharmacists are expected to take the lead in promoting best health practices to minimise antibiotic resistance and preserve the currently effective antibiotics. The first World Antibiotic Week provided the opportunity for health professionals and the public to focus on this serious issue in healthcare. The SAPC website provides some useful information for pharmacists.

The outbreak of Ebola in Africa placed many countries on high alert for the detection and spread of the virus. The contagion called for innovative methods to contain the extent of the infection, new treatments for infected patients, and an improved understanding of the disease. There was a sudden realisation that all countries should prepare for outbreaks of contagious diseases. Pharmacists in an affected country should play an essential role in such situations. Relevant resource links will be uploaded to the SAPC website.

Preparations for the next national conference, to be held in October 2016, are proceeding. With Durban as the venue, it is hoped that more pharmacists will be able to attend and participate in the programme, which has been designed to stimulate active discussions from all sectors of pharmacy. As pharmacists we have a critical role to play in improving pharmaceutical care in the country. It is hoped that some of our deliberations at the conference will assist with this process.

During 2015, the profession gave Council considerable feedback on Council activities. Some observations were useful and supportive and others drew attention to areas that require improvement. We are grateful for the comments of praise and the constructive criticism, which will enable us to improve our services and perform more effectively. We would like to thank the pharmacy profession for the support during the past year. We also express our gratitude to the team in the Office of the Registrar who work long hours to ensure that the operational functions of the SAPC are achieved.



Mano Chetty

SAPC President



Amos Masango – SAPC Registrar

I am pleased to present to our stakeholders the 2015 South African Pharmacy Council's Annual Report. The year under review was busy and interesting, filled with many achievements of which we are proud. We dealt with the few challenges we did encounter objectively and fairly, as mandated by the Pharmacy Act, and used the lessons learnt to chart a better way forward for the profession.

Strategic focus areas

Before highlighting some of the many activities that Council embarked on in the year under review, I wish to briefly outline the responsibilities that the Office of the Registrar and I, as the accounting officer in overall charge of the Office of Council, assume in striving to achieve Council's strategic outputs. Our responsibilities encompass:

- Fulfilling the role and responsibilities as prescribed in the Pharmacy Act, 53 of 1957
- Ensuring effective communication with all stakeholders
- Ensuring cooperation, coordination and quality assurance of all activities in the Office of Council
- Administration of the Office of Council
- Providing secretarial services to the Council and committees.

Performance highlights in 2015

Staff

To attain Council's overall objectives during 2015, the Office attended to the recruitment, selection and development of staff, concentrating on labour relations and transformation in the workplace. Occupational health and safety matters featured prominently on the agenda and we continued with our efforts to raise employee awareness of the important role healthy lifestyles plays in their wellbeing.

Corporate communication

Under the guidance of Council, the Office interacted with numerous stakeholders, concentrating its focus on quality service delivery and entrenching Council's brand message of ensuring sustainable quality pharmaceutical services for all.

The corporate communication opinion poll on the profession's overall satisfaction with Council's communication during 2015 reflected a good/excellent rating of 67%, with 27% regarding our communication as average, and 6% as poor. The Office continuously introduces new and improved methods to increase the efficiency of the profession's communication experience.

The self-help functionality introduced in 2014 to enhance telephonic exchanges now enables profession to interactively request Council's banking details, their personal login passwords and individual financial statements. We are pleased to report that the traffic on Council's website has grown exponentially since 2011, with most applications and payments now being transacted online. The Information Technology Unit continuously works at improving internal efficiency and effectiveness through ongoing maintenance and upgrades to the register system, enhancing Council's ability to improve electronic accessibility and functionality.

During 2015, the Office received an increased number of requests for ID registration cards. The in-house process, which issues cards fitted with security and barcode features and passport photos, has reduced costs, expedited the processing time for the receipt of cards and simplified communication queries. The Office also experienced a 50% increase in the number of requests for Certificates of Good Standing.

Council's external communication activities included a number of press releases and two issues of the in-house publication e-Pharmaciae were distributed to members of the profession and the public.

Social responsibility

The Office observed International Mandela Day and the National Pharmacy Week in 2015. International Mandela Day was devoted to Council's special initiative, the Adopt a school–Nuture a pharmacist campaign that was launched in 2013. Council hopes that more members of the profession will be inspired to follow suite and initiate their own charitable drives.

Quality pharmaceutical services

Council revised and finalised the standards relating to Good Pharmacy Practice, and the rights of the public to acceptable standards were upheld through the inspection of pharmacy facilities in both the public and private sectors. Council evaluated applications from candidates with qualifications obtained outside South Africa and reviewed documents associated with the work of the Continuing Professional Development Committee. Information sessions and workshops were held at various universities and other suitable venues to inform first and fourth year students about aspects of Council's roles and responsibilities, and interns about the internship preregistration evaluation process.

Training and development

Council postponed the accreditation of new providers of qualifications for the pharmacist's assistants until the current qualifications, which are in the process of being rewritten in the Quality Council for Trades and Occupations format, have been finalised.

Monitoring and accreditation visits to both higher (HET) and further education and training (FET) institutions continued throughout 2015, and Sefako Makgatho Health Science University was approved as a provider of the Bachelor of Pharmacy qualification following its demerger from the University of Limpopo. Of special note was the development and approval of the masters degree qualifications for clinical, radiopharmacy and public health pharmacy specialists.

Financial matters

The Audit Committee assisted Council in fulfilling its oversight responsibility and served as an independent and objective party to monitor and strengthen the objectivity and credibility of Council's financial reporting processes and internal control systems. The committee was satisfied that the annual financial statements for the year 2015 fairly presented Council's financial position and recommended they be approved.

2nd National Pharmacy Conference

Preparations for the 2nd National Pharmacy Conference continued during 2015, fuelled by a desire to ensure a bigger and better conference than the inaugural one hosted in 2013. The conference is scheduled to take place at the Durban ICC from 21 to 24 October 2016, and its aim is to attract as many members of the profession as possible to participate and help shape the future of pharmacy.

Conclusion

The proceeding reports clearly reveal the extent of work that Council and the Office of the Registrar was involved in towards achieving sustainable quality pharmaceutical services for all during 2015.

On behalf of Council I extend a heartfelt thank you to all our stakeholders, our president, the councillors and the staff in the Office of the Registrar for their collaborative support and assistance during 2015. I am confident that we will all agree that Council's activities in the year under review were truly engaging, constructive and rewarding.



Amos Masango

SAPC Registrar



Council - Role and Responsibilities ● ○ ●

The South African Pharmacy Council (SAPC) is an independent statutory body established in terms of the Pharmacy Act, 1974 (Act No. 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 III Report on Corporate Governance for South Africa. The 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 the SAPC as outlined in the Pharmacy Act and the responsibilities in the Charter for Councillors.

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

Objectives and functions of council

In terms of the Pharmacy Act, 53 of 1974, 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 to be registered in terms of the Act
 - the control of persons registered in terms of the Act by investigating in accordance with the Act complaints or accusations relating to the conduct of registered persons.
- Promote transparency to the profession and the general public in achieving its objectives, performing its functions, and executing its powers.
- Maintain and enhance the dignity of the pharmacy profession and the integrity of persons practising the profession.

- 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 workers 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, both elected from members of Council by majority vote for a period of five years. The registrar is the secretary for Council. The councillors elected for the term 2014 to 2018 are:

Prof Manoranjenni Chetty	President
Douglas James Heaslet Defty	Vice President
Nocawe Portia Thipa	Treasurer
Vusi Cornelias Dlamini	Chairperson Health Committee
Rajhtheran Moodley	Chairperson Committee of Informal Inquiries
Jacqueline Ann Maimin	Chairperson Practice Committee
Dr Panjasaram Naidoo	Chairperson Continuing Professional Development 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 Boschmans	
Charles John Cawood	
Johannes Stephanus du Toit	
Helen Catherine Hayes	
Gaoboibe Jonas Kgasane	
Panajiotaki George Kyriacos	
Letty Mahlangu	
Hezron Tshepo Mphaka	
Claudette Norina Jasson	
Johannes Albertus Raats	
Matthys Jacobus Snyman	
Ayanda Soka	
Rachel Verity Wrigglesworth	
Lizette Roets (until March 2015)	



Vincent Tlala – Chief Operating Officer

Strategic focus area

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

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

Council meetings

Four meetings were conducted during the year under review, in February, May, July and October 2015.

Executive committee

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

Board notices

The Office of the Registrar published five Board Notices during the year under review. These included, inter alia:

- fees payable to Council in 2016
- amendments and new minimum standards for inclusion in the *Rules relating to good pharmacy practice* (GPP)
- GPP amendments and new standards for comment.

Regulations

The regulations relating to pharmacy education and training, pharmacy practice and the registration of persons and maintenance of registers were amended, approved by Council and submitted to the Department of Health in June 2015.

Litigation

In August 2012, Council was served with an Application for Review in terms of Rule 53 of the General Rules of the High Court, requesting that the Court review the conduct of Council in implementing Board Notice 35 of March 2012, and setting it aside. On 20 December 2013, the North Gauteng High Court delivered judgment in favour of Council, thus stating that the Application for Review was dismissed with costs. In February 2014, the Applicant filed an application for leave to appeal, which leave to appeal was granted and the matter was referred to the Supreme Court of Appeal (SCA). In February 2015, the matter was heard by the SCA and judgment was delivered in March 2015, which had the effect of overruling the North Gauteng High Court and thus ruling in favour of the Applicant. As a result, certain identified amendments pertaining to a pharmacy within another business were ruled to be unreasonable and unjustifiable and thus set aside by the SCA. As a result of the SCA judgment, the President of Council requested that a workshop on the requirements of the Promotion of Justice Administration Act, and the effects of Council's decisions and/or resolutions moving forward, be arranged for Council. Such workshop is set down for February 2016.

Management of fixed assets

In addition to the routine management of Council's fixed assets, the following steps were taken to improve specific fixed assets in the Office of the Registrar:

Security

Measures to improve security at the Council offices included the installation of electric fencing and a fire panel.

Office transport

To reduce transport expenses related to Council and committee meetings, a company minibus and trailer were purchased to ferry councillors to and from the airport/Gautrain. The Toyota Corolla, which was older than 10 years, was traded in to offset the costs.

Furniture

To reduce numerous back pain complaints from employees, 60 ergonomically approved chairs were purchased during 2015.

Automated payment processing

The development of an automated proof of payment remittance for suppliers and claims was finalised and implemented during 2015.

Strategic Plan 2014–2018

At the first Council meeting in February 2015, a presentation was delivered on the 2014 progress based on Council's strategic and operational plans for 2015.

Operational Plans 2015 and 2016

The Office of the Registrar held a management bosberaad on 19 and 20 November 2015 to discuss operational challenges during 2015 and to plan ahead for 2016.

National Conferences

Council took advantage of valuable communication opportunities and interacted with pharmacy professionals and public stakeholders via informative exhibitions at major pharmaceutical conferences during 2015:

- Dis-Chem National Congress, Arabella Resort, Muldersdrift, Gauteng, 15–18 March 2015
- 29th South African Association of Hospital Institutional Pharmacists (SAAHIP) Conference, Drakensberg Champagne Sport Resort, KwaZulu-Natal, 12–15 March 2015
- Gauteng Health Pharmaceutical Conference, Sandton Hotel, Gauteng, 10–11 September 2015
- Independent Community Pharmacy Association (ICPA) Conference, Indaba Hotel, Gauteng, 12–13 September 2015
- Pick n Pay Conference, Thaba Ya Batswana Hotel, Klipriviersberg Nature Reserve, Johannesburg, 6–7 October 2015
- 9th Annual Clicks Healthcare Conference, Emperors Palace, Johannesburg, 4–7 November 2015

International Conferences

(a) Pharmacist Council of Zimbabwe, 1st National Conference held at Elephant Hotel, Victoria Falls, 26 to 29 March 2015.

The theme of the conference was *Exploring new horizons: connecting the dots for a post 2015 vision*. The chairperson of the Continuing Professional Development (CPD) Committee was unable to attend and was represented by Senior Manager Professional Affairs Ms Mojo Mokoena, who delivered a presentation on *Continuing Professional Development, South African perspective: How do we make it work for Zimbabwe?*

(b) 75th International Congress of the International Pharmaceutical Federation (FIP), Dusseldorf, Germany, 28 September to 3 October 2015.

The president and the registrar attended the conference, which was attended by approximately 4 500 participants from about 90 countries. South Africa was well represented by pharmacists from community pharmacy and academia. The majority of participants were from academia, community pharmacy and hospital pharmacy. The theme of the congress was *Better practice – science based, evidence driven* and included sessions of interest to all sectors of pharmacy. Unlike 2014 where the focus was on pharmacy practice and education, this congress offered more opportunities for discussions on drug development and related areas. The congress was preceded by one and a half days of discussions from the Deans Forum (attendance by invitation) and the Pharmacy Technicians Forum (attendance by registration). On 2 and 3 October 2015, Registrar Amos Masango delivered a presentation on *Successes and challenges in reviewing the Bachelor of Pharmacy Programme to accommodate changing national needs in South Africa*.

Interaction with other stakeholders

During the year under review, the Office of the Registrar, under the guidance of Council, continued to interact with stakeholders at various levels. The focus of the interactions were on quality service delivery and entrenching Council's brand message of ensuring sustainable quality pharmaceutical services for all.

The Office interacted with stakeholders on the following occasions:

- Codeine Care Initiative meeting at Pharmaceutical Society of South Africa (PSSA) on 20 January 2015
- Participation in the Health Professions Council of South Africa (HPCSA) interviews between 6 and 24 February 2015
- Forums for Statutory Health Professional Councils on 5 and 31 March 2015
- Visit to Sefako Makgatho Health Sciences University (SMU) – undertaken by Registrar Amos Masango and the chairperson of the Education Committee, Prof Rod Walker, on 6 March 2015
- Medico-Legal Summit hosted by the National Department of Health (NDoH) on 9 and 10 March 2015
- SMU stakeholders meeting on 20 March 2015

- Presentation at South African Pharmaceutical Regulatory Affairs Association meeting on 26 March 2015
- National Health Consultative Forum on 26 March 2015
- Budget Vote 2015 on 5 May 2015
- Graduation ceremony for pharmacist's assistants at Health Science Academy (HSA) on 8 May 2015
- Skills Dialogue in SA Pharmaceutical Manufacturers on 27 and 28 May 2015
- Registrar's meeting with the South African Veterinary Council (SAVC) and the Medicine Control Council (MCC) on 8 June 2015
- Participation in the review of the criteria for licensing of pharmacies
- Meeting with the Northern Cape MEC for health – attended by Registrar Amos Masango, President Prof Mano Chetty, and Chief Operating Officer Vincent Tlala on 4 August 2015
- Meeting with the Director-General of Health in April 2015
- Meetings with the Technical Advisory Committee of the National Health Council in June and October 2015
- Meeting with the NDoH (Foreign Workforce Management) to discuss placement of community service pharmacists and receive input regarding the criteria for licensing of pharmacies in 2015
- Monthly meetings with MCC and NDoH to discuss operational matters
- Meetings with the following pharmacy stakeholders:
 - KwaZulu-Natal Department of Health (10 April 2015)
 - Mpumalanga Department of Health (10 March 2015)
 - Limpopo Department of Health (29 April 2015)
 - North West Department of Health (HoPS) (11 March 2015)
 - Northern Cape Department of Health (HoPS) (17 April 2015)
 - Gauteng Department of Health (10 March 2015)
 - Eastern Cape Department of Health (24 April 2015)
 - Western Cape Department of Health (HoPS) (20 May 2015)
 - Free State Department of Health (12 March 2015)
 - Department of Correctional Services (14 April 2015)
 - Tshwane Metro (12 June 2015)
 - Ethekewini Metro (9 April 2015)
 - MediRite (23 April 2015)
 - Netcare (7 May 2015)
 - The Local Choice (30 April 2015)
 - Health Science Academy (1 April 2015)
 - University of KwaZulu-Natal (9 April 2015)
 - Tshwane University of Technology
 - Dischem (12 February 2015)
 - Clicks (PHA) (22 April 2015)
 - Spar (10 February 2015)
 - Life Health (11 February 2015)
 - Mediclinic (5 February 2015)
- Two meetings with the heads of pharmaceutical services (HoPS) in both the private and public sectors (5 February 2015 and 12 November 2015).

The interactions were fruitful in all these instances and Council's standpoint on issues of legislation and policy were well supported.

Corporate Services Department



Front row: Letty Mathebe (PA: COO), Amos Masango (Registrar/CEO), Vincent Tlala (Chief Operating Officer)
Back row: Lynette Malan (Secretarial Support: Corporate and Logistics), Anelda Gillmer (PA: Registrar/CEO), Thelma Sealetse (Secretarial Support: Corporate and Logistics)



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, occupational health and safety matters, performance management, training and development, and the employee payroll.

Remuneration Committee

The Remuneration Committee considered and recommended the 2016 cost of living adjustment for managerial staff and all other matters related to the remuneration of Council's staff.

Bargaining Committee

The Bargaining Committee met twice and deliberated on several issues. At its last meeting in November 2015, the committee considered the 2016 cost of living adjustment for non-managerial staff, as well as the amendment of the recognition agreement and the constitution of the Bargaining Committee.

Employment Equity

The Employment Equity Committee, at its last meeting in September 2015, examined the progress made in the Employment Equity Plan for 2014–2019. The committee members underwent training in November 2015 to enhance the committee's competitive participation in equity matters. The Office will endeavour to work towards achieving the set objectives and targets.

Breakdown of the Council workforce

The employment level per race group and gender during 2015 is shown in Table 1.

African		Coloured		Indian/Asian		White	
Male	Female	Male	Female	Male	Female	Male	Female
24	43	0	2	0	1	0	8
67		2		1		8	

Table 1: Breakdown of SAPC workforce in 2015

Employment Equity table showing Council's staff demographics as at 31 October 2015

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	2	0	0	0	0	0	0	0	1	0	3
Senior management	2	0	0	0	2	0	0	2	0	0	6
Professionally qualified and experienced specialists and mid-management	5	0	0	0	5	0	1	1	0	0	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	4	0	0	0	11	0	0	3	0	0	18
Semi-skilled and discretionary decision-making employees	9	0	0	0	24	2	0	2	0	0	37
Unskilled and defined decision-making employees	1	0	0	0	0	0	0	0	0	0	1
TOTAL PERMANENT	23	0	0	0	42	2	1	8	1	0	77
Temporary employees	0	0	0	0	1	0	0	0	0	0	1
GRAND TOTAL	23	0	0	0	43	2	1	8	1	0	78

Table 2: Staff demographics as at 31 October 2015

Employee development and training

The workplace skills plan for the year under review was successfully carried out, as reflected in Table 3.

Course description	Number of employees
First aid	6
Health & safety representative	13
Occupational Health and Safety Act for management	4
Basic fire fighting	3
Assessor training	3
English for professionals	10
Employment equity for committee members	14
Mind power training	4

Table 3: Skills training offered in 2015

The professional development of employees continued in 2015. The programmes outlined in Table 4 were partly funded by Council.

Under/Postgraduate	Category	Number of employees
Advanced programme in office management	Staff	1
Bachelor of Law (LLB)	Staff	2
Bachelor of Commerce – Logistics	Staff	1
Total		4

Table 4: Breakdown of study assistance offered in 2015

Employee recruitment and retention

The systematic filling of positions was executed and 96% of the staff structure was filled in the year under review. The remaining 4% will be filled progressively based on the availability of funds. The staff turnover remained at a relatively low ebb during 2015.

Employee wellness

The bi-annual employee wellness report reflected a utilisation rate of 11% for the period 1 February 2015 to 1 July 2015. Although this level is satisfactory, ongoing awareness is necessary. As has become customary, all new appointees attended an employee wellness orientation session in 2015. Emphasis is placed on promoting healthy lifestyles and raising awareness about topical health issues.

Employee compensation, incentives and performance recognition

Department	Number of employees	Number awarded recognition
Communication and Stakeholder Relations	20	10
Finance	13	13
Legal Services and Professional Conduct	5	5
Pharmacy Practice	9	9
Pharmacy Education	9	4
CPD, Licensing, Preregistrations and Registrations	10	9
Information Technology	5	3
Corporate Services	5	5
Human Resources	2	2
Total	78	60

Table 5: Employee compensation, incentives and performance recognition in 2015

Human Resources Department



John Mashishi (Manager: HR), Akona Xundu (HR Generalist)

Communication and Stakeholder Relations ●●●○●



Elmari Venter – Senior Manager: Communication and Stakeholder Relations

Strategic focus area

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

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

In line with the above strategic focus areas, the department is responsible for public 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



EXCO approved and appointed Scatterlings as the preferred service provider for the 2nd National Pharmacy Conference (NPC) on 15 April 2015. The conference is to be held between 21 and 24 October 2016. Subsequent to the appointment of Scatterlings, the following matters were dealt with in 2015:

- 2nd NPC Committee structure was finalised
- Five meetings were held with the service provider
- 2nd NPC Conference website was developed and went live on 26 August 2015 (www.sapconference.za.org)
- Conference logo and artwork was developed
- Draft programme was initiated by the programme committee
- Sponsorship breakfast was held on 11 September 2015
- Sponsorship invitation lists were finalised
- Design of delegates' invitations were conceptualised
- Contract for the Durban ICC was signed and venue secured.

Corporate communication opinion poll

The overall satisfaction of Council's communication with professionals during 2015 was rated 67% excellent/good, 27% average and 6% poor, (Figure 1).

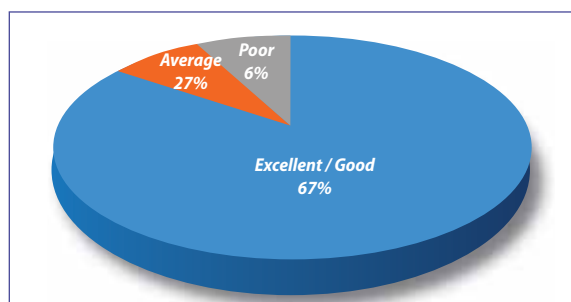


Figure 1: Corporate communication opinion poll: 2015

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 6 shows the types of activities the functionality recorded between January and October 2015.

Type of transaction requests	Number of users
Council's banking details	1 145
Login passwords	202
Financial statements	1 413

Table 6: Usage of Council's IP PBX self-help functionality: January–October 2015

Website functionality opinion poll

The overall satisfaction of Council's website during 2015 was rated 69% excellent/good, 12% average and 19% poor, (Figure 2).

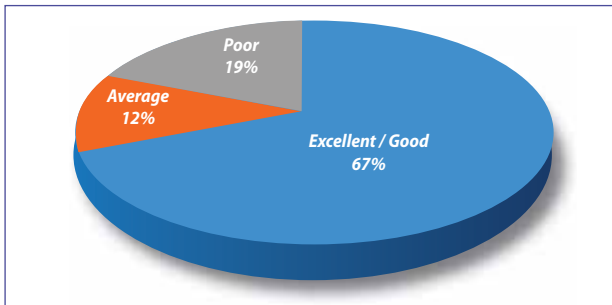


Figure 2: Corporate communication opinion poll: 2015

SAPC Website

The website recorded a total of 537 772 visitors during 2015, with new visitors comprising 30% of the number. The secure login site recorded an increase of 32% (179 718 secure logins in 2015 compared with 121 575 in 2014). The website recorded 3 280 756 page views, indicating an increase of 37.68% compared with the same period in 2014. The growth in the usage of the website since its inception in 2011 is illustrated in Figure 3.



Neo Ramokoka (Contact Centre Agent)



Zeodine Felix (Customer Care Officer), servicing a pharmacy professional at the front desk



Stephina Mogotsi (Contact Centre Agent)

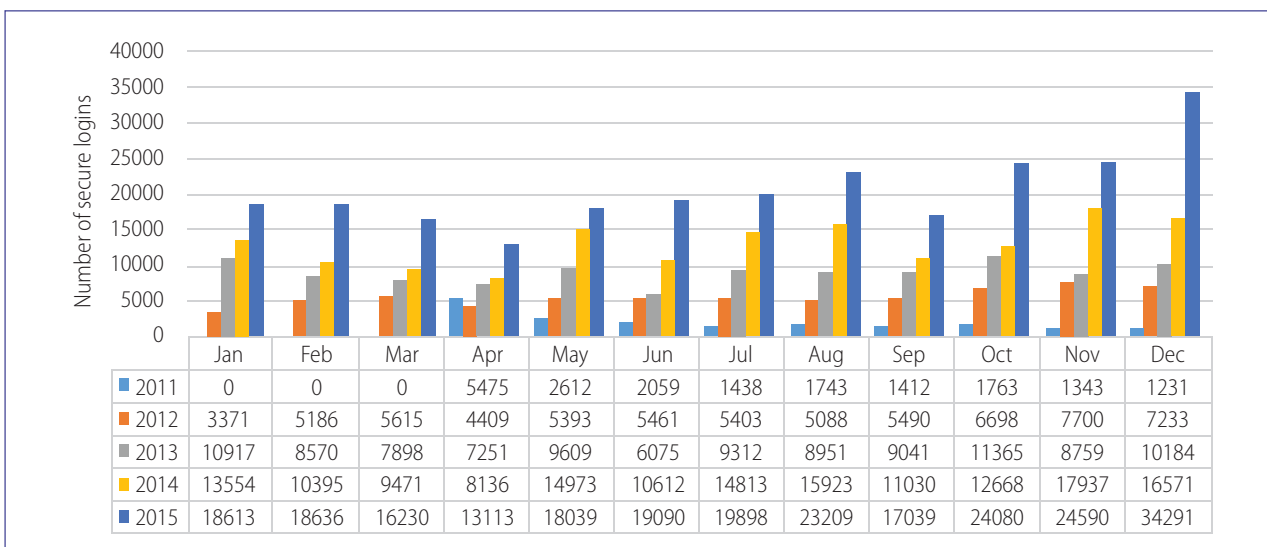


Figure 3: Secure logins recorded on Council's website (1 Jan 2011 – 31 December 2015)

Online application and payment functionality

Online payments

During 2015, online payment transactions totalled R2 482 482.69, an increase of more than 36% for the same period in 2014. A total of 1 918 pharmacy professionals used the online payment functionality.

Online applications

The online completion and submission of the following applications became mandatory from December 2014:

- Pharmacist's assistant learner basic and post basic registration
- Pharmacist's assistant basic and post basic registration
- Pharmacist's assistant submission of progress report (4, 8 and 12 months)
- Student registration (BPharm, PTA and PT)
- Pharmacist intern registration
- Pharmacist intern application to write a preregistration examination
- Pharmacist intern submission of progress report
- Pharmacist registration to perform remunerated community service (CSP)
- Pharmacist – completion of remunerated community service
- Pharmacist – voluntary removal from register
- Responsible pharmacist – resignation

A breakdown of the online submission of applications during 2015 is shown in Table 7.

Category of application	Number of applications
Approval of premises to train interns and assistants	123
Approval of tutor for the purposes of training	605
Preregistration exam	10
Registration as a community service pharmacist	137
Registration as a pharmacist intern	118
Registration as a pharmacy technician trainee	18
Registration as a pharmacy technical assistant trainee	2
Registration as a responsible pharmacist	395
Schedule inspection/evaluation of a pharmacy for purposes of approval for training	352
Pharmacist's assistant learner basic	1 312
Pharmacist's assistant learner post basic	1 537
Pharmacy technical assistant student	16

Table 7: Number of online applications submitted in 2015

Online registration opinion poll

The overall satisfaction of Council's online registration processes during 2015 was rated 62% (excellent/good), 33% (average) and 5% (poor). (Figure 4)

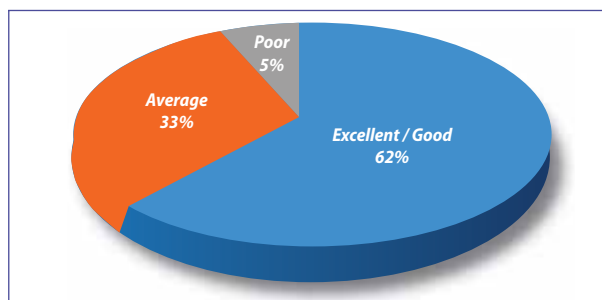


Figure 4: Overall satisfaction rating of Council's online registration processes in 2015

Instant messaging and e-messages

- **SMS automated messages sent from the website and the register system:** A total of 52 083 SMSs were sent out.
- **SMS campaigns:** A total of 75 174 SMSs were sent out – these included automated responses sent from the dashboard, 12 different bulk SMS campaigns, and customised SMSs from Customer Care.
- **Bulk email campaigns:** Seventeen different bulk e-campaigns were conducted during 2015, reaching 77 477 pharmacy professionals.

In addition to the above, CSR attended to the following dedicated service delivery email addresses (Table 8).

Mailbox	No. of emails attended to
customer@sapc.za.org	6 805
webquery@sapc.za.org	2 213
digitalphoto@sapc.za.org	3 442

Table 8: Number of emails received in other CSR mailboxes



Ofentse Motloutsi (Contact Centre Agent)

Public and media relations

Media interactions

A number of topical press statements, including *Chronic Diseases – Take Control*, were released in 2015. The following media statements targeting pharmacy professionals were also published:

- International statements for hospital pharmacy revised
- Ebola virus disease (EVD) update – guidelines for pharmacists
- Issuing of the primary care drug therapy (PCDT) permits in terms of section 22(a)15 of the Medicine and Related Substances Act
- Extension to offer qualifications for pharmacist's assistants until 30 June 2018
- Board Notice 49 of 2015 published for comment by 1 June 2015
- Board Notice 50 of 2015 published for implementation
- Pharmacists improving Maternal, New-born and Child Health – participate in webinars – register for free on http://www.fip.org/Webinar_MNCH

The Office of the Registrar responded to queries on these issues and other media enquiries received from national newspapers.

National Pharmacy Week

National Pharmacy Week 2015 took place between 1 and 8 September under the theme *Chronic Diseases: Take Control*.

The promotional material was developed by Council and its partners, the National Department of Health and the Pharmaceutical Society of South Africa (PSSA). The SAPC issued a press release on 1 September 2015, and Registrar Amos Masango was available as spokesperson for media interviews.



The Office of the Registrar would like to thank members for the numerous participation reports showing pharmacy professionals reaching out to their communities, schools and patients.

Publications and posters



Two editions of *e-Pharmaciae* were produced in 2015. One *i-News* and three *e-Infos* were produced and published for all pharmacy professionals. Council resolved in October 2014, as a cost saving measure, to stop issuing print copies of *Pharmaciae* and publish the journal online. The first online edition of *e-Pharmaciae* was uploaded in December 2014 and the second in June 2015.

Outlined below is the analytics table for the two digital editions. Market research shows that with each bulk e-campaign, only 30% of emails are opened. The bulk emails announcing the release of the June 2015 *e-Pharmaciae* beat this market ratio by 3.73%.

	Analysis	December 2014 analytics	June 2015 analytics
1	No. of emails sent	24 478	25 089
2	Unique opens	5 938 (29.75%)	7 690 (33.73%)
3	Unopened	14 227	15 107

Table 9: Analysis of *e-Pharmaciae* opened

Internal communication

Council uses internal e-notes to communicate news, operational updates and events to employees. A total of 98 e-notes were sent to staff members during the period under review, and the following campaigns were initiated and celebrated as special internal communication projects:

- A memorial service was held for the late Rebecca Thakadu (logistics clerk) on 13 March 2015.
- The Office participated in International Mandela Day by devoting time to its special initiative, the 'Adopt a school, Nurture a pharmacist campaign'. Council officially adopted Wozanibone



The late Rebecca Thakadu
(5 January 1955 – 10 March 2015)

- Secondary School in 2013, and on Friday 24 July 2015 staff members travelled to Boschkop to assist with cleaning, gardening and packing books in the library. Each learner was given a pair of school shoes and a jersey, as well as basic items which the school had identified as needy, such as bath soap, toothpaste, and sanitary towels for the girls. The visit was a heart-warming success for everyone, and, in addition, encouraged team work and dedication among the Office staff.
- A Wellbeing Day was held on 12 June 2015 to remind staff to take charge of their health and wellbeing. The following services were provided:
 - health risk assessments and HIV counselling and testing – nurses were available to test cholesterol, blood glucose, blood pressure, body mass index, waist circumference, and administer the HIV rapid test
 - vision screening (eye testing)
 - massage station (neck and shoulder)
 - X2 products
 - 'smoothie' tasting
 - men's health.
- Secretaries in the Office of the Registrar were pampered on 2 September 2015 when they were treated to a day at Gauteng's Mangwanani Africa Spa.
- A year-end team building exercise was held in Gauteng on 28 November 2015.

Stakeholder relations

Service delivery audit

A service delivery audit, as per the approved Internal Audit Plan for 2015, was performed and finalised in September 2015. The audit covered all the high-risk areas from the strategic and operational risk register, as approved by management and the Audit Committee.

Service delivery

- Incoming interactions
- Outgoing interactions

The audit covered the period from 1 September 2014 to 31 August 2015. The scope of work included the evaluation and assessment of the following processes:

- adequacy of customer interaction management system
- adequacy of receiving, process of incoming documentation, document filing and retrieval systems
- compliance with turnaround times in processing of applications (including litigations)
- management of system downtime
- adequacy and effectiveness of customer service monitoring feedback (snapshot report from the dashboard)
- adequacy and effectiveness of queries received via telephone, email and the website, and the monitoring thereof.

The audit concluded that internal controls are adequately designed, with only a few minor adjustments needed. Controls are not consistently applied to safeguard assets or minimise exposure to losses. Aspects highlighted in the report will be attended to.

Stakeholder opinion poll

Council obtained an 'excellent/good' service delivery rating of 58% and a 'poor' rating of 21%. Pharmacy professionals who rated Council's service as 'average' comprised 21% of the total (Figure 5).

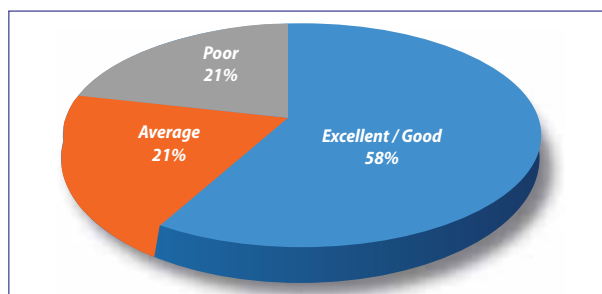


Figure 5: Service delivery rating in 2015

Customer Care (front desk and pre-audit) centre

The unit validated 9 330 applications during 2015. Of the total number, 9 093 (98%) complied with Council's requirements and were, after validation, escalated to the technical departments for immediate processing. A total of 237 applications required a follow up for outstanding documentation. The Office of the Registrar attended to 4 287 walk-in customers during 2015.

Contact centre

The Contact Centre received 77 434 incoming calls and achieved an average service level of 77.2% during 2015. The centre also managed to create 2 341 (24%) of the 9 721 manual cases. It is anticipated that, with the improved online web functionality and self-help telephony service offered by Council and the profession's usage thereof, the number of telephonic and email interactions will decrease.



Tebogo Mnisi (Call Centre Agent)

Logistics centre

The implementation of the online processing of documents is gaining momentum, with the unit scanning 12 431 documents during 2015. The unit created 18 414 cases. A total of 932 grading certificates were printed, scanned and couriered. A further 16 952 additional documents were couriered and 3 977 posted by EDBN mail. A total of 15 471 documents were printed.

Optical character recognition (OCR) system

The OCR remains significant in the efficiency of creating cases. Of the 18 414 cases created during the period under review, 50% were online cases, an improvement of 35% from the 15% reported in 2014. The OCR system created 15% of the cases (33% less than in 2014 and indicating the significant increase in online efficiency), and 35% of the cases were created manually.

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 10 578 ID registration cards (7 783 more than in 2014) for, inter alia, pharmacy students, learner basic assistants, basic assistants, learner post basic assistants, post basic assistants, pharmacist interns, community service pharmacists and pharmacists were issued in 2015.

CSR Department



*Front row: Sarah Nyama (SR Practitioner), Michelle de Beer (Manager: SR), Elmarie Venter (Senior Manager: CSR), Thambi Shabangu (Logistics Practitioner)
Middle row: Tshireletsu Mokono (Logistics Clerk), Mpho Musi (Customer Care Officer), Tebogo Mnisi (Contact Centre Agent), Gomolemo Morapedi (Contact Centre Agent), Violet Mothupi (Logistics Clerk), Audrey Mathekga (Customer Care Officer), Betty Thubane (Logistics Clerk), Emily Kalonga (Contact Centre Agent)
Back row: Zeodine Felix (Customer Care Officer), Neo Ramokoka (Contact Centre Agent), Ofentse Motloutsi (Contact Centre Agent), Abram Moropa (Logistics Clerk), Nicole Furst (Logistics Officer), Thambi Maboho (Logistics Clerk), Mary Pelo (Customer Care Officer)*

Absent at time of photo: Jermina Matlaila (Secretarial Support: CSR), Mpho Marole (Customer Care Officer), Sinah Mabje (Contact Centre Agent), Johannes Mosehla (Logistics Officer)



Debbie Hoffmann – Senior Manager: LS&PC

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.

In addition, the LS&PC Department provides legal support to the Office of the Registrar and Council.

Professional conduct

Committee of Preliminary Investigation

Council received a total number of 291 complaints between 1 November 2014 and 20 October 2015. Complaints received in terms of Section 39 of the Pharmacy Act, 53 of 1974 were reviewed and addressed.

During the period under review, Ms Lizette Roets chaired one meeting of the Committee of Preliminary Investigation (CPI). Mr Johan Raats acted as chairperson for another meeting and, thereafter, Mr Solly Rasekele was formally appointed as the CPI chairperson.

In total, the CPI reviewed 299 matters and recommended a total of R896 000 in terms of potential fines. The recommendations of the CPI meetings are summarised as follows:

Meeting	Total number of cases	No further action	CII	CFI	Health	Proposed Fines
Nov 2014	53	22	22	2	2	R318 500
May 2015	113	65	38	1	1	R361 500
Aug 2015	133	73	32	5	3	R216 000
Total	299	160	92	8	6	R896 000

Table 10: Summary of CPI recommendations

A year-on-year number of CPI cases is provided Table 11.

2011	2012	2013	2014	2015
202	258	239	224	299

Table 11: Number of CPI cases (2011–2015)



Rajhtheran (Sham) Moodley – Chairperson: CII

Committee of Informal Inquiries

The Committee of Informal Inquiries (CII) was chaired by Mr Sham Moodley during 2015. The CII reviewed 87 matters and confirmed fines and cost orders to the total of R875 000 and R170 000 respectively. The findings of the CII meetings are summarised in Table 12.

Meeting	Total number of cases	Appearances	Consent orders	CFI Referrals	Amounts
Feb 2015	25	9	16	0	R244 000 R88 128 (co)
July 2015	32	9	23	3	R199 500 R104 728 (co)
Oct 2015	30	10	19	1	R195 500 R102 228 (co)
Total	87	28	58	4	R639 000 R295 084 (co)

Table 12: Summary of CII findings

A year-on-year number of CII cases is provided in Table 13.

2011	2012	2013	2014	2015
198	158	134	83	87

Table 13: Number of CII cases (2011–2015)

Committee of Formal Investigation

There were 11 formal inquiries heard by the Committee of Formal Inquiries (CFI) during 2015. Eight respondents were found guilty and three not guilty. One of the guilty respondents was referred to the Health Committee before a suitable sentence could be determined. The total value of the fines ordered by CFI amounted to R100 000 with corresponding cost orders of R51 012.

A year-on-year number of CFI cases is provided in Table 14.

2011	2012	2013	2014	2015
9	7	1	10	11

Table 14: Number of CFI cases (2011–2015)

Provision of legal services and legal administration

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, telephonic enquiries and other forms of communication. As in previous years, the topics covered were varied, with enquiries related to scopes of practice and responsible pharmacists' duties and authorities being addressed. Emerging enquiries relating to the role and function of responsible pharmacists featured prominently within such enquiries. LS&PC addressed formally a total number of 65 legal and legal-related enquiries during 2015.

LS&PC provided legal support to the Office of the Registrar and Council by way of four formal legal opinions drafted from requests by Council or the Office of the Registrar.

Certificates of good standing

LS&PC provided 53 Certificates of Good Standing to applicants during 2015, a 50% increase in the number issued in 2014. The distribution of the certificates is reflected in Table 15.

Destination country	
Namibia	12
Canada	11
Zimbabwe	9
United Kingdom	4
Australia	4
New Zealand	3
USA	3
Botswana	2
UAE	2
Ghana	1
Lesotho	1
Fiji	1
Total	53

Table 15: Certificates of good standing issued per country

During 2015, statistics were generated to reflect the ratio of applicants in terms of gender and South African/non-South African citizens. The results are reflected in Table 16.

Total number of certificates issued	Female applicants	Male applicants	SA citizens	Non-SA citizens
53	35	18	33	20

Table 16: Distribution of certificates of good standing issued

Legislation for publication

LS&PC assisted in preparing five Board Notices for publication, including the publication of notices pertaining to the fees payable to Council for 2015, amendments and new minimum standards for implementation in the *Rules relating to good pharmacy practice (GPP)*, qualifications and scopes of practice for specialist pharmacists for comment, and the proposed *Good pharmacy education standards* for comments.

The regulations relating to pharmacy education and training, pharmacy practice, and the registration of persons and maintenance of registers were amended, approved by Council and submitted to the Department of Health in June 2015.

LS&PC Department



*Standing: Lister Mabuza (Practitioner: LS & PC), Felicia Ngoveni (Practitioner: LS&PC), Natalie Urban (Secretarial Support: LS&PC), Nhlamulo Isaac Nkanyane (Manager: LS&PC)
Middle: Debbie Hoffman (Senior Manager: LS&PC)*



Thabo Litabe – Senior Manager: Information Technology

Strategic focus area

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

Connectivity

During 2015 the Office fully implemented corporate APN with Vodacom, which allows secure, managed and robust remote connectivity. This enables employees to work anywhere, anytime, within or outside the Office, and minimises disruptions in the day-to-day operations of Council. Microsoft One Drive and Skype for business were fully implemented to allow improved sharing of documents and communication.

Security

The firewall was upgraded to improve reporting tools and enable the implementation of proactive measures to prevent abuse and intrusion of the IT systems.

Software

Software was either updated or new software procured to ensure that all applications embrace the latest technology. The applications included the IT service management tool (Manage Engine Service Desk Plus), workstation antivirus tool (Symantec Endpoint Protection), exchange server to exchange 2013, backup and restoration tool (Backup Exec) and the Microsoft Office Application Agreement.

Hardware

Hardware was upgraded and implemented to ensure high availability of service delivery, and included improvements to the Local Area Network (LAN), backup media library and backup server, laptops and desktops, and decommissioning of the old stand-alone server to move into the virtual server environment.

Register System

Ongoing maintenance on the register system and enhancements to improve its functionality included the online inspection 2015 questionnaires, ACCPAC communication, group owner module, SID development to allow progress reports to be uploaded, NDoH accessibility (recording changes on the register, online recording, online licensing), and educational changes for preregistration and professional examinations.

IT Department



Thapelo Mohapi (IT Technician), Thabo Litabe (Senior Manager: IT), Kgomotso Ntemane (IT Technician)



Vuyo Mokoena – Senior Manager: Professional Affairs - Practice

Practice

Strategic focus area

The activities of the 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

Three Practice Committee meetings were held with Ms Jackie Maimin as chairperson. The following is a summary of the major achievements:

- Revision of the grading of pharmacies is underway
- Finalising and publishing the *Good Inspection Guideline*
- Amend inspection questionnaires for 2016 implementation
- Finalise stakeholder input into Board Notice 49 and publish for implementation
- Finalise stakeholder input for the alternative modes of the delivery of medicines.

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

One of Council's strategic goals is upholding and safeguarding the rights of the public to universally acceptable standards of pharmacy practice in both the public and private sectors. This is achieved by inspecting all pharmacies licensed in terms of section 22(1) and recorded in accordance with provisions of section 22(2) of the Pharmacy Act. Council is empowered in terms of section 22(6) to perform inspections at premises in which the business of a pharmacy is carried out and to provide reports on the findings to the Director-General of Health and the person who submitted the application for a licence.

A pharmacy's level of compliance is determined on a grading scale between A and C. Pharmacies listed as grade A are those that, on inspection, are found to maintain a high standard of Good Pharmacy Practice (GPP) compliance, and those listed as grade C are below par with regard to GPP compliance.

During pharmacy inspections, Council sometimes comes across pharmacies that are closed or not in operation. The Office of the Registrar subsequently processes these pharmacies as closed and they are designated grade D.

In the year 2015, 46.6% pharmacies were listed as grade A, 33.75% as grade B and 13.48% as grade C. In 2014, 43.78% pharmacies were listed as grade A, 29.73% as grade B, and 19.62% as grade C.



Jackie Maimin – Chairperson: Practice Committee

As at 31 December 2015, a total of 1 120 pharmacies were inspected and graded, and three training sessions (including an annual inspectors bosberaad) were held. The spread of pharmacies inspected per pharmacy category and per province are depicted in tables 17 and 18.

Pharmacy category	A	B	C	D	Grand total
Community	350	306	118	47	821
Institutional private	42	7		3	52
Institutional public	89	38	23	10	160
Manufacturing	21	8	3	2	34
Wholesale private	19	17	6	8	50
Wholesale public		1	1		2
Grand total	521	377	151	70	1 119

Table 17: Pharmacies inspected per category

Province	A	B	C	D	Grand total
Eastern Cape	65	35	19	5	124
Free State	22	13	2	3	40
Gauteng	167	119	48	21	355
KwaZulu-Natal	81	63	29	5	178
Limpopo	17	31	14	2	64
Mpumalanga	52	23	7	9	91
North West	28	21	4	7	60
Northern Cape	8	10	8	1	27
Western Cape	82	62	20	17	181
Grand total	522	377	151	70	1 120

Table 18: Pharmacies inspected per province

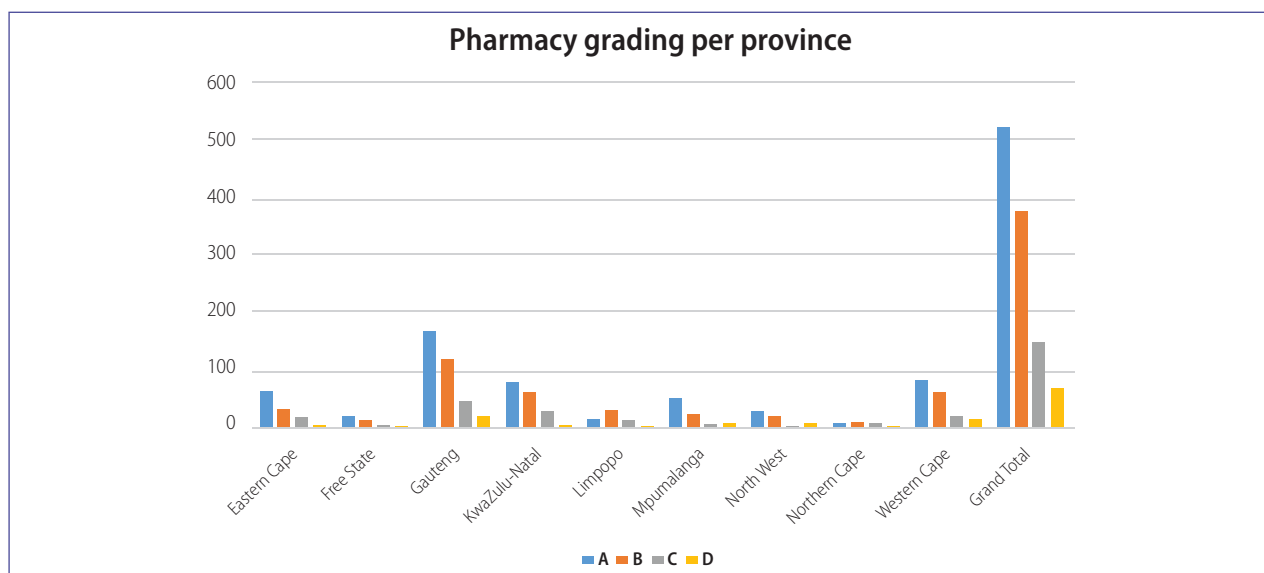


Figure 6: Pharmacy grading per province

Practice Committee



Back: Rajhtheran (Sham) Moodley, Matthys Jacobus Snyman, Johannes Stephanus Du Toit, Vusi Cornelias Dlamini, Johannes Albertus Raals, Tshuba Solomon Rasekele, Gaobohe Jonas Kgasane
Front: Douglas James Heaslet Defty, Helen Catherine Hayes, Jacqueline Ann Maimin (Chairperson), Dr Panjasaram (Vassie) Naidoo

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

A total of 631 pharmacy premises were approved for the training of pharmacist interns and pharmacy support personnel in 2015.

Recommending the issuing of permits, exemptions and licence applications

The Office of the Registrar received 331 licence applications in 2015. Out of these, 187 were recommended and forwarded to the NDoH for the issuing of licences. The spread of licence applications in 2015 is shown in Table 19.

	Change of ownership	Change of ownership and trading title	New	Relocation	Relocation and trading title	Grand total
Recommended	40	17	103	22	5	187
Eastern Cape	3		15	2		20
Free State	3	1	5		1	10
Gauteng	9	10	40	9	2	70
KwaZulu-Natal	12		10	1	2	25
Limpopo	4	2	8	1		15
Mpumalanga	2	2	6	2		12
North West			8	3		11
Northern Cape	1	1	2			4
Western Cape	6	1	9	4		20
Not recommended	29	9	81	21	4	144
Eastern Cape			9	2		11
Free State		1	9			10
Gauteng	8	4	22	9	1	44
KwaZulu-Natal	8	1	15	2	1	27
Limpopo	4		4		1	9
Mpumalanga	2	1	5	1		9
North West	3		8	1		12
Northern Cape		1	3	1		5
Western Cape	4	1	6	5	1	17

Table 19: Licences recommended/not recommended to the NDoH

During 2015, the Office of the Registrar received 106 applications for permits in terms of section 22(A) 15 of the Medicine Act. The applications included requests from nurses, paramedics and pharmacists (PCDT). Of the 106 permits received, 46 were issued. A further 61 are awaiting adjudication by the Practice Committee.

The Office also processed applications pertaining to internal changes in a pharmacy and the installation of automated dispensing units.

Professional Affairs – Practice Department



Back: Elsa Jacobs (Practitioner: Professional Affairs - Practice), David Nkuna (Practice Officer - Professional Affairs), Marié Koekemoer (Practitioner: Professional Affairs - Practice)
Front: Daphney Fafudi (Manager: Professional Affairs - Practice), Vuyo Mokoena (Senior Manager: Professional Affairs - Practice), Lebogang Magano (Practice Officer - Professional Affairs)



*Mojo Mokoena – Senior Manager: Professional Affairs -
CPD and Registrations*

Strategic focus area

The activities of the 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 form part of the scope of practice of the category in which such person is registered.
- Coordinate the activities of Council by appointing committees.

CPD Committee

The Continuing Professional Development (CPD) Committee met on four occasions in 2015 with Dr Panjasaram Naidoo as the chairperson. The fourth meeting was conducted via teleconference.



Dr Panjasaram (Vassie) Naidoo – Chairperson: CPD Committee

During the period under review the CPD Committee:

- Evaluated 59 applications from candidates with qualifications obtained outside South Africa and a number of appeals on decisions made by the committee.
- Studied the global report on CPD/CE (Continuing Education) from the International Pharmaceutical Federation (FIP) conference. The committee focused on the different approaches and implementation of CPD/CE in countries that had participated in the FIP survey. The committee considered reviewing the competence standards for entry level pharmacist in line with the report.
- Discussed the CPD website pages, with specific emphasis on the practice profile pages on the annual declaration.
- Reviewed the powers of the CPD Committee.
- Participated in the first national conference of the Pharmacist Council of Zimbabwe held at the Elephant Hotel, Victoria Falls, Zimbabwe, under the theme *Exploring new horizons: connecting the dots for a post 2015 vision*.
- Reviewed the *Guidance Document for CPD for persons registered with Council* to include:
 - the powers of the CPD Committee
 - the CPD implementation plan
- Reviewed the criteria for the temporary registration of foreign qualified pharmacists for voluntary services.
- Amended the *Guidelines for persons with qualifications obtained outside South Africa* to include Council decisions on the requirements of both the International English Language Testing System and CPD.
- Discussed the progress of the health department's proposed publication on CPD regulations.



Vusi Dlamini – Chairperson: Health Committee

Health Committee

The Health Committee met on four occasions in 2015 with Mr Vusi Dlamini as the chairperson. The committee monitored 19 cases, seven of which were opened in 2015.

The tables below summarise the number and types of cases managed by the committee between 2012 and 2015.

Year	New	Managed	Closed
2012	4	12	1
2013	4	15	4
2014	1	13	1
2015	7	19	9

Table 20: Newly opened, managed and closed cases

Gender	Male	Female
2012	7	5
2013	10	5
2014	8	5
2015	10	9

Table 21: Managed cases by gender

Year	Alcohol	Mental Illness	Prescription and street drug abuse
2012	2	6	4
2013	2	8	5
2014	0	8	5
2015	1	8	7

Table 22: Different categories of cases managed

In addition to the 16 cases reflected in Table 22, a further two cases arising from physical impairment were referred to the committee, and another case was closed after a meeting with the respondent revealed there was no reason to justify why the case needed monitoring.

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

Student information sessions and intern workshops

Council conducted information sessions for first and fourth year students at all accredited universities in 2015.

The first year students were introduced to the Pharmacy Act, Council's objectives, registration requirements and website functionality (how to register and communicate with the Office of the Registrar).

The fourth year students received guidance on the internship process and web pages that are crucial during the internship period.

The Office of the Registrar conducted the following meetings and activities related to the internship preregistration evaluation processes:

- Feedback session and train-the-trainer meetings with assessors and moderators for intern CPD entries submitted in January 2015

- Feedback session with examiners and moderators for preregistration evaluation in February 2015
- Ten tutor/intern workshops in all provinces in March and April 2015. Two workshops were held in Gauteng
- Ten preregistration examination workshops in all provinces in June and July 2015
- Two task team meetings to approve the March, July and October examination papers
- Reviewed the structure and questions to be set for Paper 2 of the preregistration evaluation in March 2015
- Conducted three preregistration examinations in March, July and October 2015
- Appointed two new examiners and conducted a training session in September 2015
- Conducted a feedback session on the July 2015 paper and finalised the planning for the setting of the 2016 examination papers
- Appointed five new assessors for CPD entries submitted by interns. Four of the assessors were trained in October 2015
- Appointed moderators for preregistration examinations and CPD, with training scheduled to take place later in 2015
- Reviewed the *Criteria for appointment of assessors, examiners and moderators for preregistration evaluations.*

Preregistration evaluations

Three preregistration examinations were written, in March, July and October 2015. Table 23 provides a summary of the total number of interns who wrote papers 1 and 2 in 2015 compared with 2013 and 2014.

Examination Date	Interns who wrote Paper 1			Interns who wrote Paper 2		
	2013	2014	2015	2013	2014	2015
Feb / March	46	71	44	44	53	48
July / August	451	504	513	455	515	516
October	89	93	125	121	163	225

Table 23: Interns who wrote the preregistration examination in 2013, 2014 and 2015

Interns taking the preregistration examination for the first time are advised to write both papers, but may opt to write only one paper. Interns who fail one paper are required to rewrite only the paper they failed. This explains the discrepancies in the number of interns writing papers 1 and 2 for the same examination. In addition, some interns were writing a paper for the second or third time. Table 24 shows a summary of the results of the preregistration examinations between 2012 and 2015.

	2012	2013	2014	2015
Interns who wrote the examination	539	649	780	823
Interns who passed the examination	429	485	502	584
Interns who failed the examination	110	164	278	240
% pass rate	79,59%	74,73%	64,39%	70,95%

Table 24: Preregistration examination results for examinations written between 2012 and 2015

Recognition of foreign qualifications

Council resolved in February 2014 that the evaluation of applicants with foreign qualifications be carried out by the CPD Committee. The Education Committee had been responsible for the process prior to the resolution.

During the period under review, 55 applications were evaluated by the CPD Committee. Table 25 shows the number of applications received from foreign qualified persons in 2015 compared with applications received in 2012, 2013 and 2014.

	Applications received	Pharmacists	Pharmacist's assistants
2012	31	27	4
2013	34	32	2
2014	39	38	1
2015	55	52	3

Table 25: Applications for evaluation of credentials of foreign qualified persons

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

Professional examinations, which comprise four papers, were held in May and October 2015. The four papers covered pharmacology and toxicology, pharmacy practice and administration, pharmacy law and ethics, and pharmaceuticals and pharmaceutical chemistry.

CPD Committee



Back: Letty Mahlangu, Johannes Albertus Raals, Prof Roderick Bryan Walker, Solomon Rasekele, Claudette Norina Jasson
Front: Dr Panjasaram (Vassie) Naidoo (Chairperson)

	Pharmacology & Toxicology			Pharmacy Practice & Administration			Pharmacy Law & Ethics			Pharmaceuticals & Pharmaceutical Chemistry		
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Candidates	35	58	57	25	45	45	38	65	59	44	45	62
Passed	17	44	50	25	42	40	23	45	41	32	35	40
Failed	18	14	7	0	3	5	15	20	18	12	10	22

Table 26: Professional examination results between 2013 and 2015

Registration of persons and organisations

On 20 October 2015, the register recorded a total of 37 045 active persons and 4 497 facilities.

Category of registered persons	2013	2014	2015
Pharmacist's assistants learner basic	4 285	3 684	3 343
Pharmacist's assistants basic	1 242	1 939	4 402
Pharmacist's assistants learner post basic	1 898	1 961	2 468
Pharmacist's assistants post basic	5 534	6 576	7 571
Students (mostly 2nd year)	2 545	3 235	4 232
Pharmacist interns	715	804	869
Community service pharmacists	424	547	619
Pharmacists	13 321	13 391	13 529
Specialist pharmacists	12	12	12
Total	29 976	32 149	37 045

Table 27: Active persons in the register from 2013 to 2015

Facilities by category	2013	2014	2015
Community	3 041	3 003	3 082
Consultant	13	12	11
Institutional private	255	266	274
Institutional public	639	639	646
Manufacturing	248	251	256
Wholesale	249	228	228
Total	4 445	4 399	4 497

Table 28: Active pharmacies in the register from 2013 to 2015

The decreased numbers in 2013 and 2014 were due to the removal of pharmacies from the register after inspections revealed that no pharmacies were located at the recorded addresses. Those pharmacies were listed as grade D, indicating they did not exist. Grade D pharmacies that were subsequently found to have relocated without informing Council were referred to the legal unit. In 2015, the situation appeared to be stabilising.

Table 29 provides a summary of the distribution of different categories of pharmacies per province. In addition to the total numbers shown, there is one additional community pharmacy in Namibia, which brings the number of community pharmacies on Council's register to 3 083.

Facilities by category	EC	FS	GP	KZN	LP	MP	NW	NC	WC	Total
Community	280	137	1 072	501	163	219	197	58	455	3 082
Consultant	0	0	8	1	0	0	0	0	2	11
Institutional private	29	14	101	44	8	13	21	5	39	274
Institutional public	103	51	82	102	38	40	58	40	132	646
Manufacturing	12	1	197	9	0	1	8	0	28	256
Wholesale	25	7	120	24	6	3	3	3	37	228
Total	449	210	1 580	681	215	276	287	106	693	4 497

Table 29: Distribution of different categories of pharmacies per province

Health Committee



Dr Panjasaram (Vassie) Naidoo (Chairperson), Vusi Cornelias Dlamini (Chairperson), Panajiotaki George Kyriacos



Back: Pitsi Mojela (CPD and Registrations Officer – Professional Affairs), Paulina Motecwane (CPD and Registrations Practitioner – Professional Affairs), Dorcas Magagula (CPD and Registrations Practitioner – Professional Affairs), Amanda Seloane (CPD and Registrations Officer – Professional Affairs), Refilwe Letlalo (Secretarial Support: CPD and Registrations – Professional Affairs)
Front: Kamohelo Malaku (Manager: Professional Affairs – CPD and Registrations), Mojo Mokoena (Senior Manager: Professional Affairs – CPD and Registrations), Monkato Malatsi (Manager: Professional Affairs – CPD and Registrations)



Hlonelikaya Masiza – Senior Manager: Professional Affairs – Education



Prof Rod Walker – Chairperson: Education Committee

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 four meetings in 2015. The committee made the following recommendations, which Council approved:

- The mark allocation for Paper 2 be reduced from 60 to 50 marks. The general section mark allocation be increased from 30 to 35, and the mark allocation for the sector specific sections be reduced from 30 to 15.
- The requirement to have academic staff who are responsible for the assessment of students registered with Council be discussed during the revision of the BPharm qualification.
- Pharmacist's assistants who are qualified to practice in one category of pharmacy and wish to obtain competencies in another category be allowed to work in an alternate setting as part of their training, provided they are registered with a provider of courses that undertakes training for the alternate sector.
- North-West University and the Nelson Mandela Metropolitan University be required to continue offering the CPD workshops on the Primary Care Drug Therapy course as this has already been approved by Council.
- The accreditation of new providers of qualifications for the pharmacist's assistant be suspended as the current qualifications are in the process of being rewritten in the Quality Council for Trades and Occupations (QCTO) format.
- Any provider seeking accreditation of qualifications for a pharmacist's assistant be advised to apply only once the new qualifications have been approved for implementation.

The heads of schools of institutions offering the Bachelor of Pharmacy qualification held a meeting on 21 May 2015. They made the following recommendations, which Council approved:

- The Office of the Registrar to supply heads of schools with timelines for implementation of online assessment of student CPD entries so they can be incorporated in the schools' programmes.
- The application form for registration as a student be amended to allow the heads of schools to sign where currently only the registrar is permitted to sign.
- Council accept the request from heads of schools that students be allowed to pay their fees directly to Council.
- The Office of the Registrar to inform the profession of other methods of fee payment, such as direct bank deposits using the identification number as the reference number.

- The heads of schools be required to submit to the Office of the Registrar their own reports and suggestions on visits for student registrations to the Office to improve the process as universities all differ in the way they process applications.
- Academic interns be required to submit their masters proposals six months after registration as interns to allow them to prepare the proposal and obtain the necessary approval from the university structures.

A feedback meeting of the CPD assessors and moderators was held on 29 January 2015. The following recommendations were made and subsequently approved by Council:

- The competency standards and outcomes be reviewed in line with the current practice.
- The intern workshop be made available online using the PowerPoint presentation with voice-overs.

A feedback meeting of the examiners and moderators of preregistration examinations was held on 11 February 2015. The following recommendations were made and subsequently approved by Council:

- The online application system for preregistration examinations be improved to include a functionality that allows pharmacist interns to choose, at the point of booking/applying for the examination, which paper they intend writing, i.e. community/institutional sector or manufacturing sector
- Pharmacist interns be advised to use reference materials prescribed in the GPP, the intern manual and the tutor/intern presentation.

A meeting of the Further Education and Training (FET) providers was held on 10 June 2015. The following recommendations were made and subsequently approved by Council:

- Council's approved scope of practice, curriculum outline and qualification for the midlevel workers be made available to all providers.
- The Office of the Registrar to circulate all documents that affect the FET providers promptly after Council approval and prior to the providers' meetings.
- Once a learner is registered, providers may commence with assessments even though the learner has not yet received a certificate.
- Once the provider has submitted all the unit standards, the tutors be informed via SMS of cases where there are outstanding progress reports.
- The online system be improved to allow providers to amend or correct information they may have erroneously captured.
- Providers submit the names of pharmacist's assistants who were registered as learners from 15 July 2013, and who paid the registration fee for basic or post basic courses upon registering, so that the Office of the Registrar is able to credit the learners for the fees paid.

Good pharmacy education standards

The *Good Pharmacy Education Standards* were approved for implementation.

Accreditation of providers

Higher Education and Training

Sefako Makgatho Health Sciences University (SMU) was approved to offer the Bachelor of Pharmacy. SMU will receive yearly visits until 2018 when the first students graduate.

The yearly accreditation visits to Tshwane University of Technology (TUT) and the University of Limpopo were conducted to monitor progress.

Further Education and Training

The Public Health Institute of South Africa (PHISA) was accredited as a provider of a course titled *Dispensing of Medicine by Health Care Professionals (Authorised Prescribers) licensed to dispense in terms of Act 101 of 1965 as amended*.

The Health Advance Institute of South Africa was approved as a provider of a course titled *Dispense and ensure the quality use of medicines prescribed to patients*.

The *Dispensing course for health professionals* from S Buys Academy was approved.

The process to accredit Mpilo Royal College of Health Education as a provider of the National Certificate: Pharmacy Assistance: Institutional is in progress following a Council visit to the institution.

Monitoring/accreditation visits for higher education and training (HET) providers

Sefako Makgatho Health Sciences University was approved as a provider of the Bachelor of Pharmacy and an accreditation visit was conducted. SMU will be visited yearly until such time as the institution produces its first graduates in 2018.

The Office of the Registrar conducted three monitoring visits, to North-West University, the University of Witwatersrand and Sefako Makgatho Health Sciences University in collaboration with Tshwane University of Technology.

Monitoring/accreditation visits for further education and training (FET) providers

A monitoring visit to Pharmacy Healthcare Academy was conducted in November 2014 and the report was approved in 2015. The Office of the Registrar conducted a further two monitoring visits in 2015, one to Abaluleki Professional Consulting-University of Fort Hare (APC-UFH) Consortium, and the other to Health Science Academy.



Qualifications

The following qualifications were developed and approved:

- Professional masters degree qualification and curriculum outline for the Specialist in Pharmacy: Clinical Pharmacy.
- Professional masters degree qualification and curriculum outline for the Specialist in Pharmacy: Radiopharmacy.
- Professional masters degree qualification and curriculum outline for the Specialist in Pharmacy: Public Health Pharmacy.

Council is drafting a qualification for pharmacy support personnel in the QCTO format which will allow learners to exit as a pharmacist's assistant (basic) after completing certain stipulated modules, pharmacist's assistant (post basic) after completing additional stipulated modules and, lastly, as a pharmacy technician after completing all the modules (the whole qualification).

Training of pharmacy support personnel

The *Scope of practice of pharmacy support personnel and functions (tasks) document* was approved for the purposes of developing the midlevel worker qualifications.

Education Committee



Back: Hezron Tshelo Mphaka, Dr Panjasaram (Vassie) Naidoo, Claudette Norina Jasson, Prof Shirley-Anne Boschmans, Jacqueline Ann Maimin, Helen Catherine Hayes, Gaoboihe Jonas Kgasane
Front: Prof Roderick Bryan Walker (Chairperson)

New and revised criteria

The following criteria were approved:

- *Criteria for the appointment of assessors and moderators of CPD entries by pharmacist interns*
- *Criteria for appointment of examiners and moderators for the preregistration examinations.*

The Education Committee drafted the following criteria which Council still has to approve:

- *Criteria for appointment of examiners and moderators for the professional examinations*
- *Criteria for appointment of panel members for accreditation/monitoring visits to higher education and training (HET) providers.*

General

- The internship review task team held a meeting on 22 May 2015 to observe the work done by the previous task team and to map a way forward for the new task team.
- The registration of students was completed on site at each of the nine providers of the Bachelor of Pharmacy qualification. This resulted in a smoother process.



Front: Mokoadi Mogano (Manager: Professional Affairs – Education), Avril Lewis (Manager: Professional Affairs – Education), Hlonelikaya Masiza (Senior Manager: Professional Affairs – Education), Mulalo Phungo (Manager: Professional Affairs – Education)
Back: Nkele Mengoi (Education Officer – Professional Affairs), Humbulani Makamu (Education Officer – Professional Affairs), Brian Baloyi (Education Practitioner: Professional Affairs), Mpho Moselakgomo (Education Practitioner: Professional Affairs)



Voster Himbotwe – General Manager: Finance

Strategic focus area

Financial Management focuses on two strategic objectives of Council:

- Promotion of transparency to the profession and the public.
- Provision of managerial and administrative support for the sustainability of Council's operations.

During the year under review, the Office of the Registrar ensured efficient and effective management of Council's financial resources, fixed assets and business risk mitigation in line with best practice. The Audit Committee had oversight on financial management controls, and the Board of Trustees on the governance of the SA Pharmacy Council Pension Fund.

Coordination of standing committees of Council

Audit Committee report

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

The committee appraised the internal and external assurance functions and served as a communication channel for the external auditors, the outsourced internal audit and management.

The committee consisted of six members appointed in terms of the Audit Committee Charter, four of whom were independent of Council, namely Advocate MJ Ralefatane (chairperson), Mses AMM Badimo and S Hari, and Mr XP Khumalo. The two Council members were Messrs PG Kyriacos and JS du Toit.

During the year, the Audit Committee held three meetings in line with its terms of reference.



Adv MJ Ralefatane – Chairperson: Audit Committee

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 No. 24 of 1956, the South African Pharmacy Council Pension (the Fund).

Under a defined contribution plan, 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 members' contributions 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.

The audited financial statements of the Fund were timely prepared and approved by the Financial Services Board (FSB).



Prof M Chetty – Chairperson: Trustees Committee (Board)

General and governance information of the fund

Principal Officer:

Mr V Himbotwe

Administrator:

ABSA Consultants and Actuaries (Pty) Ltd

Valuator:

Ms L Langner

Auditors:

Geyser & Du Plessis

Investment manager:

Old Mutual

Employer representatives:

Prof 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)

Promotion of transparency to the profession and the general public

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

Councillors

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

Financial Statements

Council members are responsible for the preparation of annual financial statements that fairly present the financial position of the organisation and the results of its operations and cash flow information for the year then ended.

The auditors, OMA Chartered Accountants Inc. (OMA), are responsible for independently auditing and reporting on the financial statements. Their report is presented on page 45. In preparing the financial statements, the Council applied judgment and estimates, and adhered to International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

Audit Committee

The Audit Committee is an independent committee established to provide oversight and additional assurance on the reliability and integrity of both financial and non-financial activities of Council. The Audit Committee was satisfied that the annual financial statements for the year 2015 fairly present Council's financial position and recommended that Council members approve the annual financial statements. The report of the Audit Committee is on page 39.

Code of conduct

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

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

Financial performance indicators

Description/Year	2011	2012	2013	2014	2015
Current assets (R)	9 443 139	15 358 998	12 239 586	27 565 715	40 937 391
Current liabilities (R)	12 317 016	18 049 631	19 813 974	31 330 234	42 598 178
Liquidity ratio	0.77	0.85	0.62	0.88	0.96
Income (R)	37 049 391	39 160 954	54 144 362	62 436 396	63 635 379
Expenditure (R)	36 814 079	41 109 098	54 191 014	57 522 292	61 747 959
Total comprehensive income for the year [surplus/(deficit)] (R)	235 312	(1 948 144)	(46 652)	4 914 104	1 887 420

Financial Position

Assets grew by over 32% because of an increase in current assets. Current assets comprised accounts receivable, cash on hand, and short-term deposits on the back of collection of fees for the year 2016 gazetted timely.

Total equity and liabilities grew in line with assets. Equity on account of surplus for the year amounting to R1 887 420, and liabilities in respect of income received in advance from membership fees paid by pharmacies and pharmacists that were due on 2 January and 1 February 2016 respectively.

Consequently, liquidity ratio increased from 0.88 in the previous year to 0.96 at 31 December 2015.

Income

Overall income and expenditure grew by 1.92% and 7.35% respectively with a surplus of R1 887 420. The growth is attributable to the rise in investment income and annual inflationary increases.

Budgetary control

The budget compilation for the year 2015 was approved at the 15/16 October 2014 Council meeting. Budget performance reports were presented to management, the Executive Committee, the Audit Committee and the Council. At various committee meetings respective budget performance reports formed part of the agenda.

Supply chain management

Council has adopted a proactive stance towards black economic empowerment. Procurement policies 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 R300 000 respectively.

Business risk and internal controls assurance

The internal audit developed a risk focused internal audit plan for the three years ending 31 December 2017, which was approved by the Audit Committee. The internal audit function was outsourced to independent auditors KwinanaEquifin Advisory Services (Pty) Ltd. KwinanaEquifin attended Audit Committee meetings to report on adequacy of internal controls implemented by management. During the year, KwinanaEquifin conducted the following audits and reported to the Audit Committee:

- (a) Follow-up audits:
 - Human Resources Management
 - Legal Services and Professional Conduct
 - Governance and Compliance
 - Financial Management
 - Information Technology
 - Marketing and Communication.
- (b) New audits:
 - Professional Affairs (Practice, Education, CPD, Preregistration & Registration)
 - Service Delivery
 - Infrastructure and Facilities.

Finance Department



*Front: Obakeng Mtimunye (Manager: Revenue Accounts), Voster Himbotwe (General Manager: Finance), Refilwe Khumalo (Manager: Supply Chain Management)
Back: Zakhia Mampe (General Maintenance Clerk), John Lesufi (Supply Chain Management Officer), Boipelo Swarathle (Finance Officer), Josephine Mokoka (Finance Officer);
Mpho Shisana (Supply Chain Management Controller), Nanatu Mongwe (Secretarial Support Officer)*

Report of the Audit Committee



We are pleased to present our report for the financial year ended 31 December 2015.

Purpose of the Annual Report

This Annual Report captures in summary form the activities of the Audit Committee for the financial year 2015 accounting as to how the Committee has performed, met its Terms of Reference (TOR) and key priorities. The Terms of Reference were reviewed and revised; the process takes place annually.

Audit committee members and attendance

The committee consisted of the members listed hereunder and meets at least three times per annum in accordance with its Terms of Reference.

During 2015, the Committee met three (3) times with attendance recorded in the table below. This demonstrates that there was a satisfactory attendance record for the members of the Committee and therefore all meetings of the Committee were quorate.

Name of member	Number of meetings attended 2015
Advocate MJ Ralefatane (chairperson)	3
Mr Panajiotaki George Kyriacos	2
Mr Johannes Stephanus du Toit	3
Ms. Anna Mirriam Mmanoko Badimo	2
Ms. Shaila Hari	2
Mr. Xolani Patrick Khumalo	Appointed

Reporting Requirements

The Committee reported on its performance to the Council after each meeting during the year.

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 throughout within the South African Pharmacy Council (SAPC). The Committee monitors and strengthens the objectivity and credibility of Council's financial reporting process, internal control systems, support and appraise the audit efforts of the external auditors and internal audit function, provide an open avenue of communication between the external auditors, and internal audit unit.

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

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

During 2015, the Committee 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 of financial and governance policies in line with best practice;
- Committee's annual performance assessment in line with its Terms of Reference; and
- Review of financial reporting.

Internal and External Auditors

The Internal Audit function during the financial year under review was undertaken by KwinanaEquifin Advisory Services (Pty) Limited and the External Auditors were OMA Chartered Accountants Inc. (OMA).

Internal auditors were in attendance at every Committee meeting and external auditors would attend when presenting items or by invitation. The auditors assured the committee of their independency and ethical conduct in the discharge of their functions.

Effectiveness of internal control

The system of internal control is effective, as the reports of the Internal Auditors, the Audit Report on the 2015 annual financial statements of OMA have not reported any material non-compliance with prescribed policies and procedures. The unqualified/clean audit achieved for the year is evidence of the efficiency and effectiveness of the internal controls.

Evaluation of financial statements

The Committee has:

- (a) reviewed and discussed with OMA and the Accounting Authority the audited annual financial statements;
- (b) reviewed OMA'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 the SAPC is in a sound financial position to continue operations in the foreseeable future and accordingly the financial statements are prepared on a going concern basis.

The regulatory environment and factors affecting the pharmacy industry

It is incontrovertible that there is scarcity of skills in this industry and it is upon all the stakeholders in the public and private sector to gear towards contributing to the building of the pool of skills in the country.

In the past period, including the year 2015 there was a dispute that unfortunately escalated to litigation between Medi-Rite (Pty) Ltd and SAPC. The matter was settled during the year at the Supreme Court of Appeals. Resultant legal costs have been provided for in the financial statements.

Risk Profile

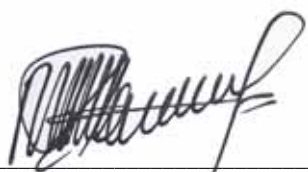
Management has also implemented internal control processes for identifying, evaluating and managing significant risks to the achievement of the SAPC's objectives. The Audit Committee is satisfied that the treatments are effective in mitigating the identified risks.

Irregularities and the SCM

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

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

We thank management for their dedication and urge that they continue and the Council for being supportive and making the environment conducive for the Committee to discharge its responsibilities.



Advocate MJ Ralefatane

Chairperson of the Audit Committee



**South African
Pharmacy Council**

Financial statements for the year ended 31 December 2015



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	OMA Chartered Accountants 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.
Preparer	The financial statements were internally compiled by: Voster Himbotwe General Manager: Finance



Index

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

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Preparer

Voster Himbotwe

General Manager: Finance

Published

11 May 2016



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 auditor is 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 2016 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 auditor is 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 45.

The financial statements set out on pages 48 to 63, which have been prepared on the going concern basis, were approved by the councillors on 11 May 2016 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 SOUTH AFRICAN PHARMACY COUNCIL

We have audited the financial statements of South African Pharmacy Council, as set out on pages 48 to 61, which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Councillors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material aspects, the financial position of South African Pharmacy Council as at 31 December 2015, and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities, and the requirements of the Pharmacy Act 53 of 1974.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 December 2015, we have read the Councillors' Report for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. This report is the responsibility of the respective preparer. Based on reading this report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

O.M.A Chartered Accountants Incorporated
Registered Auditors



Per: Osman Moosa CA (S.A.)
Director
Pretoria
11 May 2016

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 2015.

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 matter 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.

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

3. Councillors

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

Councillors	Office	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
Ms Lizette Roets	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 Gaobohe Jonas Kgasane		Non-executive	South African
Mr Charles John Cawood		Non-executive	South African
Mr Panajiotaki George Kyriacos		Non-executive	South African
Mr Tshuba Solomon Rasekele		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
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



Councillors' Report

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

OMA Chartered Accountants Incorporated continued in office as auditors for the Council for 2015.

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 backgrounds. The committee meets at least three times a year.

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

The committee members during the year were: Advocate MJ Ralefatane (chairperson), Mr PG Kyriacos, Mr J S Du Toit, Ms AMM Badimo, Ms S Hari and Mr XP Khumalo.

Statement of Financial Position as at 31 December 2015

	Note(s)	2015	2014
Assets			
Non-Current Assets			
Property, plant and equipment	2	12 065 592	11 813 555
Intangible assets	3	620 923	1 147 178
		12 686 515	12 960 733
Current Assets			
Trade and other receivables	4	11 520 186	10 491 437
Cash and cash equivalents	5	29 417 205	17 074 278
		40 937 391	27 565 715
Total Assets		53 623 906	40 526 448
Equity and Liabilities			
Equity			
Retained income		11 025 728	9 138 308
Liabilities			
Non-Current Liabilities			
Finance lease liabilities	6	-	57 906
Current Liabilities			
Trade and other payables	8	39 820 897	28 424 091
Finance lease liabilities	6	54 528	233 942
Provisions	7	2 722 753	2 672 201
		42 598 178	31 330 234
Total Liabilities		42 598 178	31 388 140
Total Equity and Liabilities		53 623 906	40 526 448



Statement of Comprehensive Income

	Note(s)	2015	2014
Revenue	9	61 920 823	61 400 500
Other income	10	236 014	230 951
Operating expenses		(61 515 718)	(57 197 662)
Operating profit	11	641 119	4 433 789
Investment revenue	12	1 478 542	804 945
Finance costs	13	(232 241)	(324 630)
Profit for the year		1 887 420	4 914 104
Other comprehensive income		-	-
Total comprehensive income for the year		1 887 420	4 914 104

Statement of Changes in Equity

	Retained income	Total equity
Balance at 01 January 2014	4 224 204	4 224 204
Profit for the year	4 914 104	4 914 104
Other comprehensive income	-	-
Total comprehensive income for the year	4 914 104	4 914 104
Balance at 01 January 2015	9 138 308	9 138 308
Profit for the year	1 887 420	1 887 420
Other comprehensive income	-	-
Total comprehensive income for the year	1 887 420	1 887 420
Balance at 31 December 2015	11 025 728	11 025 728



Statement of Cash Flows

	Note(s)	2015	2014
Cash flows from operating activities			
Cash generated from operations	15	14 085 186	16 199 475
Interest income		1 478 542	804 945
Finance costs		(5 562)	(6 294)
Net cash from operating activities		15 558 166	16 998 126
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(2 566 303)	(4 887 013)
Sale of property, plant and equipment	2	105 041	35 287
Purchase of other intangible assets	3	(289 978)	(706 872)
Net cash from investing activities		(2 751 240)	(5 558 598)
Cash flows from financing activities			
Finance lease payments		(463 999)	(75 182)
Total cash movement for the year		12 342 927	11 364 346
Cash at the beginning of the year		17 074 278	5 709 931
Total cash at end of the year	5	29 417 205	17 074 277

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 company accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Lease classification

Financial 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 determines 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.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 7 - Provisions.

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



Accounting policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

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
Cellphones & 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 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.

Accounting policies

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:

1.3 Intangible assets (continued)

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

1.4 Financial instruments

Initial measurement

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

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.

1.5 Leases

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

Finance leases – lessee

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

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

Operating leases – lessee

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



Accounting policies

1.6 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.

1.7 Employee benefits

Defined contribution plans

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

Council operates a defined contribution plan, the assets of which are held in a separate trustee-administered fund. 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.

1.8 Provisions and contingencies

Provisions are recognised when:

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

Provisions are disclosed in note 7.

1.9 Revenue

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

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



Notes to the Financial Statements

2015 2014

2. Property, plant and equipment

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	600 000	-	600 000	600 000	-	600 000
Buildings	12 815 513	(5 728 851)	7 086 662	12 608 780	(5 107 458)	7 501 322
Furniture and fixtures	2 383 472	(1 211 016)	1 172 456	2 082 161	(1 052 041)	1 030 120
Motor vehicles	752 893	(151 998)	600 895	357 456	(195 943)	161 513
Office equipment	1 860 875	(1 239 213)	621 662	1 839 156	(915 736)	923 420
IT equipment	4 308 329	(2 324 412)	1 983 917	3 510 717	(1 913 537)	1 597 180
Total	22 721 082	(10 655 490)	12 065 592	20 998 270	(9 184 715)	11 813 555

Reconciliation of property, plant and equipment – 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Land	600 000	-	-	-	600 000
Buildings	7 501 322	206 734	-	(621 394)	7 086 662
Furniture and fixtures	1 030 120	369 766	(26 444)	(200 986)	1 172 456
Motor vehicles	161 513	550 657	(1)	(111 274)	600 895
Office equipment	923 420	134 630	(15 609)	(420 779)	621 662
IT equipment	1 597 180	1 304 516	(43 604)	(874 175)	1 983 917
	11 813 555	2 566 303	(85 658)	(2 228 608)	12 065 592

Reconciliation of property, plant and equipment – 2014

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	600 000	-	-	-	600 000
Plant and machinery	5 697 603	2 355 312	(93)	(551 500)	7 501 322
Furniture and fixtures	1 022 641	192 880	(6 644)	(178 757)	1 030 120
Motor vehicles	1	202 236	-	(40 724)	161 513
Office equipment	445 655	920 619	(53 880)	(388 974)	923 420
IT equipment	1 021 490	1 215 966	(22 337)	(617 939)	1 597 180
	8 787 390	4 887 013	(82 954)	(1 777 894)	11 813 555

Net carrying amounts of leased assets

Office equipment	30 464	244 671
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Details of properties

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

The title deed number to the property is Erf 1470, Arcadia, Pretoria in the extent of 1708 (one thousand seven hundred and eight) square meters.



Notes to the Financial Statements

2015 2014

3. Intangible assets

	2015			2014		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	4 679 134	(4 058 211)	620 923	4 389 156	(3 241 978)	1 147 178

Reconciliation of intangible assets – 2015

	Opening balance	Additions	Amortisation	Total
Computer software	1 147 178	289 978	(816 233)	620 923

Reconciliation of intangible assets – 2014

	Opening balance	Additions	Amortisation	Total
Computer software	1 602 637	706 872	(1 162 331)	1 147 178

4. Trade and other receivables

Trade receivables	10 071 770	10 432 058
Deposits	11 822	11 822
VAT	232 365	-
Other receivable	1 204 229	47 557
	11 520 186	10 491 437

Included in the trade receivables amount is a provision for doubtful debts amounting to R 10 466 641 (2014: R 6 916 042)

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1 074	3 324
Bank balances	25 155 703	13 880 010
Short-term deposits	4 260 428	3 190 944
	29 417 205	17 074 278

Details of facilities held by the Council are as follows:

- Overdraft amounting to R 1 500 000.00 of which the expiry date is 12/04/2016 for unforeseen emergencies. The facility has not been used at reporting date.
- Guarantees by the bank amounting to R 50 000.00 of which the expiry date is 12/04/2016.
- Card facility by the bank amounting to R 350 000.00 of which the expiry date is 12/04/2016.

Notes to the Financial Statements

	2015	2014
6. Finance lease liabilities		
Minimum lease payments which fall due		
- within one year	65 049	461 268
- in second to fifth year inclusive	-	68 941
	65 049	530 209
Less: future finance charges	(10 521)	(238 361)
Present value of minimum lease payments	54 528	291 848
Non-current liabilities	-	57 906
Current liabilities	54 528	233 942
	54 528	291 848

7. Provisions

Reconciliation of provisions – 2015

	Opening balance	Utilised during the year	Reversed during the year	Total
Legal proceedings	1 245 625	-	(87 088)	1 158 537
Provisions for leave pay	1 426 576	(56 208)	193 848	1 564 216
	2 672 201	(56 208)	106 760	2 722 753

Reconciliation of provisions – 2014

	Opening balance	Additions	Total
Legal proceedings	-	1 245 625	1 245 625
Provisions for leave pay	1 299 112	127 464	1 426 576
	1 299 112	1 373 089	2 672 201

8. Trade and other payables

Trade payables	1 428 164	392 327
Income received in advance	38 335 933	27 148 831
VAT	-	765 613
Other payables – Department of Health	56 800	117 320
	39 820 897	28 424 091

Notes to the Financial Statements

	2015	2014
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9. Revenue

Annual and registration fees	53 782 285	52 097 185
Rendering of services	146 147	395 041
Other revenue	7 992 391	8 908 274
	61 920 823	61 400 500

10. Other income

Profit and loss on sale of assets and liabilities	19 383	-
Sponsorship	171 147	91 638
Other income	27 951	68 020
Insurance claim received	17 533	71 293
	236 014	230 951

11. Operating profit

Operating profit for the year is stated after accounting for the following:

Profit/(loss) on disposal of assets	19 383	(47 667)
Amortisation on intangible assets	816 233	1 162 332
Depreciation on property, plant and equipment	2 228 608	1 777 892
Employee costs	34 539 763	35 515 577
Research and development costs	49 286	82 450

12. Investment revenue

Interest revenue

Bank	1 478 542	804 945
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13. Finance costs

Finance leases	226 679	318 336
Bank	5 562	6 294
	232 241	324 630

14. Auditor's remuneration

Fees	161 898	146 400
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Notes to the Financial Statements

	2015	2014
15. Cash generated from operations		
Profit before taxation	1 887 420	4 914 104
Adjustments for:		
Depreciation and amortisation	3 044 841	2 940 224
(Profit) loss on sale of assets	(19 383)	47 667
Interest received	(1 478 542)	(804 945)
Finance costs	232 241	324 630
Movements in retirement benefit assets and liabilities	-	1 417 000
Movements in provisions	50 552	1 373 089
Changes in working capital:		
Trade and other receivables	(1 028 749)	(3 961 782)
Trade and other payables	11 396 806	9 949 487
	14 085 186	16 199 474

16. Commitments

Authorised capital expenditure

Committed but not contracted

• Property, plant and equipment	4 660 000	3 985 000
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This committed expenditure relates to plant and equipment and will be financed by funds internally generated.

Operating leases – as lessee (expense)

Minimum lease payments due

- within one year	65 049	461 268
- in second to fifth year inclusive	-	68 941
	65 049	530 209



Notes to the Financial Statements

2015 2014

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 the registrar.

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

Related party transactions

Allowances	694 215	321 578
Committee meeting expenses	274 039	245 995
Council and sub-committee member fees	362 342	326 088
Locum fees	133 406	91 359
Preparation fees	86 288	74 411
Transport	841 792	1 121 986

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 the senior management under financial policies approved by Council members.

Liquidity risk

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

Interest rate risk

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

Credit risk

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

As at 31 December 2015, 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.

Detailed Income Statement

	Note(s)	2015	2014
Revenue			
Annual and registration fees		53 782 285	52 097 185
Examination fees		146 147	395 041
Other revenue		7 992 391	8 908 274
	9	61 920 823	61 400 500
Other income			
Sponsorships received		171 147	91 638
Other income		27 951	68 020
Insurance claim received		17 533	71 293
Interest received	12	1 478 542	804 945
Gains on disposal of assets		19 383	-
		1 714 556	1 035 896
Expenses (Refer to page 63)		(61 515 718)	(57 197 662)
Operating profit	11	2 119 661	5 238 734
Finance costs	13	(232 241)	(324 630)
Profit for the year		1 887 420	4 914 104

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



Detailed Income Statement

	Note(s)	2015	2014
Operating expenses			
Advertising and promotions		(254 775)	(651 719)
Allowances		(694 215)	(321 578)
Auditors remuneration	14	(161 898)	(146 400)
Bad debts and provision for doubtful debts		(5 536 202)	(1 673 827)
Bank charges		(639 503)	(527 450)
Cleaning		(28 330)	(19 560)
Computer expenses		(2 155 508)	(1 618 368)
Committee meeting expenses		(274 039)	(245 995)
Conferences		(101 996)	(11 061)
Consumables		(136 024)	(82 711)
Council and sub-committee member fees		(362 342)	(326 088)
Curriculum development		(1 440 282)	(1 166 263)
Depreciation, amortisation and impairments		(3 044 841)	(2 940 224)
Disciplinary fees		(48 765)	(82 784)
Employee costs		(34 539 763)	(35 515 577)
Inspection fees		(1 946 645)	(2 855 578)
Insurance		(278 604)	(232 842)
Interest and penalties – SARS		(157 639)	(33 366)
Lease rentals on operating lease		(552 497)	(792 495)
Legal expenses		(412 315)	(1 469 725)
Locum fees		(133 406)	(91 359)
Loss on disposal of assets		-	(47 667)
Office expenses		(1 290 449)	(1 525 938)
Postage		(862 660)	(551 399)
Preparation fees		(86 288)	(74 411)
Printing and stationery		(960 003)	(499 668)
Repairs and maintenance		(1 225 810)	(544 534)
Research and development costs		(49 286)	(82 450)
Security		(358 714)	(343 506)
Telephone and fax		(1 879 995)	(776 841)
Training		(451 263)	(379 046)
Transport expenses		(841 792)	(1 121 986)
Utilities		(609 869)	(445 246)
		(61 515 718)	(57 197 662)

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

APC-UFH	Abaluleki Professional Consulting-University of Fort Hare Consortium
BPharm	Bachelor of Pharmacy
CE	Continuing Education
CEO	Chief Executive Officer
CFI	Committee of Formal Inquiry
CII	Committee of Informal Inquiry
CMS	Council for Medical Schemes
COO	Chief Operating Officer
CPD	Continuing Professional Development
CPI	Committee of Preliminary Inquiry
CSP	Community Service Programme
CSR	Communication and Stakeholder Relations
DB	Defined Benefit
DC	Defined Contribution
DoH	Department of Health
EE	Employment Equity
FET	Further Education and Training
FIP	International Pharmaceutical Federation
FSB	Financial Services Board
GPE	Good Pharmacy Education
GPP	Good Pharmacy Practice
HET	Higher Education and Training
HR	Human Resources
HSA	Health Science Academy
ICPA	Independent Community Pharmacy Association
IFRS	International Financial Reporting Standards
IT	Information Technology
LS&PC	Legal Services and Professional Conduct
MCC	Medicine Control Council
Medunsa	Medical University of Southern Africa
NDoH	National Department of Health
OMA	A Chartered Accountants company
PA	Pharmacist's Assistant
PCDT	Primary Care Drug Therapy
PHA	Pharmacy Healthcare Academy
PharmD	Doctorate in Pharmacy
PHISA	Public Health Institute of South Africa
PT	Pharmacy Technician
PTA	Pharmacy Technical Assistant
PSSA	Pharmaceutical Society of South Africa
QCTO	Quality Council for Trades and Occupations
SAAHIP	South African Association of Hospital and Institutional Pharmacies
SAPRAA	Southern African Pharmaceutical Regulatory Affairs Association
SAPC	South African Pharmacy Council
SAVC	South African Veterinary Council
SME	Small and Medium-sized Entities
SMU	Sefako Makgatho Health Sciences University
TUT	Tshwane University of Technology



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