

2018

Annual Report



**South African
Pharmacy Council**



**South African
Pharmacy Council**



South African Pharmacy Council

Annual Report 2018

Minister of Health

It is our pleasure to submit the Annual Report on the activities of the South African Pharmacy Council for the period of 1 January 2018 – 31 December 2018, in terms of the Pharmacy Act, 53 of 1974.



PROF M CHETTY
PRESIDENT



MR TA MASANGO
REGISTRAR

ISBN: 978-0-6398363-0-0



South African Pharmacy Council 2013 - 2018

Seated: Chairperson CPI: Mr Tshuba Solomon Rasekele; Chairperson Education: Prof Roderick Bryan Walker; Chairperson Cll: Mr Rajatheran (Sham) Moodley; Chairperson Health: Mr Vusi Cornelias Dlamini; Chairperson Practice: Ms Jacqueline Ann Maimin; President: Prof Manoranjeni (Mano) Chetty; Vice-President: Mr Douglas James Heaslet Defty; NDoH Representative: Mr Gavin Stewart Steel; Treasurer: Ms Nocawe Portia Thipa; Chairperson CPD: Dr Panjaseram (Vassie) Naidoo; Registrar/CEO: Mr Tokolo Amos Masango

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

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



Contents

2018 ANNUAL REPORT	1
VISION	6
MISSION STATEMENT	6
CORE VALUES	6
PRESIDENT'S MESSAGE	7
FOREWORD: REGISTRAR & CEO	9
COUNCIL – ROLE AND RESPONSIBILITIES	11
Objectives and Functions of Council	11
Governance Structure	11
Council Members (2013 – 2018)	11
Council Members (2018 – 2023)	12
CORPORATE SERVICES	13
Strategic focus area	13
Council meetings	13
Board notices	13
Strategic plan 2014 – 2018	13
Operational plans 2018 and 2019	13
National/International Conferences	13
2018 Attendance at meetings	13
COMMUNICATION AND STAKEHOLDER RELATIONS (CSR)	16
Strategic focus area	16
Corporate Communication	16
3rd National Pharmacy Conference	16
SAPC IP PBX self-help functionality	16
SAPC website	16
Public and media relations	16
Reactive media interactions	16
Pro-active media interactions	16
Social & Digital media	17
2018 Pharmacy Month	17
Publications	17
Internal communication	18
Language Support	18
SAPC renovated Wozanibone Secondary High School on 17 August 2018 in honour of Nelson Mandela's Centenary	18
Stakeholder Relations	18
Online application and payment functionality	19
Service Delivery surveys	19
Service Delivery Ratings	19
Contact Centre	19
Telephones	19

Front desk and pre-audit of manual applications	20
Logistics Centre	20
ID registration cards	20
PROFESSIONAL AFFAIRS – PRACTICE	21
Strategic focus area	21
Practice Committee	21
Standard setting	21
Minimum standard for the sale of HIV self-screening test kits	21
Professional standard for services offered from a pharmacy	21
Minimum standard for unit dose dispensing	21
Minimum standard for locum tenens pharmacists and pharmacy support personnel	22
Minimum standard for pharmacy administration and management	22
Minimum standards for alternative models of delivery of medicines	22
Another business or practice in a pharmacy	22
Minimum standard relating to the supervision of pharmacy support personnel	23
Survey for reference sources that must be accessible in each category of pharmacy	23
Pharmacy Inspectors (Council Officers)	23
Pharmacy Inspection tool (Inspection questionnaires) and grading of pharmacies	23
Inspections of pharmacies	24
Good Pharmacy Practice recommendations: Licensing and recording of pharmacies	25
Good Pharmacy Practice recommendations: Section 22A(15) permit recommendations	25
Recommendations in terms of Section 56(6)(d) of the Nursing Act, 33 of 2005	26
Other matters discussed by the Practice Committee	26
Premises approval for the training of pharmacist interns and pharmacy support personnel	27
Meetings facilitated by the Practice Unit	27
PROFESSIONAL AFFAIRS – CPD AND REGISTRATIONS	28
Strategic focus area	28
Committees	28
Continuing professional development (CPD) Committee	28
Health Committee	28
Registrations	28
Review of competency standards for pharmacists in South Africa	28
Pharmacy Internship	28
Competency portfolio for pharmacist interns	29
Pre-registration examinations for interns	29
Candidates with qualifications obtained outside South Africa	29
Applications for recognition of foreign qualifications	29
Professional examination	29
PROFESSIONAL AFFAIRS – EDUCATION	30
Strategic focus area	30
Education Committee	30
Good education standards	30
Qualifications	30
Criteria and Guidelines	30
Cooperation with other quality councils	30



Accreditation/monitoring visits to Higher Education and Training providers	31
Accreditation of courses	31
Heads of schools meeting	31
Meeting of the skills development providers	31
INFORMATION TECHNOLOGY	32
Strategic focus area	32
Operational matters	32
Business Continuity and Disaster Recovery Planning	32
Migrating the Microsoft mailboxes from on-premises to Microsoft Office 365	32
Computing tools	32
The Register & Dashboard	32
HUMAN RESOURCES	33
Strategic focus area	33
LEGAL SERVICES & PROFESSIONAL CONDUCT	35
Strategic focus area	35
Introduction	35
Professional conduct	35
Committee of Preliminary Investigation	35
Committee of Informal Inquiries	35
Committee of Formal Inquiries	36
Provision of legal services and legal administration	36
Legal Enquiries and Legal Opinions	36
Certificates of Good Standing	36
Section 26 Certificates	36
Contracts and Service Level Agreements	36
Corporate governance	36
Legislation	36
South African Pharmacy Council Legislation	36
Comments and contributions to proposed legislation published for comment	37
Council Elections 2018	37
FINANCIAL MANAGEMENT	38
Strategic focus area	38
Coordination of standing committees of Council	38
Audit Committee	38
Pension Fund Board	38
Promotion of transparency to the profession and the general public	38
Councillors	38
Code of conduct	38
Audit Committee	38
Financial statements	39
Provision of managerial and administrative support for the sustainability of Council as a going concern	39
Financial performance indicators	39
Financial position	39
Comprehensive income	39
Budgetary control	40

Supply chain management	40
Risk management	40
Internal audit	40
REPORT OF THE AUDIT COMMITTEE	42
Purpose of the annual report	42
Audit Committee members and attendance	42
Audit Committee responsibility	42
Internal and external auditors	42
Effectiveness of internal control	42
Evaluation of financial statements	42
Going concern basis of accounting	42
Risk management	42
Irregularities and supply chain management	42
FINANCIAL STATEMENTS	43
SOUTH AFRICAN PHARMACY COUNCIL FINANCIAL STATEMENTS FOR THE YEAR	
ENDED 31 DECEMBER 2018.....	43
GLOSSARY OF TERMINOLOGY	67



South African
Pharmacy Council

Vision, Mission, Core Values

Vision

Sustainable quality pharmaceutical services for all.

Mission Statement

We exist to:

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

Core Values

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

President's Foreword

Dear Colleagues,

October 2018 marks the end of the term of office of the current Council members who served from 2014 to 2018. I would like to take this opportunity to reflect on some of the activities of the South African Pharmacy Council during this period that were directed at achieving some of the key objectives set in 2014, to advance and uplift the pharmacy profession.

Development of plans to address the shortage of pharmacists and pharmacy support personnel

This objective was adopted to address the shortage of pharmacy human resources in the country as highlighted in the World Health Organisation (WHO) study conducted in 2009. The study was based on WHO norms regarding the number of pharmacists and support personnel relative to the population numbers requiring a pharmaceutical service. In the past five years, pharmacists numbers have increased by about 12% and support personnel have increased by 17%. However, it has become evident that the findings of the 2009 study may have to be re-evaluated within the South African context. There appears to be a limited capacity of the South African healthcare system to accommodate newly qualified pharmacists in community service and to employ pharmacists and pharmacy support personnel. This has caused serious concern for Council, who work with the national Department of Health (DoH) annually to assist with managing the problem.

Support for education and training of a greater number of pharmacists and pharmacy support personnel

The reduction in fees associated with education and training by the present Council was the first contribution to this focus area. Institutes of education and training have endeavoured to enrol a greater number of students to their programs. Various systems and processes were implemented within the S APC to enhance and streamline pre-registration examinations and other related processes. Unfortunately, another hurdle was recently encountered where pharmacy students experienced difficulties with finding internship positions. There appears to be limited capacity in the country for placement of pharmacy interns since the public health sector can employ only a limited number of pharmacy interns. The S APC appeals to pharmacists in other sectors of pharmacy to offer internship positions to assist with the education and training of our future pharmacists.

Consideration of innovative methods of delivery of pharmaceutical services, especially in underserviced areas

During the past four years, the national and provincial health departments, with the objective of improving access to medicines and reducing patient waiting times in health care facilities, have proposed various new models for drug



*Prof Manoranjenni Chetty
(President)*

delivery. Council has developed good practice guidelines to support good patient care as well as the integrity of the medicines being delivered when using these models. Delivery models that may compromise the patient or the medicines have not been supported by Council.

Colleagues, I would like to emphasise that these alternative delivery models were introduced to satisfy a critical need in our country. Support and active participation by our profession in promoting better access to medicines is essential to ensure our rightful role in the healthcare system.

Evaluation of the roles of pharmacists and pharmacy support personnel in the proposed new national healthcare system (National Health Insurance – NHI)

In preparation for changes in the health care system, the core competencies and curricula of all pharmacy personnel have been reviewed. The supportive regulations are awaiting processing by the DoH.

Support and encouragement for the profession to engage in healthcare issues of national and global concern

The 2nd National Pharmacy Conference hosted in Durban in 2016 provided a good platform for pharmacists to exchange ideas and experiences with colleagues from across South Africa and abroad. This was a very successful conference that was attended by about 1200 delegates. Some planning for the 3rd National Pharmacy Conference, to be held at Sun City in 2019 has commenced and will be continued by the next Council.

Council also participated in awareness campaigns relating to antibiotic resistance, the Ebola epidemic in specific African countries and the national call for the promotion of vaccinations.



South African
Pharmacy Council

Enhancement of the services and communication between the profession, the public and the Office of the Registrar and his team

This is an area that received special attention from Council. A work-study was commissioned to investigate how professional services and customer care can be improved within the Office of the Registrar. Various new processes have been implemented for online registrations and the funding has been approved for the installation of new digital systems to record and track customer queries. It is hoped that in the next year a superior customer care service will be delivered.

A more collaborative approach has been encouraged when pharmacies are reviewed for compliance with Good Pharmacy Practice (previously called inspections). Compliance officers/monitors (previously called inspectors) have been trained to work together with pharmacists to identify and rectify areas that may require improvement.

Promotion of closer collaboration between SAPC and other health statutory bodies

The Minister of Health has established a forum at which all health statutory bodies meet. The Deputy Director-General: National Health Insurance, Dr Anban Pillay, has conducted several successful meetings that have encouraged discussions between the different statutory bodies. I feel privileged to report that the SAPC is ahead of the pack in many respects, including regular unqualified audits. Well done to the Registrar and his team!

These are just a few of the achievements of Council during the 2014-2018 period. Although Councillors and staff in the Office of the Registrar are not always popular with members of the profession, I have witnessed the total dedication from Councillors, as well as staff, to uplift and support the pharmacy profession. Thank you Councillors, the Registrar and the office staff.

The names of all the new Council members have not been announced at this stage. However, I would like to wish the new Council a successful 5-year term.

I would like to thank all pharmacists and pharmacy support personnel for the opportunity to serve you for the past five years.

On behalf of Council, I wish you and your families an enjoyable festive season.

Prof. Mano Chetty
President

Foreword: Registrar & CEO

Despite having too many irons in the fire, the South African Pharmacy Council counts 2018 among our best years in terms of executing our legislative mandate while delivering on our operational commitments. To attest to the efficiency of the good governance structures, financial management systems and a culture of ethical business conduct instilled in the SAPC, we have attained our 10th unqualified audit opinion.

This year we have had to focus our energies chiefly on the 2018 Council Elections and ensuring that final preparations for the 3rd National Pharmacy Conference were carried out. While this was happening, the work of fulfilling the objects of Council as espoused in the Pharmacy Act (Act 73 of 1974) needed to continue unabated. The 2018 South African Pharmacy Council Annual Report succinctly highlights our progress in terms of attaining the legislated purpose of our existence.

2018 Council Elections

Following the issuing of the notice of elections by the Returning Officer in April 2018, pharmacists across the country nominated 72 candidates to run for elections. The list of the nominees was duly published in the government gazette in June 2018. The elections process, steered by the Independent Electoral Commission of South Africa (IEC), was concluded in October 2018. However, following the conclusion of the vote-counting several stakeholders petitioned the results. This necessitated a rigorous independent investigation, the results of which indicated that the elections were free, fair and transparent. This then paved way for the announcement of the new 25-member Council on 21 December 2018.

3rd National Pharmacy Conference

The third National Pharmacy Conference will take place at Sun City, in North West in October 2019. This national dialogue and continuing professional development opportunity is planned for 1200 delegates, making it one of the biggest pharmacy conferences on the continent. Skills transfer and the sharing of best practice would occur in more than 30 workshops, while discussions on issues affecting the pharmacy professional and health care in general will be discussed at lengths in several commissions.

Work on the conference booking system, securing the conference venue, programme, communication channels and the appointment of the conference secretariat has been concluded.

Fulfilling the objects of Council

Objects 3(c), (d), (g), (e)(iv), and (e)(v), as contained in the Pharmacy Act, bestow on the SAPC the responsibility to set, maintain and uphold standards that ensure good pharmacy practice with the specific aim of delivering definite therapeutic outcomes for patients and safeguarding the rights of the public to universally acceptable pharmaceutical care, thus maintaining and enhancing the dignity of the profession and the integrity of those practising the calling.

Setting universally acceptable standards

Over the period under review, we have developed, reviewed and published, among others, the following documents in pursuit of ensuring that the profession operates under the



*Amos Masango
(Registrar/CEO)*

guidance of up-to-date, universally acceptable and fit-for-purpose minimum standards:

- Competency Standards for Pharmacists in South Africa
- Amendments to the Rules relating to Good Pharmacy Practice
- Regulations relating to Continuing Professional Development (for comment)
- Minimum standards for unit-dose dispensing (for comment)
- Professional standards for services offered from a pharmacy
- Minimum standards for locum tenens pharmacists and pharmacy support personnel
- Minimum standards for pharmacy administration and management
- Minimum standards for alternative models for the delivery of medicines
- Minimum standards relating to the supervision of pharmacy support personnel

Protecting the dignity and integrity of the profession, safeguarding the rights of patients

During the current reporting period, we conducted 1 815 inspections across the country – a majority of which (80%) were monitoring inspections. A basic analysis of the inspection results indicates that the provinces with the highest Good Pharmacy Practice (GPP) compliance rates for pharmacy premises inspected in 2018 are the Western Cape and Free State, with 95% and 93% of premises achieving either A or B grading respectively. The results further show that Limpopo (49%), Gauteng (25%), North West (25%), Eastern Cape (24%), Northern Cape (24%), and KwaZulu-Natal (22%) had concerning proportions of pharmacy facilities graded either C or D. Our monitoring officers do their best to identify shortcomings and suggest ways to improve compliance, we hope that responsible pharmacists within the under-complying facilities will improve on the identified shortcomings in the coming year.

In our quest to improve compliance rates, we have appointed six additional officers to the SAPC Inspectorate and work has begun on the review of the inspection-scoring matrix, the



inspection questionnaire and to develop an inspections computer application.

The disciplinary committees of Council attended to a total of 454 cases during the current reporting period, representing an increase in cases of 111 when compared with 2017 (343 cases).

Advancing human resources for pharmacy

Both the Pharmacy Act and the Human Resources Plan for Pharmacy bestows the responsibility of driving efforts to ensure that the country has access to adequately trained pharmacy professionals on the SACP. In the spirit of the Act and objectives pronounced in the Human Resources Plan for Pharmacy, the Office of the Registrar together with the relevant committees of Council ensured that 10 702 new persons were registered under various categories on the SACP Register. A majority of the new registrations were comprised of leaners and BPharm students (4 675), followed by pharmacist's assistants (3 691), post-community service pharmacists (760), pharmacist interns (740) and community service pharmacists (674). Persons registered in the pharmacy technician (80) and pharmacy technician trainee (82) roles constituted the lowest numbers of persons registered in 2018.

Communication and Stakeholder Relations

Our communication channels with the profession serve as service access points as we are largely a digitised organisation; as such, it is important that channels such as the Customer Care Centre, Walk-in Centre, and online application platforms operate to above industry-standard quality, efficiency and accessibility. The Customer Care Centre received 57 126 calls in 2018 and serviced 95,1% of these, indicating an increase in service levels of 4,1% to 95,1% in 2018 from 91,1% in 2017. While this is above the industry standard, we will continue to work tirelessly to move the service level closer to 100%. The Walk-In Centre attended to 2 377 customers during 2018 and achieved a first-time satisfaction rate of 89%. Usage of the online applications platforms for new service requests decreased by 1,1% from 81,3% in 2017 to 80,2% in 2018. I would like to urge pharmacy professionals and all our stakeholders to use the online application platform as not only does it improve case turnaround time but also ensures data integrity.

The online payments systems, which ensures instant allocation of funds and thus improves case turnaround times, continues to gain greater acceptance from stakeholders. The total value of online payments increased by 96,8% year-on-year, from about R7 million in 2017 to R13,7 million in 2018.

Media and public communication

The efforts to bolster both stakeholder and public communication efforts continued at full-steam during 2018. Following our introduction of digital media channels to our communication efforts in 2017, the organic growth of

these has been reassuring. We have acquired more than 3 000 social media followers in the current reporting period, a number we hope to double in 2019.

In terms of media communication, we took opportunities provided by five media outlets to educate members of the public on various health issues and the work of the SACP. Matters addressed included the codeine abuse challenge facing the country, antimicrobial stewardship, and our being at the forefront of implementing remote automated dispensing unit (RADU) technology in a manner that does not compromise patient safety and medicine efficacy.

We have also carried out an elaborate awareness campaign for Pharmacy Month, incorporating traditional media, social media networks and the official SACP mouthpiece – the *Pharmaciae*. This followed hot on the heels of a successful Corporate Social Investment (CSI) programme at Wozanibone Secondary School, implemented with the support of various partners in Pharmacy.

A decade of clean, unqualified audits: Results of an uncompromising culture of good governance

Good governance is more than just compliance with legislation; it is about doing the right things even when no one else is looking. We have consistently scrutinised our actions, transactions and operations against high ethical and moral standards for the past decade, to be able to deliver our tenth clean audit opinion. Moreover, our efforts to improve the liquidity ratio to ideal levels have paid dividends – the ratio grew from 0.98 in 2017 to 1.0 in 2018.

While we have managed to keep expenditure escalation within inflationary ranges, income remained relatively unchanged between 2017 and 2018. I would like to express my appreciation to the management collective, the outgoing Councillors and the staff in the Office of the Registrar for ensuring that, despite the turbulent economic times we operate in, the SACP continues to weather the storm and deliver impeccably on its legislative mandate.

This is but a selection of achievements of the past year, what follows in the rest of this report is detailed updates on the operations of the SACP in 2018.

TA Masango
Registrar/CEO

Council – Role and Responsibilities

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

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

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

Objectives and Functions of Council

In terms of the Pharmacy Act, 53 of 1974, Council's objectives are to:

- assist in the promotion of the health of the population of the Republic of South Africa.
- advise the Minister of Health or any other person on any matter relating to pharmacy.
- promote the provision of pharmaceutical care which complies with universal norms and values, in both the public and private sectors, with the goal of achieving definite therapeutic outcomes for the health and quality of life of a patient.
- uphold and safeguard the rights of the general public to universally acceptable standards of pharmacy practice in both the public and private sectors.
- establish, develop, maintain and control universally acceptable standards for:
 - pharmaceutical education and training;
 - the registration of a person who provides one or more or all of the services which form part of the scope of practice of the category in which such person is registered;
 - the practice of the various categories of persons required to be registered in terms of the Act;
 - the professional conduct required of persons registered in terms of the Act; and
 - 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.

- 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.
- improve internal efficiency and effectiveness through improved customer care relations and service delivery, and investigation of alternative sources of funds.
- build a pipeline of highly skilled staff to meet the Council's mandate through training, implementation of performance management and retention of key personnel.

Governance Structure

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

Council Members (2013 – 2018)

The President presides over Council meetings and is supported by the Vice President and the Treasurer, both elected from members of Council by majority vote for a period of five years. The Registrar is the secretary for Council. The following is a list of councillors for the term 2013 - 2018.

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

Newly elected/appointed Council Members (2018 – 2023)

The newly elected/appointed members of Council for the period 2018 to 2023 are:

Mr Mogologolo David Phasha - President
Ms Boitumelo Molongoana - Vice-President
Ms Nocawe Portia Thipa - Treasurer
Prof. Yahya Essop Choonara
Ms Pakama Dlwati
Mr Johannes Stephanus Du Toit
Dr Margarita Johanna Eksteen
Ms Helen Catherine Hayes
Ms Josephine Winley Herbert
Ms Khadija Jamaloodien

Mr Pieter Johannes Kilian
Ms Mmapaseka Steve Letsike
Ms Jacqueline Ann Maimin
Prof. Sarel Francois Malan
Dr Moliehi Matlala
Ms Moitssoadi Sarah Mokgatlha
Mr Tshegofatso Daniel Moralo
Prof. Natalie Schellack
(Adv.) Dr Nazreen Shaik-Peremanov
Ms Tlou Mavis Shivambu
Mr Mosiuoa Shadrack Shuping
Mr Ayanda Soka
Prof. Ilse Truter
Ms Christina Aletta Venter
Dr Petrus de Wet Wolmarans



Executive Committee



Seated: Vice-President: Mr Douglas James Heaslet Defty; President: Prof Manoranjenni (Mano) Chetty; Treasurer: Ms Nocawe Portia Thipa
Standing: Chairperson CII: Mr Rajatheran (Sham) Moodley; Chairperson CPI: Mr Tshuba Solomon Rasekele; NDoH Representative: Mr Gavin Stewart Steel; Chairperson Education: Prof Roderick Bryan Walker; Chairperson Practice: Ms Jacqueline Ann Maimin; Chairperson CPD: Dr Panjasaram (Vassie) Naidoo; Chairperson Health: Mr Vusi Cornelius Dlamini

Corporate Services

Strategic focus area

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

- assist in the promotion of health of the population of the republic;
- advise the Minister of Health or any other person on any matter relating to pharmacy;
- provide managerial and administrative support to the Office of the Registrar;
- coordinate the activities of Council by appointing committees; and
- promote transparency to the profession and the general public.

Council meetings

Four Council meetings were conducted in February, May, July and October 2018.

Board notices

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

- (a) Board Notice 43, published on 23 March 2018 – Fees payable to the Council under the Pharmacy Act, 53 of 1974 following adjustment in value-added tax (VAT)
- (b) Board Notice 45, published on 6 April 2018 – Notice of election of members of the South African Pharmacy Council
- (c) Board Notice 59, published on 11 May 2018 – Competency Standards for Pharmacists in South Africa
- (d) Board Notice 82, published on 8 June 2018 – Notice of election of members of the South African Pharmacy Council (list of nominees)
- (e) Board Notice 84, published on 15 June 2018 – Amendments to the Rules relating to Good Pharmacy Practice
- (f) Regulations relating to Continuing Professional Development, published on 13 July 2018 (for comment)
- (g) Board Notice 99, published on 31 August 2018 – Minimum standards for unit dose dispensing (for comment)
- (h) Board Notice 170, published on 2 November 2018 – Fees payable to the Council under the Pharmacy Act, 53 of 1974
- (i) Board Notice 184, published on 21 December 2018 – Election/appointment of members of Council

Strategic plan 2014 – 2018

A presentation was made at the first Council meeting in February 2018 on the progress in terms of Council's strategic plan for 2017, as well as the operational plans for 2018.

Operational plans 2018 and 2019

The Office of the Registrar held a Management Bosberaad on 22 and 23 November 2018 to discuss operational challenges during 2018, and to plan for 2019.

National/International Conferences

Council appreciates valuable communication and interaction with pharmacy professionals and public stakeholders. Informative exhibitions took place at the following pharmaceutical conferences in 2018:

- South African Association of Hospital and Institutional Pharmacists (SAAHIP) Conference, Drakensberg Champagne Sports Resort, KwaZulu-Natal, March 2018
- Local Choice Conference, Birchwood Hotel & Conference Centre, Gauteng, 16-18 August 2018
- International Pharmaceutical Federation (FIP), Glasgow, UK, 2-6 September 2018
- Gauteng Pharmaceutical Services Conference, Birchwood Hotel & Conference Centre, Gauteng, 13 September 2018
- South African Association of Pharmacists in Industry (SAAPI) Conference, Bytes Conference Centre, Midrand, 14-15 October 2018
- Clicks Conference, Emperors Palace, Gauteng, 7-8 November 2018
- Gauteng Pharmacist's Assistants Conference, St. Georges Hotel & Conference Centre, Pretoria, 9 November 2018



2018 Attendance at meetings

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

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

For purposes of Corporate Governance, the attendance registers for 2018 Council and committee meetings are represented in the tables below:

Date of meeting	Total members	Present		Absent/ Apologies
		Both days	One day	
13-15 February 2018	25	23	0	2
16-17 May 2018	25	23	1	1
11-12 July 2018	25	19	1	5
10-11 October 2018	25	24	0	1

Table 1: Council meetings

Date of meeting	Total members	Present	Absent/Apologies
8 March 2018	10	10	0
19 April 2018	10	9	1
16 May 2018	10	10	0
7 July 2018	10	7	3
23 August 2018	10	7	3

Table 2: Executive Committee meetings

Date of meeting	Total members	Present	Absent/Apologies
12 March 2018	9	8	1
4 June 2018	9	6	3
13 August 2018	9	7	2

Table 3: Continuing Professional Development (CPD) Committee meetings

Date of meeting	Total members	Present	Absent/Apologies
13 March 2018	12	10	2
5 June 2018	12	10	2
14 August 2018	12	9	3

Table 4: Education Committee meetings

Date of meeting	Total members	Present	Absent/Apologies
14 March 2018	13	9	4
4 April 2018 (Special Teleconference)	13	7	6
6 June 2018	13	11	2
15-16 August 2018	13	13	0
13 September 2018 (Special meeting)	13	9	4

Table 5: Practice Committee meetings

Date of meeting	Total members	Present	Absent/Apologies
15 March 2018	5	5	0
7 June 2018	5	4	1
17 August 2018	5	4	1

Table 6: Health Committee meetings

Date of meeting	Total members	Present	Absent/Apologies
20-21 February 2018	5	4	1
17-18 July 2018	5	4	1

Table 7: Committee of Informal Inquiries (CII) meetings

Date of meeting	Total members	Present	Absent/Apologies
6-7 March 2018	7	6	1
24-25 July 2018	7	5	2

Table 8: Committee of Preliminary Investigation (CPI) meetings



**South African
Pharmacy Council**

Date of meeting	Total members	Present	Absent/Apologies
27 March 2018	3	3	0
31 May 2018	3	3	0
4 September 2018	3	3	0

Table 9: Committee of Formal Inquiries (CFI) meetings

Date of meeting	Total members	Present	Absent/Apologies
24 April 2018	7	6	1
7 August 2018	7	6	1
13 November 2018	5	5	0

Table 10: Audit Committee meetings

Date of meeting	Total members	Present	Absent/Apologies
13 June 2018	4	4	0

Table 11: Trustees Committee meeting

Date of meeting	Total members	Present	Absent/Apologies
18 April 2018	4	4	0
12 September 2018	4	4	0
28 November 2018	4	4	0

Table 12: Bargaining Committee meetings

Date of meeting	Total members	Present	Absent/Apologies
17 April 2018	4	4	0
11 September 2018	4	4	0
27 November 2018	4	4	0

Table 13: REMCO Committee meetings

Date of meeting	Total members	Present	Absent/Apologies
1 March 2018	2	2	0
10 May 2018	2	2	0

Table 14: Tender Committee meetings



Corporate Services

Amos Masango (Registrar/CEO); Vincent Tlala (COO); Anelda Gillmer (PA to CEO); Letty Mathebe (PA to COO); Thelma Sealetse (Logistics Travel Coordinator); Lynette Malan (Logistics Travel Coordinator)

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, which are to:

- 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); and
- provide managerial and administrative support to the Office of the Registrar.

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

Corporate Communication

3rd National Pharmacy Conference

The 3rd National Pharmacy Conference (3rd NPC) will be held at Sun City, North West from 3 to 5 October 2019. As with the 2013 and 2016 conferences, it is planned that the conference be funded from delegates' registration fees, sponsorships and exhibitors at the conference.

The 3rd NPC website went live on 30 April 2018, immediately allowing interested persons to register as delegates and settle registration fees in instalments over fourteen months, until 31 July 2019. The website content was developed in consultation with Council's Steering Committee on the National Pharmacy Conference.

Recorded logins by category	2017	2018
Provider/Employer Administration	15 504	13 250
SAPC – Organisations	6 436	5 279
SAPC – Registered Persons	308 084	322 844

Table 15: Logins recorded per category

Public and media relations

Public and media communication for the 2018 reporting period was constituted largely by the 2018 Pharmacy Month campaign, which enjoyed wide media coverage from national, regional and community media across South Africa, and communication of Council's corporate social investment endeavours during Mandela Month (July 2018).

In addition to proactive media and public communication, the Office of the Registrar received and replied to various media enquiries from both international and local media establishments.

The issues of engagement ranged from the finalisation of the scope of practice for Pharmacy Technician graduates and the impact the delay is having on their lives to the implementation of Remote Automated Dispensing Units (RADUs) and the perceived shortage of pharmacists in the country. Abuse of over-the-counter codeine-containing cough medicine also took centre stage, with the Office of the Registrar being invited to discuss this scourge on an investigative journalism programme.

Communication to promote the conference to prospective delegates, sponsors and exhibitors began in May 2018.

In order to raise funds to host the conference, the Office of the Registrar hosted two sponsorship breakfast meetings with various prospective sponsors on 17 and 19 July 2018, in Johannesburg and Cape Town respectively.

To ensure that the programme for the 3rd NPC responds to the career development needs of the profession, young South African pharmacists and pharmacy support personnel were invited to complete a short online survey through which they could indicate what topics they felt needed to be addressed at the conference. Input received from the survey was duly considered when compiling the programme for the 3rd NPC.

2018 Council Elections

An elaborate communication programme encompassing social media, email and SMS campaigns saw the participation slightly increase, from 18,8% in the 2013 Council Elections to 20,3% in the 2018 Council Elections. The Office of the Registrar also responded to media enquiries on the election process.

SAPC website

The website recorded a total of 803 091 sessions during 2018, with new visitors comprising 27,03% of that number. This resulted in 4 894 096 public website page views, thus averaging six (6) pages per session. The secure login site recorded 341 373 logins in 2018.



Social & Digital media

Over the period under review, the South African Pharmacy Council established official accounts across all popular social media networks: Facebook, Twitter, Instagram and LinkedIn, in order to improve communication to the profession and all stakeholders. The Office of the Registrar has managed to increase audience numbers across all social media accounts organically, with zero budgetary implications. The total audience across all social media grew from zero to 2 855 in 2018, and post reach for the period under review was more than 100 000 impressions.

The development of a device responsive website was concluded in 2018. This milestone will result in improved user experience and improved access to Council information as the website can now be virtually accessed from any fit-for-purpose communication device.

2018 Pharmacy Month

In its second year since superseding National Pharmacy Week, the Pharmacy Month campaign was this year observed from 1 to 30 September. The main theme for the 2018 Pharmacy Month was "Towards Quality Care Together – Use Medicines Wisely". The campaign encouraged patients to use medicines with care and to always speak to their pharmacist when in doubt.

Several campaign materials were developed and distributed to all responsible pharmacists across the country. A media release was issued to all media houses in South Africa and shared with major news agencies.

Pharmacy Month messages were featured in more than 40 media articles and interviews throughout September. Social media was also abuzz with posts and messages from the pharmacy profession using the official hashtags #PharmacyMonth, #UseMedicinesWisely, and #AskYourPharmacist. Through the hashtags, pharmacists across the country were able to instantly share their community activities with all stakeholders and increase awareness about Pharmacy Month to the South African public.

The theme for Pharmacy Month 2018 was "Use Medicines Wisely" with four sub-themes:

- (a) Know your medicine;
- (b) Store your medicines correctly;
- (c) Travel safely with your medicines; and
- (d) Talk to your pharmacist.

A Town Hall Meeting was held with the staff of Council to discuss Pharmacy Month. Ms Jackie Maimin, as the Chairperson of the Practice Committee, led the discussion which was live-streamed on the Official SAPC Facebook page. Messages relating to the theme for the month, as well as the sub-themes, were published on Council's various social media platforms and were well received.

In comparison to previous years, the 2018 Pharmacy Month campaign was a major success in terms of media coverage. With more preparation and effort, Council aims to massively increase the coverage and awareness around Pharmacy Month in the coming years.

Publications

Two issues of the *e-Pharmaciae* were published during the period under review. As the flagship publication of the South African Pharmacy Council, each edition of the *e-Pharmaciae* carries important Council decisions and other information affecting the practice of pharmacy in the country to ensure that pharmacy professionals are always kept in the loop of key developments in the industry.

Outlined below is the analytics of the August and December 2018 *e-Pharmaciae* editions. Market research shows that with each bulk e-campaign, only 30% of emails are opened. The August 2018 *e-Pharmaciae* beat this market ratio by 6,8% and the December 2018 issue beat the ratio by a whopping 10,55%.



	Analyses	August 2018 data	December 2018 data
1.	Emails sent	35 319	35 647
2.	Emails opened	36,8%	40,55%

Table 16: *e-Pharmaciae* 2018 statistics

The 2017 Annual Report was published in October 2018.

Internal communication

The Department executed several poster campaigns and email e-notes in order to communicate key information to Council staff members in order to support operational objectives. Additionally, one town hall format meeting was held wherein staff were educated on the themes of Pharmacy Month so as to motivate the staff members to be ambassadors for the initiative in their communities. The development of an intranet site in order to integrate employee relations, encourage collaboration, and ensure seamless internal communication is in the final stages.

Language Support

Increased internal capacity in copy editing has resulted in 65 documents being edited internally over the period. The Department has engaged in both grammatical and substantive editing of documents ranging from stakeholder correspondence to standard documents and board notices amongst others.

Corporate Social Investment

On Friday, 17 August 2018, the staff in the Office of the Registrar embarked on an outreach programme at Wozanibone Interim Farm School in the east of Tshwane to help alleviate some of the challenges the learners at the school endure due to poverty and lack of resources, on behalf of all in the pharmacy profession. The Office of the Registrar repaired school premises and donated sanitary towels, toiletries, school shoes, stationery, school uniform items and food items. The donations were made possible by generous contributions from Boagi Projects, Clicks, Dis-Chem Pharmacies, E2 Solutions and the Independent Community Pharmacy Association.

Media coverage of the event increased brand exposure for the South African Pharmacy Council, with the outreach event being featured in a prime time newscast, and in online and print media.

The Principal and the parents expressed gratitude to Council for having touched their children's lives in a positive way.



SAPC Staff at Wozanibone Interim Farm School

Stakeholder Relations

SAPC IP PBX self-help functionality

The self-help functionality on VOIP-PBX to enhance customer service

experience when telephoning Council was introduced in 2014. Customers are now able to interactively request Council's banking details, their login passwords on the secure site and their individual financial statements. Table 17 below shows VOIP-PBX usage comparison for 2017 and 2018.

Type of transaction requests	Number of users	
	2017	2018
Council's banking details	1 242	265
Login passwords	191	288
Financial statements	1 449	397

Table 17: Usage of Council's IP PBX self-help functionality 2018 comparison with 2017

Customer Satisfaction Survey

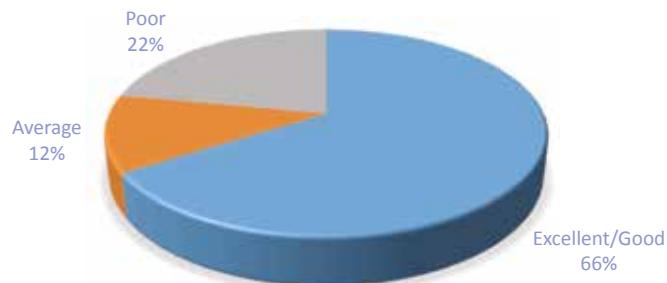


Figure 1: Overall satisfaction rating of Council's online functionality in 2018

Online application and payment functionality

Online payments

During 2018, online payment transactions totalled R13 722 576,14; representing an increase of 50,8% compared to the previous financial year. A total of 4 182 pharmacy professionals used the online payment portal in 2018.

Online applications

Since December 2014, the online completion and submission of the majority of applications became mandatory. A comparative breakdown of the online submission of applications between 2015, 2016, 2017 and 2018 is shown in Table 18 below:

Category of application	2015	2016	2017	2018
Application for approval of premises to train interns and assistants	160	145	162	68
Application for approval of a tutor for the purpose of training	1 055	2 056	1 315	984
Application for extension of registration	0	1	13	13
Application for Pharmacist Assistant Learner Basic	1 544	1 820	1 726	1 488
Application for Pharmacist Assistant Learner Post Basic	1 841	1 533	1 331	1 218
Application for Pharmacy Technician Student (Advanced Certificate)	78	5	5	
Application for Pharmacy Technician Student (Higher Certificate)	135	117	129	
Application for pre-registration exam	4	32	88	77
Application for the recording of new pharmacy premises	19	377	345	291
Application for registration as a Community Service Pharmacist	394	614	521	452
Application for registration as an intern	601	786	331	357
Application for registration as a pharmacy technician (Post-basic assistant)	0	0	53	53
Application for registration as a PT trainee	25	54	76	72
Application for registration as a PTA trainee	3	3	0	4
Application for registration as the Responsible Pharmacist	507	697	587	558
Application for review of pre-registration examination paper in terms of the Pharmacy Act, 53 of 1974	0	0	14	8
Application for student (BPharm)	1 207	1 054	1 044	
PCDT permit	0	20	32	20
Person- entrance to professional examination for purposes of registration as a pharmacist (per paper)	0	3	0	
Pharmacist's assistant – change of pharmacy	0	0	143	146
Pharmacist's assistant – change of provider	0	0	19	27
Pharmacist's assistant – change of tutor	0	0	278	309
Pharmacy premises application for licensing	0	17	46	112
Scheduled inspection/evaluation of a pharmacy for purposes of approval for training	504	836	556	319
Supplementary training certificate – PCDT/Family planning	0	3	11	19
Total	8 077	10 173	8 825	6 595

Table 18: Number of online applications submitted in 2015, 2016, 2017 and 2018

Instant messaging and e-messages

- SMS automated messages sent from the website and the register system: A total of 266 214 SMSes were sent out
- SMS campaigns: A total of 150 124 SMSes were sent out. These are inclusive of automated responses sent from the dashboard and customised SMSes from the Contact Centre.
- Bulk e-mail campaigns: A total of 28 different bulk e-campaigns were conducted during 2018.

Service Delivery Survey

Service Delivery Ratings

	2016	2017	2018
Excellent/Good	33%	35%	36%
Average	24%	22%	21%
Poor	43%	46%	43%

Table 19: Service delivery rating comparison 2016, 2017 and 2018

Contact Centre

Telephones

	2016	2017	2018
Number of incoming calls	70 660	66 625	57 126
% of Calls Serviced	88,7%	91,1%	95,2%

Table 20: Contact Centre service rating comparison 2016, 2017 and 2018

Front desk and pre-audit of manual applications

Of the 16 522 cases received during the period under review, 3 268 were created manually, while the balance of 13 254 were created online. The improved online functionality and the profession's use thereof have decreased the number of incoming manual cases considerably.

The Logistics Unit validated 1 922 applications during 2018. Of the total number of applications, 1 912 complied with Council's requirements and were, after validation, escalated to the technical departments for immediate processing. A total of 10 applications required a follow up for outstanding documentation.

The Office of the Registrar attended to 2 377 walk-in customers during 2018. This is how they rated the service received at the walk-in centre:

Logistics Centre

The unit scanned in 6 659 documents. In addition, a total number of 1 337 grading certificates were printed, scanned and couriered. A further 8 911 certificates and registration documents were printed and couriered. A total of 15 574 items were couriered and 2 048 items posted by EDBN mail. A total of 42 184 PODs were issued and uploaded on the Register system.

Are you satisfied with the walk-in service received?

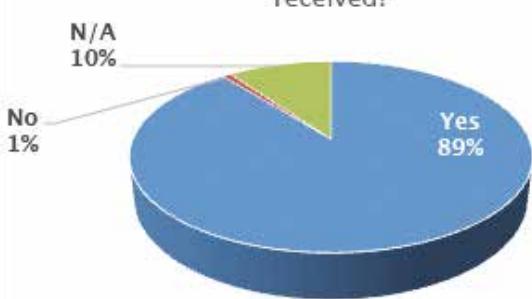


Figure 2: Overall satisfaction rating of Council's online functionality in 2018

ID registration cards

Council's registration cards are fitted with security and barcode features with ID passport photos. From printing to shipping, the process is in-house, which simplifies the handling of communication queries. A total of 11 778 ID registration cards were issued in 2018. Of this total 8 140 cards were printed in-house for inter alia basic assistants, post-basic assistants and pharmacists and 3 648 cards were issued during student visits.



Communications & Stakeholder Relations

Elmari Venter (Senior Manager: CSR); Michelle de Beer (Manager: Stakeholder Relations); Madimetja Mashishi (Manager: Communication and Media); Brian Baloyi (Stakeholder Relations Practitioner); Thembi Shabangu (Logistics Practitioner); Natalie Urban (Communications and Media Practitioner); Jermina Matlaila (Secretarial Support Officer); Stephina Mogotsi (Contact Centre Agent); Zanele Masombuka (Contact Centre Agent); Mpho Marole (Contact Centre Agent); Tebogo Mnisi (Contact Centre Agent); Audrey Mathegka (Contact Centre Agent); Mpho Musi (Contact Centre Agent); Phumzile Sonyamba (Contact Centre Agent); Zeodie Felix (Contact Centre Agent); Neo Ramokoka (Contact Centre Agent); Tebatso Moukangoe (Contact Centre Intern); Thembi Maboho (Logistics Clerk); Violet Mothupi (Logistics Clerk); Betty Thubane (Logistics Clerk); Sinah Mabje (Logistics Clerk); Johannes Moseitha (Logistics Officer); Tshiriletsos Mokono (Logistics Clerk); Nicole Furst (Logistics Officer); Abram Moropa (Logistics Clerk)

Professional Affairs – Practice

Strategic focus area

The activities of the Professional Affairs: Practice Unit focus on four of Council's strategic goals, which are to:

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

Practice Committee

The Practice Committee held five meetings including one teleconference with Ms Jackie Maimin as chairperson.

During this period, the committee developed new standards, reviewed some existing standards, reviewed inspection questionnaires, discussed reports on Good Pharmacy Practice (GPP) recommendations for the Director-General: Health to issue pharmacy licenses and section 22A(15) permits issued in terms of the Medicine and Related Substances Act, 101 of 1965.

Standard setting

The Rules relating to *Good Pharmacy Practice* (GPP) standards were last published in 2010 and were reviewed in 2018 to incorporate all standards published for implementation by Council up to and including 2017. The revised GPP is now available on the SAPC website.

On 25 August 2017, the Minister of Health, in consultation with the South African Health Products Regulatory Authority (SAHPRA) published the General Regulations under the Medicines and Related Substances Act, 101 of 1965, and replaced/repealed the General Regulations published on 10 April 2003. As a result of the changes to the General Regulations in 2017, Council is in the process of updating the GPP to ensure consistency with the General Regulations. Council will publish these corrections in a board notice during 2019. As from 25 August 2017, where the GPP makes reference to the General Regulations, the General Regulations will take precedence.

Minimum standards for the sale of HIV self-screening test kits

The *Minimum standards for the sale of HIV self-screening test kits*, published for implementation on 17 November 2017 (Board Notice 184), will be included in the GPP during the publication of the correction board notice.

Professional standards for services offered from a pharmacy

Council approved the creation of Chapter 5 of the GPP. This chapter will focus on professional services offered from a pharmacy, while Chapter 2 focuses on services offered in a pharmacy. This is in line with the



Jacqueline Ann Maimin (Chairperson: Practice Committee)

definition of a pharmacy in the Pharmacy Act, 53 of 1974, referred to as "any place wherein or from which any service specially pertaining to the scope of practice of a pharmacist is provided." Some of the standards already published in the Rules which are intended to address services offered from a pharmacy will be moved to this chapter.

The final document, that is, the Rules relating to Good Pharmacy Practice, would have the following chapters:

- Chapter 1: Professional standards for premises
- Chapter 2: Professional standards for services
- Chapter 3: Professional standards for pharmacy human resources
- Chapter 4: Professional standards for pharmacy management
- Chapter 5: Professional standards for services offered from a pharmacy

A correction board notice for the amendment of the GPP to include Chapter 5 will be published in 2019 for implementation.

Minimum standards for unit dose dispensing

The *Minimum standards for unit dose dispensing* (UDD) was published for comment (BN 99/2018) on 31 August 2018 as an additional standard in the GPP in accordance with section 35A(b)(ii) of the Pharmacy Act, 53 of 1974. The closing date for the comments was 31 October 2018. Stakeholders submitted comments for review by the Practice Committee in 2019.

The standard defines UDD as a process where individual doses of different medicines are dispensed or re-dispensed into a container, ready for administration to patients, involving a manual or an automated system and that includes, but is not restricted to, other international definitions, e.g. the multi-compartment system.

Minimum standards specifically relating to UDD and the use of unit dose containers are intended to guide pharmacists and pharmacy support personnel on the legal requirements to be taken into consideration when dispensing or re-dispensing medicines in a container as individual unit doses.

Minimum standards for locum tenens pharmacists and pharmacy support personnel

The Practice Committee reviewed Rule 3.5: *Minimum standard for locum/relief pharmacists* published in the *Rules relating to Good Pharmacy Practice*. The standard addresses information that must be made available to the locum/relief pharmacist to ensure that there is a continuous provision of pharmaceutical services and compliance to GPP.

The review follows the gap identified by the Committee of Preliminary Investigation with regards to the information and recordkeeping in use by locums as part of the required documentation to be legally kept by the pharmacy. It became apparent that responsible pharmacists do not always keep records of locum/relief pharmacists and this creates a challenge when Council receives allegations of misconduct in a pharmacy that was under the supervision of a locum/relief pharmacist.

Amongst the proposed changes made was the renaming of the standard from *Minimum standards for locum/relief pharmacists* to *Minimum standards for locum tenens pharmacists and pharmacy support personnel*, as well as the addition of a statement that reads, “*the responsible pharmacist must be able to demonstrate which registered persons were in the pharmacy at any particular time on any day in terms of the requirement for recordkeeping.*”

The standard was approved by Council on 10/11 October 2018 to be published for comment. The standard will be published for comment during 2019.

Minimum standards for pharmacy administration and management

The Practice Committee reviewed Rule 4.2: *Minimum standards for pharmacy administration and management* published in the GPP. The standard was initially developed to optimise the quality of pharmaceutical services rendered in pharmacies which include lists of SOPs that must be in each category of pharmacy.

As a result of the changing pharmacy environment, the Practice Committee saw the need to review the list of SOPs that must be available in each category of pharmacy. In the reviewed standard additional SOPs are added and those that were considered obsolete were removed. The SOPs were grouped together according to broad categories, i.e. services, human resources, premises and management, and a list is to be generated under each category of pharmacy, i.e. community, wholesale, etc.

The standard was approved by Council during its 10/11 October 2018 sitting to be published for comment in 2019.

Minimum standards for alternative models for the delivery of medicines

The need to develop standards for alternative models for the delivery of medicines is in response to a report of the meeting between the Minister of Health, the MEC's of Health and the South African Pharmacy Council (represented by the President of Council), held on 22 August 2014 at the National Department of Health.

Following the discussion of the report, Council resolved that the minimum standards for alternative models of delivery of chronic medicines be developed to extend services to patients, especially in rural areas, for as long as it is within the confines of the law.

Council developed a document titled *Requirements and conditions for the evaluation of alternative models of delivery of chronic medication to*

patients in an attempt to address some of the questions and requests from stakeholders who wished to extend pharmaceutical services to areas of need or to provide services from a pharmacy as per the definition of a pharmacy in the Pharmacy Act. The document was approved by Council in 2017 and published on the SAPC website. Council intends to include this document in the *Rules relating to Good Pharmacy Practice* in 2019.

Council appointed a task team to assist the Practice Committee in developing the two standards for alternative models for the delivery of medicine to address the dire need for expanding access to pharmaceutical services. The task team met five times in 2018 to develop these standards. These standards are:

- (a) *Minimum standards for Pharmacy-Linked Distribution Facilities (PLDF); and*
- (b) *Minimum standards for outreach pick-up points (PuP) of medicines for patients who have been stabilised on long-term therapy and utilising a centralised medicine dispensing and distribution (CCMDD) programme.*

The *Minimum standards for PLDF*, previously known as the ‘*Minimum standards specifically relating to the approval of facilities (other than primary healthcare clinics) where a pharmacist's assistant (post-basic) may practice under indirect supervision – pharmacy linked distribution points*’ was initially developed in 2017 and published for comments. The comments received were of such a nature that Council had to re-write the standard and develop another standard called *Minimum standards for outreach PuP of medicines for patients who have been stabilised on long-term therapy and utilising a CCMDD programme*.

The *Minimum standards for PLDF* were developed with Regulation 12 of the *Regulations relating to the practice of pharmacy* in mind. Regulation 12 provides that a pharmacist's assistant (post-basic) may perform the acts or provide the services as prescribed in sub-regulations 11(5), 11(6), 11(8) and 11(9), as well as the reading and preparation of a prescription, the selection, manipulation or compounding of medicine and the labelling and supply of medicine in an appropriate container under the indirect personal supervision of a pharmacist, provided that the services are provided or acts are performed at a primary healthcare clinic or any other facility as approved by Council.

During its meeting of 10/11 October 2018, Council resolved that these standards be referred to the new Practice Committee for finalisation in 2019. This resolution was concurred with by the Executive Committee (EXCO) at its meeting of 18 October 2018.

Another business or practice in a pharmacy

On 17 December 2014, Council published the *Minimum standards for premises, facilities and equipment* (Board Notice 35 of 2012) for implementation. The standard has two sections:

- (i) Section 1.2.2.1 – A pharmacy in another business; and
- (ii) Section 1.2.2.2 – Another business or practice in a pharmacy.

The criteria for approval of another business or practice in a pharmacy was developed and approved by Council in 2016.

In 2017, the Practice Committee reviewed Rule 1.2.2.2 to ensure that the standard appropriately incorporated the *Medirite v South African Pharmacy Council (197/2014) [2015] ZASCA 27* (20 March 2015) judgment and other provisions which were not directly affected by the judgment. The reviewed documents will be finalised by Council in 2019 and if approved, published for comments.

Board Notice 84 of 2018, published on 15 June 2018, repealed Board Notice 35 of 2012 in its entirety in so far as it related to Rule 1.2.2 of the GPP (*Another business or practice in a pharmacy or a pharmacy in another business*), while Council is still applying itself on Board Notice 35.

Minimum standards relating to the supervision of pharmacy support personnel

Regulation 14 of the *Regulations relating to the practice of pharmacy* prescribe that a pharmacist may not –

- (i) have under his or her direct personal supervision more than three pharmacist's assistants in a pharmacy; or
- (ii) subject to Regulation 12, have more than five pharmacist's assistants (post-basic) under his or her indirect personal supervision.

Council published Board Notice 271 of 2013 on the *Minimum standards relating to the supervision of pharmacy support personnel* (PSP). According to 4.7 of the standard document, a pharmacist may supervise a maximum of three pharmacy support personnel, inclusive of qualified personnel and those who are undergoing training. A pharmacist may supervise a combination of pharmacy support personnel with different role types.

The Practice Committee has noted submissions from wholesale pharmacies and other stakeholders requesting increased ratios of PSPs to pharmacists to ensure that all persons handling medicines are registered with Council. The current *Regulations relating to the practice of pharmacy* limit the number of supervised personnel to three, and therefore, Council has found it difficult to honour these requests in the past. The *Regulations relating to the practice of pharmacy* are being reviewed, and once finalised, Council will revisit amendments to the standard.

Survey for reference sources that must be accessible in each category of pharmacy

An online survey was conducted to establish reference sources that must be accessible in each category of pharmacy. The survey was released for completion by all registered persons from 5 October to 16 November 2018. Council still needs to interrogate the data and conduct further literature research for international benchmarking prior to publishing proposed changes in terms of the reference materials that must be accessible in each category of pharmacy. The profession will be granted an opportunity to comment on Council's proposed changes prior to implementation.

Pharmacy Inspectors (Council Officers)

Since 1 November 2017, six additional Council Officers have been appointed, that is, three for Gauteng and one each for the Western Cape, KwaZulu-Natal and Mpumalanga.

Of the 27 Council Officers appointed in previous years, two (2) were not reappointed.

The remaining 25 Officers, along with the six (6) new appointees, signed a service level agreement (SLA) with Council which expired at the end of 2018. Two training sessions were conducted in March and May 2018. During these training sessions previous Council decisions affecting inspectors, expectations of Council from inspectors and the inspection questionnaires were discussed. Inspectors had an opportunity to provide input on the inspection questionnaires to improve pharmacy inspection outcomes and to eliminate subjectivity.

Towards the end of 2018, a bosberaad (intensive workshop) was conducted over two days, where the Office of the Registrar presented the operational plans for 2018. The 2019 operational plans were also

finalised at this meeting. The chairpersons of the Practice Committee and the Committee of Preliminary Investigation, representatives from the National Department of Health and SAHPRA, as well as all the heads of department within the Office of the Registrar addressed the inspectors on various issues affecting them and the practice of pharmacy as a whole.

Pharmacy Inspection Tool (Inspection questionnaires) and grading of pharmacies

When the grading system was introduced in 2013, it was envisaged that over time, all sections will be weighted equally as the GPP recognises all sections as equally important. At the inception of grading in 2013, sections within the inspection questionnaires were weighted differently, with the weighting ranging from 1 to 7. The table below summarises the weighting explanation:

Weightage key	
1	Not at all important but necessary to document
2	Less important
3	Slightly important
4	Neutrally important
5	Moderately important
6	Very important
7	Extremely important

Table 21: Inspection weighting key

Council appointed a task team and the North-West University (NWU) in 2017 to assist the Practice Committee in reviewing the inspection questionnaires and grading of pharmacies. The task team met three times in 2018 and presented their report at each Practice Committee meeting.

All the 2018 inspection questionnaires (five categories of pharmacy) were revised and approved by Council on 10/11 October 2018.

To review the grading an electronic scoring matrix was developed to assist role players in assigning weights and compliance values to various sections in the inspection. A survey to do the above was conducted using the electronic scoring matrix and the following role players participated in the survey:

- (i) SACP inspectors – implementers of the inspection questionnaires;
- (ii) SACP staff members – evaluators of the inspection questionnaires;
- (iii) Practice Committee members – decision-makers with regard to the inspection questionnaires; and
- (iv) Heads of pharmaceutical services (Groups, Metros and Provincial) and heads of professional associations – representatives of the profession.

On presentation of the results of the revised grading methodology to NWU statisticians for analyses, the office was advised to include responsible pharmacists as part of the role players to increase the sample size, and then submit the reviewed methodology to NWU's Committee for Scientific Review, thereafter to the Ethics Committee for approval and allocation of an ethics number.

The roll-out process for review of grading, implementation of the computer application for inspections ("Inspection App") being developed, as well as the 2018 inspection questionnaires will be communicated to stakeholders once approved by Council.

Council intends conducting workshops in 2019 to communicate all these changes to responsible pharmacists and interested persons.

Inspections of pharmacies

A total of 1 815 inspections were conducted by the end of December 2018. These included monitoring, training, new pharmacies and disciplinary inspections. Figures 3 and 4 provide a summary of inspections conducted in 2018 and their grading by province and category of pharmacy registration.

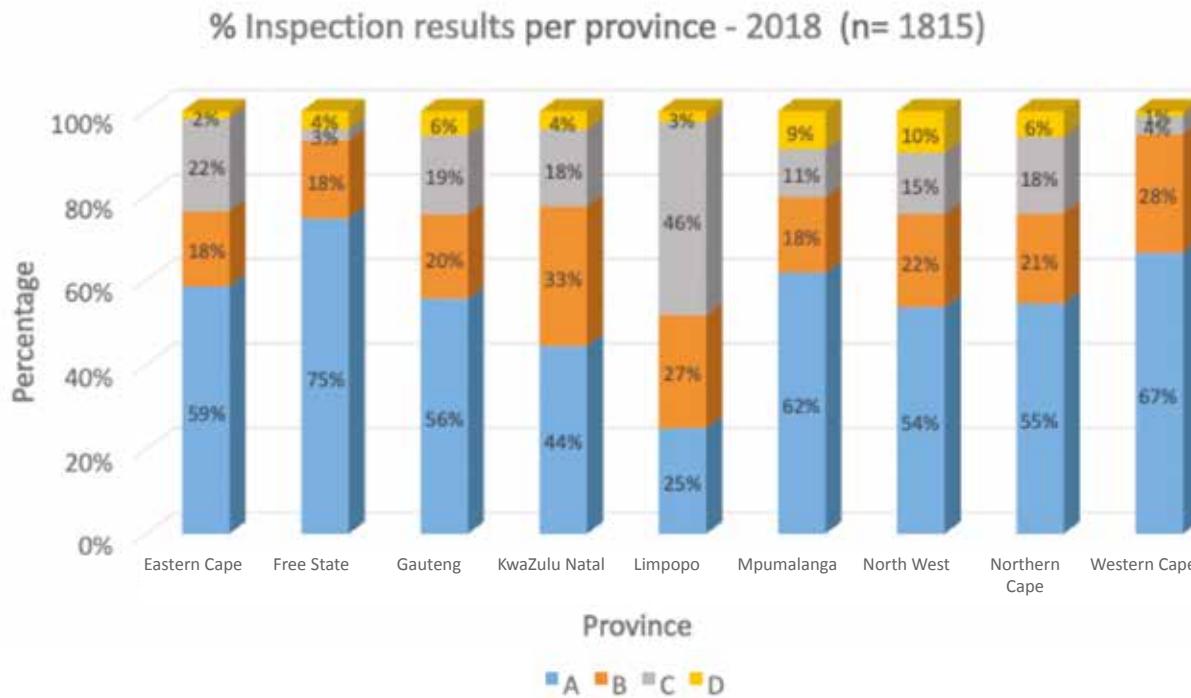


Figure 3: Pharmacy Inspections conducted in 2018 and their grading by province

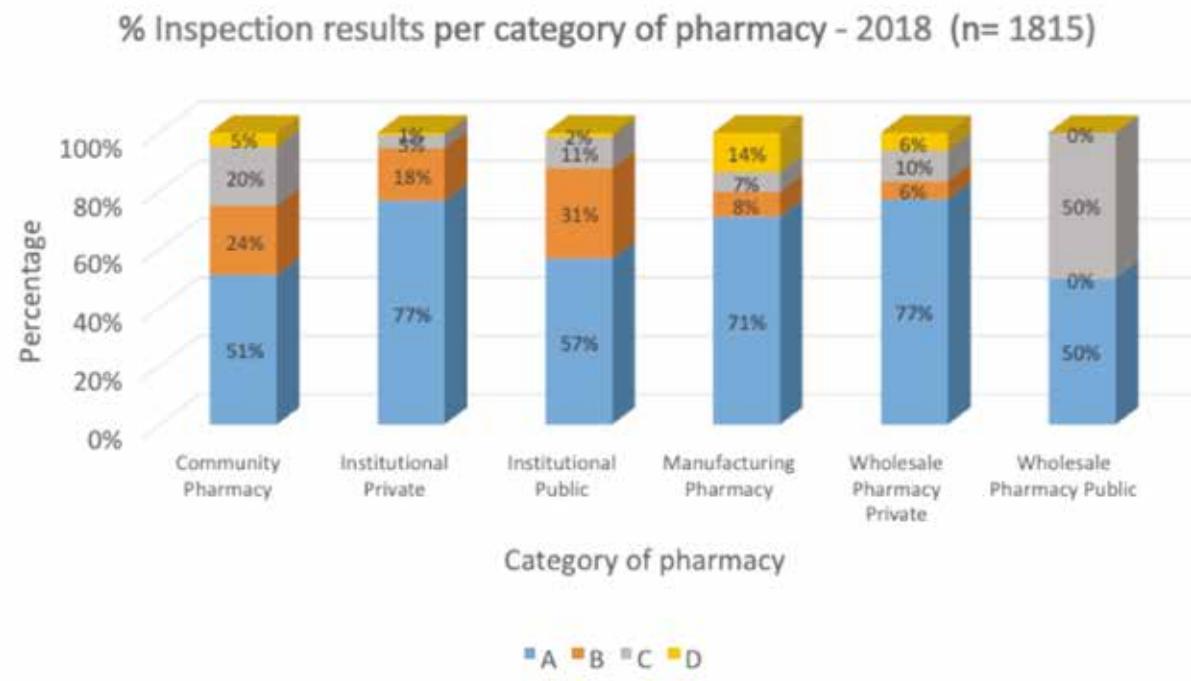


Figure 4: Pharmacy inspections conducted in 2018 and their grading by category of registration

Grade A pharmacies are considered 'excellent'. Minor deficiencies would have been observed during an inspection. Where major deficiencies were observed during an inspection, the pharmacy will attain Grade B, and be considered as 'good'. Grade C pharmacies are those with critical deficiencies observed during an inspection. These pharmacies are inspected annually, and the owner is required to pay the cost of the inspection. The fee to be paid by the owner is published via Board Notice, which is accessible on the SACP website.

The majority (80%) of the inspections conducted were monitoring inspections. Other inspections conducted were new pharmacy inspections, training inspections, disciplinary inspections and inspections conducted as a result of owner requests. New pharmacy inspections are conducted after the recording of a new pharmacy and the recording of a license after a change of ownership or relocation.

There were no inspections conducted for consultant pharmacies.

Previously the community pharmacy questionnaires were used to inspect these facilities although the services are not similar. Council approved a new inspection questionnaire in line with the services to be provided by this category of pharmacy. The online system is being reviewed to accommodate this change. Effective from 2020, consultant pharmacies will be inspected using the newly developed questionnaire.

Good Pharmacy Practice recommendations: Licensing and recording of pharmacies

A total of 515 licence applications were evaluated and finalised during 2018. The National Department of Health issues licenses where GPP requirements are satisfactory and the application complies with the *Regulations relating to the ownership and licensing of pharmacies*. Figure 5 below provides a summary of licence applications evaluated for GPP compliance.

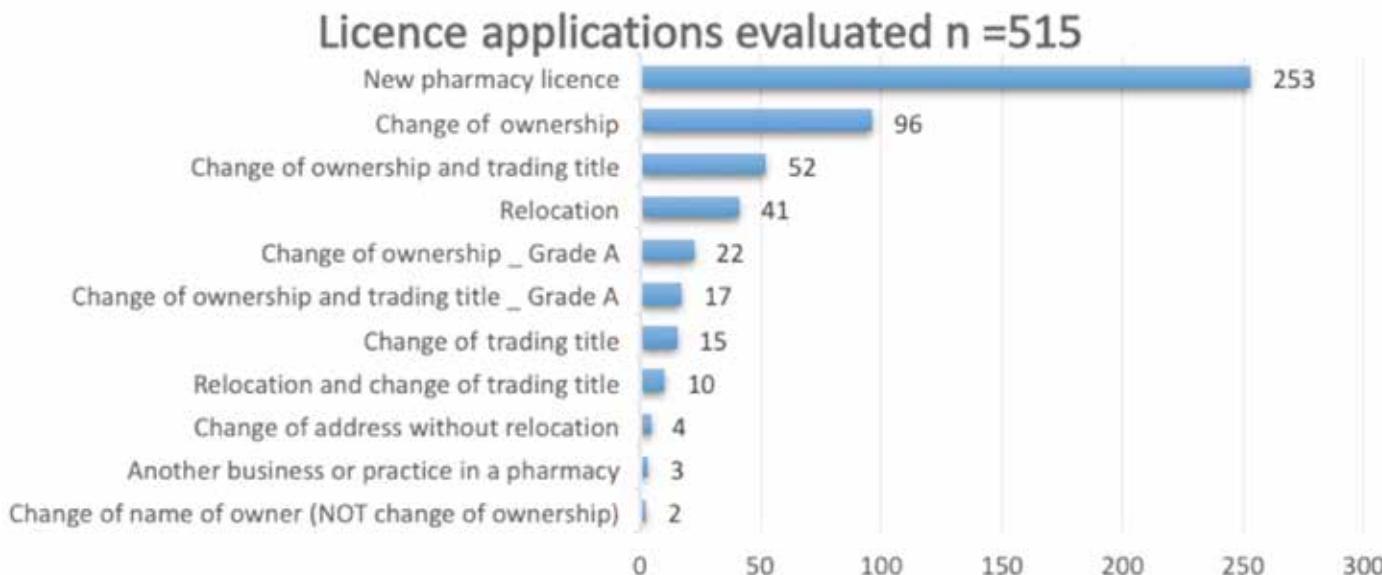


Figure 5: Pharmacy licence applications evaluated in 2018

A project to issue licences to all owners who opened their pharmacies prior to May 2003 was initiated during 2018. Letters were sent to all pre-May 2003 owners to communicate this intention of Council. Two meetings were held with the National Department of Health Affordable Medicines Technical Unit to discuss the approach and technicalities around this project.

On 16/17 May 2018, Council resolved that owners who wish to convert from a close corporation (CC) to a private company (Pty (Ltd)) apply for a change of ownership and the Council decision further states that a reduced fee be levied to owners who apply for change of ownership whose pharmacies are Grade A at the time of recording.

The changes from CC to private company for many pharmacy owners were as a result of the new Companies Act, 71 of 2008, which made provision for the phasing out of the juristic person identified and registered as a close corporation. As a result, the registration of close corporations was phased out. Council was informed that all close corporations must convert from the juristic person to a private company; however, on further investigation, it was established that the conversion of all close corporations to private companies was not compulsory.

About 300 of the licenses issued were recorded with Council in 2018, see Table 22. Some of the licenses recorded were issued in previous years while others are still to be recorded in 2019. Council is in the process of strengthening compliance to *Regulation 8 of the Regulations relating to the ownership and licensing of pharmacies* which mandates all pharmacy owners to record their licenses with Council within 30 days of being issued.

Category of pharmacy	Number
Community Pharmacy	246
Institutional Private	18
Institutional Public	2
Manufacturing Pharmacy	18
Wholesale Pharmacy Private	16
Grand Total	300

Table 22: Licenses recorded per category of pharmacy

Good Pharmacy Practice recommendations: Section 22A(15) permit recommendations

Section 22A(15) of the Medicines and Related Substances Act, 101 of 1965, states that –

"the Director-General may, after consultation with the Interim Pharmacy Council of South Africa as referred to in section 2 of the Pharmacy Act, 53 of 1974, issue a permit to any person or organisation performing a health service, authorising such person or organisation to acquire, possess, use or supply any specified Schedule 1, Schedule 2, Schedule 3, Schedule 4 or Schedule 5 substance, and such permit shall be subject to such conditions as the Director-General may determine."

Council evaluates and makes recommendations on these applications for the Director-General to issue permits. A total of 106 Section 22A(15) permit applications were evaluated and finalised as summarised in Figure 6 below:

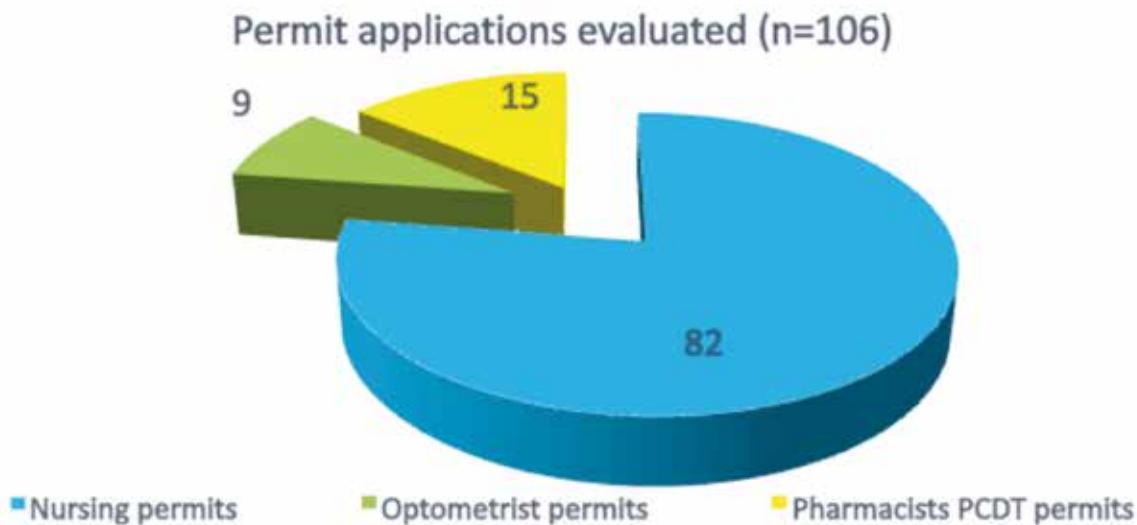


Figure 6: A summary of Section 22A(15) permit applications evaluated

Recommendations in terms of Section 56(6)(d) of the Nursing Act, 33 of 2005

Section 56(6)(d) of the Nursing Act, 33 of 2005, states that, despite provisions of this Act, the Medicines and Related Substances Act, 101 of 1965, the Pharmacy Act, 53 of 1974, and the Health Professions Act, 56 of 1974,

"a nurse who is in the service of –

Organisation:	Granting Authority:
The national department	Who has been authorised by the Director-General
A provincial department of health	Who has been authorised by the head of such provincial department of health
A municipality	Who has been authorised by the medical officer of health of such municipality
An organisation performing any health service designated by the Director-General after consultation with the South African Pharmacy Council referred to in section 2 of the Pharmacy Act	Who has been authorised by the medical practitioner in charge of such organisation

as the case may be, may in the course of such service perform with reference to –

- (i) *the physical examination of any person;*
- (ii) *the diagnosing of any physical defect, illness or deficiency in any person; or*
- (iii) *the keeping of prescribed medicines and their supply, administering or prescribing on the prescribed conditions;*

any act which the said Director-General, head of provincial department of health, medical officer of health or medical practitioner, as the case may be, may, after consultation with the Council, determine in general or in a particular case or in cases of a particular nature, if the services of a medical practitioner or pharmacist, as the circumstances may require, are not available."

The applications from the public sector are mostly supported by the

local authorities and are aimed at improving access to pharmaceutical services in areas of need.

Four applications for approval for designation as a health service-rendering organisation were evaluated and finalised. These were:

- Saheti School
- University of Pretoria
- Wellness Health Outcomes (Pty) Ltd
- St. Mary's Diocesan School

Council has since written a letter on 19 December 2017 to the Director-General: Health expressing concerns regarding the use of section 56(6)(d) of the Nursing Act in the private sector, and requesting that the Director-General: Health formulate a policy for designation of establishments in terms of section 56(6)(d) where such organisations are in the private sector. Council awaits feedback from the Director-General: Health on this matter.

Other matters discussed by the Practice Committee

- (a) Issuing of section 22A(15) permits to pharmacists who have completed supplementary training on pharmacist-initiated PrEP (Council minutes 11/12 July 2018).
- (b) Approval of a mandate for Council to inspect applicants for section 22A permits prior to issuing a permit. Council may levy a fee for these applications equivalent to the cost of the inspection (Council minutes 11/12 July 2018).
- (c) Limitations on pharmacy licenses issued for different categories of pharmacies.
- (d) Meeting to discuss concerns about registered persons performing the scope of practice of a pharmacist in facilities not registered with Council (Managed health care facilities to be registered as consultant pharmacies).
- (e) HPCSA: Regulations defining the scope of the profession of radiographers, clinical associates and podiatrists.

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

About 680 of the applications submitted to Council in 2018 for premises approval for training interns and pharmacy support personnel were approved. These brought the total number of premises approved in 2018 to 2 325, as per Table 23 below:

	Approved in 2018	Total approved
Academic Institution	3	9
Community Pharmacy	475	1 627
Institutional Private	50	185
Institutional Public	123	408
Manufacturing Pharmacy	14	45
Wholesale Pharmacy (Public and Private)	15	51
Grand Total	680	2 325

Table 23: Premises approvals in 2018

Meetings facilitated by the Practice Unit

The Professional Affairs: Practice Unit facilitated two stakeholder forum meetings. The purpose of these meetings was to communicate Council

decisions and to engage with stakeholders on matters of professional interest. The meetings were attended by members of different professional associations and heads of pharmaceutical services.

As part of Phase 1 of the review of the Bachelor of Pharmacy programme, the Council for Higher Education (CHE) facilitated a workshop at a meeting held with heads of schools and representatives from skills development providers. Council took this opportunity to start the debate on work-based learning. A decision was made that a full-day workshop to discuss the best approach to work-based learning must be undertaken in 2019.

As part of the annual stakeholder engagement, the Practice Unit held a number of meetings with various groups, listed below:

- Health Science Academy (skills development provider)
- Sefako Mokgatho University – PTDP (skills development provider)
- Department of Correctional Services (pharmaceutical services, Responsible Pharmacists (RPs) and management)
- MediRite Group
- Limpopo Provincial Pharmaceutical Services – (RPs and managers)
- Mpumalanga Provincial Pharmaceutical Services – (RPs and managers)
- KwaZulu-Natal Provincial Pharmaceutical Services – (RPs and managers)
- eThekweni Metropolitan Municipality – (RPs and managers)
- Netcare Group



Professional Affairs - Practice

Mojo Mokoena (Senior Manager: Professional Affairs - Practice); Puseletso Mogano (Manager: Professional Affairs – Practice); Aziza Soopee (Manager: Professional Affairs – Practice); Nsovo Mayimele (Manager: Professional Affairs – Practice); Nelisiwe Manyika (Secretarial Support Officer: Professional Affairs – Practice); Marie Koekemoer (Practitioner: Professional Affairs – Practice); Humbulani Makamu (Officer: Professional Affairs – Practice); David Nkuna (Officer: Professional Affairs – Practice)

Professional Affairs – CPD and Registrations

Strategic focus area

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

- 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; and
- coordinate the activities of Council and its committees.

Committees

The CPD Committee and Health Committee meetings were held in March, June and August 2018.

Continuing Professional Development (CPD) Committee

In 2018, the CPD Committee chaired by Dr P Naidoo –



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

- (a) evaluated 23 applications for candidates with qualifications obtained outside South Africa;
- (b) developed criteria for interns who completed 365 days practical training but have not been successful in the pre-registration examination; and
- (c) developed the blueprint for pre-registration examinations.

Registrations

The following categories of persons and organisations were registered during 2018. Most of these applications were submitted online, thus resulting in improved turnaround times and data integrity.

Category of persons and organisations	Count*
Persons:	
Assessors and moderators	19
B Pharm students	1 205
Community service pharmacists	674
Pharmacist Interns	740
PCDT permits	28
Pharmacist's assistants (basic and post-basic)	3 691
Pharmacist's assistant learners (basic and post-basic)	3 470
Pharmacy Technician (post-basic)	80
Pharmacy technician trainees	82
Pharmacists after community service	760
Tutors	1 592
Responsible Pharmacists	736
Organisations:	
Recording of new licenses	353
Premises approval for training	786

Table 24: Number of persons and organisations registered in 2018

*Completed cases on the dashboard

First-year students' information sessions were conducted at nine universities accredited by Council to offer the Bachelor of Pharmacy programme. During these sessions, students were informed about Council, the objectives of Council and the requirements for registration with Council. The first-year students' registrations were facilitated and registrations cards were issued onsite.

The fourth-year students' information sessions were conducted at nine universities accredited by Council, to provide the soon-to-be graduates with information on the requirements for pre-registration and pharmaceutical community service.

Meetings with the heads of pharmacy schools, skills development providers and heads of pharmaceutical services were held in 2018 to improve turnaround times and relationships between Council and the stakeholders.

Review of competency standards for pharmacists in South Africa

The competency standards for pharmacists in South Africa were approved by Council on 14/15 February 2018 and were published for implementation on 11 May 2018.

Pharmacy Internship

In 2018, the Intern and Tutor Manual which outlines all the pre-registration requirements was updated with the 2018 pre-registration evaluation schedules. The manual was published on the SAPC website

together with the 2018 intern/tutor and pre-registration examination workshop presentations. Email and SMS notifications were sent to all interns, tutors and responsible pharmacists informing them of the availability of the manual and other information on the website.

The Trainee Manual for pharmacy technician trainees was also updated and published on the SAPC website, and the trainees and their tutors were informed of the availability of the manual online via email and SMS.

Competency portfolio for pharmacist interns

The guidelines for assessors and moderators of intern competency portfolios were reviewed in line with the Council schedule for 2018.

Assessors and moderators of intern competency portfolios were appointed for 2018. Training and feedback sessions were conducted for assessors and moderators in January and November 2018. Assessors and moderators assisted Council in facilitating Intern/Tutor Workshops in all provinces in March 2018 to prepare interns and tutors for submission of competency portfolios.

Of the 951 pharmacist interns in Council's register, 770 (81%) were registered during 2018. Of the 770 interns registered in 2018, 601 (78%) submitted eight (8) entries on the CPD system by October 2018 submission deadline. Of those who submitted eight entries by October 2018, 492 (64%) were successful while 278 were not yet successful.

Year of registration	No. interns	Submitted 8 entries	Success-ful	% successful
2018	770	601	492	64%

Table 25: Intern portfolio performance

Pre-registration examinations for interns

Examiners and moderators were appointed to set the pre-registration examination papers for 2018. The task team appointed by Council to review and approve pre-registration examination questions met in January, April and August 2018 to approve examination papers for the four examinations that were conducted by Council in 2018.

Pre-registration examinations were conducted online in March, June, September and November 2018. Council conducted pre-registration examination workshops in all provinces in May 2018 to prepare interns for the examination. Of the 770 interns who were registered in 2018, 675 (88%) passed the pre-registration examination.

The task team, together with the examiners and moderators, were trained on standard-setting and subsequently drafted the pre-registration examination blueprint in line with the new competency standards that were approved by Council in February 2018. The pre-registration examination blueprint was approved by Council in October 2018 for implementation from the July 2019 examination.

Candidates with qualifications obtained outside South Africa

Applications for recognition of foreign qualifications

In 2018, Council had 23 applications for recognition of foreign qualifications evaluated and approved by the CPD and Pre-registration Committee.

Professional examination

Upon approval by the Committee, candidates with qualifications in pharmacy obtained outside South Africa are required to write and pass the professional examination before they can be registered as pharmacist interns to undergo internship and comply with the applicable pre-registration requirements. Candidates who apply for registration as post-basic pharmacist's assistants are required to register as learners, undergo in-service training under an approved tutor in approved premises and complete a module in pharmacy law and ethics through an approved provider.

In 2018, Council appointed examiners and moderators from universities accredited by Council to offer the Bachelor of Pharmacy programme for their expertise in pharmacology, pharmaceutics, pharmaceutical chemistry and pharmacy practice, law and ethics to set professional examination papers in their respective subjects. Professional examinations, which comprise four papers, were conducted in May and October 2018 for candidates with qualifications obtained outside South Africa who were approved by the CPD and Pre-Registration Committee. Of the 22 candidates who wrote the professional examination in May 2018, 9 passed and of the 24 candidates who wrote the professional examination in October 2018, 9 passed.

The task team appointed by Council to review the professional examinations met in January/February and June 2018 to be trained on standard-setting and to draft the professional examination blueprint in line with the exit level outcomes for the Bachelor of Pharmacy programme and the appropriate level of cognition.



Professional Affairs - CPD and Registration

Avril Lewis (Senior Manager: Professional Affairs – CPD and Registration);
Kamohelo Malaku (Manager: Professional Affairs – CPD and Registration);
Ziyanda Mfuku (Manager: Professional Affairs – CPD and Registration); Refilwe Letlalo (Secretarial Support Officer: Professional Affairs – CPD and Registration);
Dorcus Magagula (Practitioner: Professional Affairs – CPD and Registration);
Paulina Motecwane (Practitioner: Professional Affairs - CPD and Registration);
Pitsi Mojela (Officer: Professional Affairs – CPD and Registration); Amanda Mtimunye (Officer: Professional Affairs – CPD and Registration); Lebogang Magano (Officer: Professional Affairs – CPD and Registration)

Professional Affairs – Education

Strategic focus area

The activities of the Professional Affairs: Education Unit focus on five of Council's strategic goals, which are to:

- 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; and
- coordinate the activities of Council and its committees.



Education Committee

The Education Committee chaired by Professor Rod Walker held three meetings in 2018.

Council approved the recommendation by the Education Committee that the Office of the Registrar write a letter to the Minister of Health informing him of the current developments with respect to the current pharmacist's assistant's qualifications, which includes inter alia the registration end date and the last date of enrolment of new learners. It was also resolved that the letter should include the information received from the Quality Council for Trade and Occupations (QCTO) regarding

the resolution to deactivate all historically registered qualifications that have been replaced by registered occupational qualifications.

It was further decided that the last date of enrolment of new learners be 30 June 2020, to allow students who complete the Higher Certificate: Pharmacy Support in 2019 to enrol for the Advanced Certificate: Pharmacy Technical Support in 2020.

The task team for the development of the Good Pharmacy Education (GPE) standards discussed the allocation of the weighting of the various levels of Bloom's Taxonomy to assessment per year level of the Bachelor of Pharmacy programme.

The Education Committee decided that Mpiloroyal College of Health Education as a provider of the qualification National Certificate: Pharmacist Assistance (Institutional Pharmacy) would not have an accreditation/monitoring visit in 2018. The college's accreditation as a provider would be retained until expiry on 30 June 2018.

Council decided that learners who have exceeded 30 months be required to apply for extension individually; no blanket extension will be given.

The Office of the Registrar conducted verification on the assessments at both Medipost and Kheth'Impilo at the cost of the Academy.

Good education standards

The Good Education standards for Occupational Qualifications Sub-Framework and the accreditation/monitoring instrument for Occupational Qualifications Sub-Framework were developed and approved by Council.

The Good Education standards for Higher Education Qualifications Sub-Framework were aligned to the accreditation/monitoring instrument for Higher Education Institutions.

The relevant Board Notices have been prepared and will be published in 2019.

Qualifications

On 1 July 2018 the Occupational Certificate: Pharmacy Technician was registered by the South African Qualifications Authority (SAQA).

The Master of Pharmacy in Industrial Pharmacy was approved by Council for publication in the Government Gazette for comment.

The part qualifications (basic and post-basic) of the Occupational Certificate: Pharmacy Technician were realigned according to the new format requested by SAQA and have been submitted to the QCTO.

The Diploma: Pharmacy Technician was reviewed to include the requirements of work-based learning into the qualification.

Criteria and Guidelines

The criteria for accreditation/approval of part qualifications (basic and post-basic pharmacist's assistants) and the Occupational Certificate: Pharmacy Technician were approved.

A reporting template for the provider and the monitoring team to accompany the accreditation/monitoring visit instrument for Skills Development Providers was approved by Council.

The online process for accreditation/monitoring instrument for higher education institutions was developed.

Cooperation with other quality councils

The South African Qualifications Authority (SAQA) conducted a verification visit to Council in order to register Council as a professional body in terms of education and training, which registration was duly completed.

Council is the Quality Assurance Partner (QAP) for the current qualifications for pharmacy support personnel and has duly submitted the quarterly reports required by the QCTO.

Council attended two meetings of the QAP Forum.

Council attended three meetings of the National Learners' Records Database (NLRD) and had two successful NLRD submissions for learner achievements to SAQA.

Council had three meetings with CHE regarding the monitoring visits and the review of the Bachelor of Pharmacy programme. A consultant has been appointed and a schedule for the required tasks will be finalised in 2019.

On 18 May 2018, Council held a meeting with the Health and Welfare Sector Education and Training Authority (HWSETA) to discuss registration of the occupational certificates and its part qualifications as learnerships.

Accreditation/monitoring visits to Higher Education and Training providers

A new accreditation/monitoring visit instrument was approved by Council in May 2017 and was piloted during the 2017 visits. Council reviewed this instrument in 2018 and the Good Education standards were aligned to this instrument. However, the reviewed instrument has not been implemented as the online process is still being developed. The panel members were trained before embarking on the visits.

Monitoring visits were conducted at the following institutions:

- (a) University of the Western Cape
- (b) University of KwaZulu-Natal

Accreditation visits were conducted at the following institutions:

- (a) Tshwane University of Technology
- (b) Sefako Makgatho Health Sciences University

An accreditation/monitoring visit to providers of occupational certificates (qualifications for pharmacy support personnel) was conducted at S Buys Academy.

Accreditation of courses

The following courses were accredited as provided by the following institutions:

- (a) Continuing Professional Development courses - Insight Medicines Information
- (b) Medicine registration for orthodox medicines short course and Medicine registration for biological medicines short course - Quad Pharma CC
- (c) Supplementary course in dispensing and rational medicine - Pharmacy Education International
- (d) Dispensing course - Sefako Makgatho Health Sciences University

Heads of pharmacy schools meeting

The meeting of the heads of schools was held on 24 May 2018. The Office of the Registrar sent letters to the providers of the Bachelor of Pharmacy programme re-inviting them to develop remediation programmes for interns struggling with the intern pre-registration examination. Providers were further requested to inform Council if they had developed such remediation programmes.

It was resolved that meeting invitations to the university staff members who have been appointed as examiners and moderators to attend meetings at Council be copied to the relevant Heads of Schools.

The Office of the Registrar is to send a list of students not on the list submitted by the university for registration that year to the university annually. The university is then to submit to Council the status of the students on the provided list.

The Heads of Schools are to develop criteria and a purpose statement for the appointment of community service pharmacists in academia. These criteria are to include:

- (a) that the candidate must be in possession of a master's degree in a relevant discipline;
- (b) that experience in academia be a strong recommendation;
- (c) that during the community service period the CSP will be involved in teaching and learning activities; and
- (d) that an interview process will be conducted prior to appointment.

The purpose statement developed by the Heads of Schools for community service in academia reads as follows:

"The purpose of the undertaking of pharmacy community service in academia will be to support service through scholarship. Placement of CSPs in an academic environment will increase teaching capacity and contribute to service delivery through community engagement. Community service in academia will also assist in the retention of young South African academics in academia and, therefore, enhance the training of future pharmacists for the delivery of pharmaceutical services in South Africa."

The Heads of Schools received a query from the National Department of Health to which it resolved to respond via the chairperson, indicating that the 9 schools of pharmacy as accredited by Council agree that the academic institutions should be gazetted as sites of placement for community service pharmacists. The response should indicate that the Heads of Schools have developed a purpose statement and criteria for appointment of community service pharmacists in academia and that the appointment of community service pharmacists in academia will be subjected to the availability of funds. All Heads of Schools are to be included in the response by the chairperson.

Meeting of the skills development providers

A meeting of the Skills Development Providers was held on 3 May 2018. This meeting resolved that the seven-month extension granted to candidates who applied for such extension be reflected on provider systems. It was also resolved that in considering the seven-month extension, the Office of the Registrar must consider the practical training days already completed by the learner to ensure that they make up the 365 days required for the qualification, and that another meeting of the providers be scheduled to discuss processes for the External Integrated Summative Assessments.

A workshop with the skills development providers was held on 8 August 2018 to discuss the qualification, the criteria for course material and the accreditation/monitoring instrument.



Professional Affairs - Education

Hlone Masiza (Senior Manager: Professional Affairs – Education); Mulalo Phungo (Manager: Professional Affairs – Education); Raesibe Madigoe (Manager: Professional Affairs – Education); Mokoadi Mogano (Manager: Professional Affairs – Education); Sarah Nyama (Practitioner: Professional Affairs – Education); Nkele Mengoai (Officer: Professional Affairs – Education)

Information Technology

Strategic focus area

The Information Technology Department of the South African Pharmacy Council (SAPC) provides, implements and manages the organisation's applications, network communication and computing technologies. The department exists to provide robust, reliable and highly secured technological platforms to enable the Council to discharge its statutory duties and to meet the service needs of the Council's stakeholders.

Operational matters

Business Continuity and Disaster Recovery Planning

After a lengthy marathon of business enquiries and consultations and through discussions conducted with management and having findings corroborated, the outgoing Council approved the comprehensive Business Continuity Plan (BCP) for the SAPC. The plan ensures that the Council will continue to provide services despite business disruptions by recovering critical services in a reasonable time. The following final deliverables were approved by Council:

- The Emergency Response Plan
- The Business Continuity Management (BCM) Framework
- The Business Continuity Plan
- The BCM Policy
- Crisis Management Plan
- Business Impact Analysis and Business Continuity Strategy

Report

The next step in aligning the organisation with the BCP involves the implementation of the Disaster Recovery Plan in line with the approved business continuity strategy. This will form part of the key projects for 2019.

Migrating the Microsoft mailboxes from on-premises to Microsoft Office 365

While we gradually moved to the Microsoft Office 365 subscription, in 2018 a company-wide migration of e-Mailboxes from the on-premises email server to Office 365 was initiated. The objective is to move all clients to Office 365 and decommission the Exchange Server.

Computing tools

Office computing hardware is replaced or updated from time to time as the need arises due to expired warranties or faults. A total of 70 laptops were purchased for either replacement or new users/employees. Thirty (30) of the laptops purchased are to be utilised for examination purposes.

The Register & Dashboard

The Register and Dashboard applications continued to be enhanced to provide our diverse stakeholders with a resourceful and satisfactory user experience.

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

- Intern CPD status report (CPD status of the interns on the register system to be in line with the CPD outcome on the website)
- CPD status report for Interns link on the register system

- Inspection progress report
- Online survey for reference materials
- CPD change of facility
- Inspection App for offline inspections
- Responsible Pharmacists' Survey (Phase One)
- Model, View and Controller (MVC) for Intern pages
- Centralised login functionality
- Randomisation/Examination Question Bank
- Online accreditation/monitoring visit instrument



Information Technology

Clement Manenzhe (Senior Manager: IT); Liza Mangoale (Technician: IT);
Maggy Maisela (Technician: IT); Thabo Matsetela (Officer: IT)

Human Resources

Strategic focus area

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

Remuneration Committee

The Committee met once in October 2018 to deal with issues relating to the 2019 cost-of-living adjustment for management staff as well as matters relating to the reimbursement and remuneration of staff and councillors for Council consideration.

Bargaining Committee

The Committee had three meetings during 2018 (April, September and October) and deliberated on several matters of interest, including finalisation of the collective agreement. The last meeting of the Committee, in October 2018, focused on finalising the 2019 cost-of-living adjustment for the staff as well as the finalisation of the collective agreement.

Employment Equity

The Employment Equity Committee had its meeting in December 2018 to determine progress towards employment targets as set out in the Employment Equity Plan for 2013-2019, as well as to prepare a report for the Department of Labour. The intention of the employment equity plan is to strive towards achieving a balance in the appointment of people from disadvantaged and under-represented communities, e.g. Coloured, Indian and African males. The Committee produced a revised plan for 2019-2023 which will be considered and approved by Council in 2019.

Breakdown of the Council workforce

The employment levels per population group and gender in Council during 2018 were as follows:

African		Coloured		Indian/Asian		White	
Male	Female	Male	Female	Male	Female	Male	Female
28	55	0	3	0	1	0	8
83		3		1		8	

Table 26: Breakdown of SAPC workforce in 2018

Employment equity table showing Council's staff demographics as at December 2018

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	2	0	0	0	0	0	0	0	1	0	3
Senior management	1	0	0	0	3	0	0	2	0	0	6
Professionally qualified and experienced specialists and mid-management	6	0	0	0	8	0	1	1	0	0	16
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	4	0	0	0	15	0	0	4	0	0	23
Semi-skilled and discretionary decision making	9	0	0	0	25	3	0	0	0	0	37
Unskilled and defined decision making	4	0	0	0	4	0	0	0	0	0	8
TOTAL PERMANENT	26	0	0	0	55	3	1	7	1	0	93
Temporary employees	0	0	0	0	1	0	0	1	0	0	2
GRAND TOTAL	26	0	0	0	56	3	1	8	1	0	95

Table 27: Employment equity showing Council's staff demographics

Employee development and training

A Skills Development Committee was appointed to adjudicate over training going forward. The workplace skills training for the year under review was carried out as follows:

Course description	Number of employees
CompTIA Security+ exam	1
Annual Administrators Masterclass for PA's Executive Assistants Secretaries and Office Managers	10
Microsoft Excel (Intro, Advanced, Expert)	10
POPI	24
Project Management Foundation	1
Creative Writing & Editing for Corporate Publications	1
International Financial Reporting Standard (IFRS)	2

Table 28: Skills training offered in 2018

Professional development of staff continued in 2018 and the programs outlined in the table below were partly funded by Council.

Under/Postgraduate	Number of employees
MPharm (Masters in Pharmacy)	1
Advance Program HRM	1
PhD (Pharmaceutical)	4
Bachelor of Commerce	1
Bachelor of Commerce (Honours)	1
Masters in Business Leadership	1
Total	9

Table 29: Breakdown of study assistance offered in 2018

Employee recruitment and retention

The Office of the Registrar undertook an organisational design review which was intended to ensure a well-designed staff structure that ensures that the form of the organisation matches its purpose or strategy, meets the challenges posed by business realities and significantly increases the likelihood that the collective efforts of people will be successful.

Although the project was delivered in 2018, further consideration and approval by Council will take place in 2019. Council also took the decision to insource cleaning services, which resulted in the employment of six (6) cleaners in both the Arcadia and Hatfield offices. The staff turnover remained low in 2018 and the filling of positions was done based on the availability of funds.

Employee wellness

The annual utilisation of the Employee Assistance Programme was 13%, which exceeded the 5-10% band of a well-utilised programme. The majority of the employees who utilised the programme during 2018 were African, female, married and between the ages of 31 and 50 years old. No manager referrals were made during this reporting period.

The utilisation of employee assistance programmes in considering the corporate wellbeing objectives has been recommended as an ongoing awareness initiative that should be continued.

The health awareness sessions may also add value in increasing employee participation in the programme and educating employees about risks related to body mass index, cholesterol, glucose and smoking as identified during the wellness screenings. In conclusion, SAPC will continue with health risk screening to assist employees in identifying risk factors and shaping better lifestyles.



SAPC Staff celebrating Women's Day 2018



Human Resources

John Mashishi (Manager: HR); Boledi Talane (HR Generalist); Sibulele Malongwe (HR Assistant)

Legal Services & Professional Conduct

Strategic focus area

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

- 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 required to be 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; and
- coordinate the activities of the disciplinary committees of Council.

Introduction

The results of LS&PC departmental planning, the revision of systems and procedures for 2017/8, as well as the outcomes of the Internal Audit for LS&PC in late 2017, are clearly visible in terms of the output results within the professional conduct domain of the department as detailed below.

2018 highlighted the need for the South African Pharmacy Council to share with the profession and the public the steps taken by the LS&PC

Department, particularly in the disciplinary matters, in taking to task pharmacists that are involved in the selling of habit-forming medicines in a manner that can be described as promoting the misuse or abuse of medicines. Despite such pharmacists being disciplined for such unprofessional conduct, the extent of these findings by the Professional Conduct Committees has not been adequately publicised.

Professional conduct



Committee of Preliminary Investigation

Council received a total number of 381 complaints as from 1 November 2017 to 30 September 2018. Complaints received in terms of section 39 of the Pharmacy Act, 53 of 1974, were reviewed and addressed by the disciplinary committees of Council.

The Committee of Preliminary Investigation (CPI) was chaired by Mr Solly Rasekele. CPI reviewed 373 matters and recommended a total of R891 500 in terms of potential fines. The recommendations of the CPI meetings can be summarised as follows:

Meeting	Total number of cases	No further action	CII	CFI	Health Committee	Proposed fines
November 2017	97	36	28	12	2	R335 000
March 2018	120	64	33	8	0	R256 500
July 2018	156	98	35	5	1	R300 000
Total	373	198	96	25	3	R891 500

Table 30: Recommendations of the CPI

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

2013	2014	2015	2016	2017	2018
239	224	299	407	269	373

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



Committee of Informal Inquiries

The Committee of Informal Inquiries (CII) was chaired by Mr Sham Moodley for 2017/8, reviewing a total of 71 matters, with confirmed fines to the value of R396 000 and cost orders to the amount of R194 647.

The findings of the CII meetings are summarised in Table 32.

A year-on-year analysis of the total of CPI case numbers is provided in Table 33.

Meeting	Total number of cases	Appearances	Consent orders	CFI referrals	Amounts
February 2018	12	2	10	0	R79 000 R42 301 (co)
July 2018	28	10	14	4	R188 500 R63 452 (co)
October 2018	31	9	21	1	R128 500 R88 894 (co)
Total	71	21	45	5	R396 000 R194 647 (co)

Table 32: Findings of CII

2013	2014	2015	2016	2017	2018
134	83	87	95	63	71

Table 33: Year-on-year analysis of the total number of CII cases

Committee of Formal Inquiries

The Council completed 10 formal inquiries heard by the Committee of Formal Inquiries (CFI) during 2017/8, of which the Committee found eight (8) respondents guilty and two (2) respondents not guilty. One (1) respondent was referred to the Health Committee before a suitable sentence could be imposed. The total value of the fines ordered by CFI amounted to R177 500 with corresponding cost orders of R102 158.

2013	2014	2015	2016	2017	2018
1	10	11	6	11	10

Table 34: Year-on-year analysis of the total number of CFI cases

Provision of legal services and legal administration

Legal Enquiries and Legal Opinions

In terms of providing legal support to the profession, 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, or by means of any other form of communication, as well as attending the Heads of Pharmaceutical Services and Heads of Schools meetings. As per previous years, the topics covered in such enquiries varied, with enquiries related to scopes of practice and responsible pharmacists' duties and authorities being addressed. LS&PC formally addressed 89 legal-related enquiries during 2018.

In addition, LS&PC provided a presentation to industry (Southern African Pharmaceutical Regulatory Affairs Association) on the role of the Responsible Pharmacist in industry and the process of disciplinary action. The LS&PC have also been actively participating with Medical Schemes units in order to address the issue of medical aid fraud and other potential criminal activities/syndicates that involve pharmacists. The Senior Manager also participated in a webinar at the invitation of the PSSA pertaining to disciplinary action processes and the responsibilities of respondents.

LS&PC also provided legal input and advice to the South African Veterinary Council regarding the approval of dispensing courses for veterinarians and the other issues pertaining to the licensing of veterinary dispensers. Other engagements with other organised professions included legal interventions pertaining to optometrists prescribing medicines – concerns raised by the Ophthalmologists' Association.

LS&PC provided legal support to the Office of the Registrar and Council by way of two formal legal opinions drafted as a result of the request of Council and/or the Office of the Registrar. These included issues relating to:

- (a) Definitions pertaining to the ownership or business models of pharmacies;
- (b) Another business within a pharmacy and a pharmacy within another business, in light of possible amendments to Rule 1.2.2 of the Rules relating to Good Pharmacy Practice;
- (c) Rules already contained in the GPP that pertain to locums;
- (d) Guidelines for interns who have completed 365 days of internship;
- (e) Discussion document pertaining to the Guidelines for issuing pharmacy licenses; and
- (f) Section 29(4) applications.

LS&PC facilitated obtaining two external legal opinions:

- (a) Follow-up legal opinion pertaining to another business in a pharmacy; and

- (b) Council's ability to publish the fees for services offered by Council by way of Board Notice.

Certificates of Good Standing

LS&PC provided 68 Certificates of Good Standing to applicants during 2018, this being approximately the same number of Certificates issued over the same period in 2017.

Section 26 Certificates

LS&PC provided 41 Certificates of Registration/Non-registration issued in terms of Section 26 of the Pharmacy Act, the purpose of which ranged from personal use to investigations undertaken by the Medicines Regulatory Authority under the National Department of Health, investigations by forensic companies for and on behalf of medical schemes and matters pertaining to civil litigation.

Contracts and Service Level Agreements

LS&PC, in ensuring that the Council is bound to, as well as being sufficiently legally covered in terms of its contractual relationship with service providers, saw to the drafting/editing of 10 new or updating existing contracts. These were constituted by service level agreements and nine service provider contracts for the pre-registration online examination, as well as the preparation of contract templates for the 3rd National Pharmacy Conference. Contracts for the outsourcing of certain of the functions for Elections 2018 were also attended to. In respect of the Election 2018 contracts, contract management was also needed during 2018.

Corporate governance

LS&PC administered and collated the Council Self-Assessment for 2017. LS&PC also administered for the first time the Self-Assessments for the Committee of Preliminary Investigations and the Committee of Informal Inquiries. LS&PC provided assistance in the establishment of the Self-Assessment Tool for Practice, Education and CPD committees. In addition, LS&PC had an internal audit review in September 2017, whereafter various measures of governance were introduced into the Department.

Legislation

South African Pharmacy Council Legislation

LS&PC, in consultation with the DoH, has continued to attend to the redrafting of the following regulations:

- (a) Continuing Professional Development (CPD), which have been published for comment by the Minister of Health;
- (b) Education (pertaining to pharmacy support personnel);
- (c) Practice (pertaining to pharmacy support personnel); and
- (d) Registration of persons (pertaining to pharmacy support personnel).

LS&PC assisted in preparing for publication, collection of comments and collation of 14 Board Notices including:

- (a) The publication of notices pertaining to the Fees payable to Council for 2018 as well as the amendment notice to facilitate the increase in VAT to 15%;
- (b) Competency Standards for Pharmacists – publication for comments, collection of comments, collation of comments and publication for implementation;
- (c) Drafting the amendments of Rule 1.2.2 as well as the repeal of Board

Notice 35/2012;

- (d) GPP rules pertaining to HIV self-screening test kits (implementation);
- (e) Standards for PDLP – preparation for publication, collection and collation of comments, and legal advice to review task team;
- (f) Preparation of Criteria and Minimum standards for pick up points;
- (g) Minimum standards for Unit Dose Dispensing – preparation for publication, collection of comments and collation of comments;
- (h) Board Notices for Elections 2018; and
- (i) The Committee of Formal Inquiries findings for 2017.

Comments and contributions to proposed legislation published for comment

LS&PC facilitated Council's detailed comments to:

- (a) Guidance for the issuing of licensing for pharmacies;
- (b) The Competitions Commission: Health Market Inquiry: Preliminary finding and proposals;
- (c) National Health Insurance Bill, 2018; and
- (d) Medical Schemes Amendment Bill, 2018.

Council Elections 2018

The Senior Manager: LS&PC was appointed to the Election Committee as Project Manager. This function included the legal compliance of the election process in terms of the Regulations relating to the election of members of the South African Pharmacy Council:

- (a) Facilitate the appointment of the independent monitoring body;
- (b) Facilitate the appointment of the Election Committee;
- (c) Launch of Elections 2018, including the publication of the Board Notice calling for nominations;
- (d) Collection, collation and preparation for validation of the nominations;
- (e) Contribution to the drafting of the artwork for the ballot phase;
- (f) Management of the contract pertaining to the distribution and collection of ballot packs;
- (g) Planning and management of the counting of the ballots; and
- (h) Preparation of the Election Report.



Legal Services & Professional Conduct

Debbie Hoffmann (Senior Manager: Legal Services & Professional Conduct); Isaac Nkanyane (Manager: Legal Services & Professional Conduct); Felicia Ngoveni (Practitioner: Professional Conduct); Ofentse Motloutsi (Secretarial Support Officer: Legal Services & Professional Conduct)

Financial Management

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

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

Strategic focus area

Financial Management focuses on three strategic objectives of Council, which are to:

- coordinate the standing committees of Council;
- promote transparency to the profession and the public; and
- provide managerial and administrative support for the sustainability of Council's operations.

Coordination of standing committees of Council

Audit Committee

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 provided a channel of communication between the auditors and executive management.

The Committee consisted of six members appointed in terms of the Audit Committee Charter, four independent members drawn from outside the Council, and two Council members.

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

The report of the Committee is on page 42.

Pension Fund Board

Council has a post-employment defined contribution benefit plan, established on 1 July 1977, operated as a separate legal entity in terms of the Pension Funds Act, 24 of 1956, the South African Pharmacy Council Pension Fund (the Fund). The Pension Fund Board has oversight of the operations of the 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 and investment returns net of operational expenses. Council's contribution to the plan is charged to the income statement when incurred.

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 Fund governance information during the reporting period and up to the date of this report was as follows:

Employer representatives:

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

End of Term

21 October 2018

21 October 2018

The following representatives were appointed from 14 February 2019:

Mr MD Phasha (Chairperson)
Ms MS Letsike (Alternate)

Employee representatives:

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

Principal Officer:

Mr V Himbotwe

Administrator:

ACA Employee Benefits (Pty) Ltd

Valuator:

Ms L Langner

Auditors:

Geyser & du Plessis

Investment manager:

Old Mutual

Promotion of transparency to the profession and the general public

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

Councillors

Council members meet four times annually and are responsible for setting overall policy, preparing financial statements, monitoring executive management, and exercising control over the organisation's activities. The roles of the President and the Chief Executive Officer are separate in accordance with good practice. The President holds a non-executive office.

Code of conduct

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

Audit Committee

The Audit Committee is an independent Committee established to provide oversight and assurance on the reliability and integrity of both financial and non-financial activities of Council. The Audit Committee was satisfied that the annual financial statements for the year 2018 fairly present Council's financial position and recommended that Council members approve the annual financial statements. The report of the Committee is on page 42.

Financial statements

Council members are responsible for the preparation of annual financial statements that fairly present the financial position of the organisation and the results of its operations and cash flow information for the year then ended. The auditors, Rakoma and Associates Inc. are responsible for independently auditing and reporting on the financial statements. The auditors are appointed for a period of three years. Their report is presented on page 47. In preparing the financial statements, Council applied judgement and estimates, and adhered to International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs). The financial statements for the year ended 31 December 2018 were approved by Council and issued on 14 May 2019.

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

Financial performance indicators

Description	2014	2015	2016	2017	2018
Current assets (R)	27 565 715	42 201 431	54 125 905	40 022 342	45 104 401
Current liabilities (R)	31 330 234	42 598 178	43 320 980	40 834 459	44 894 886
Liquidity ratio	0.88	0.99	1.25	0.98	1.00
Income (R)	62 436 396	64 899 419	80 275 776	82 531 919	82 528 777
Expenditure (R)	57 522 292	61 747 959	71 277 271	74 168 392	78 558 277
Total comprehensive income for the year [Surplus/(deficit)] (R)	4 914 104	3 151 460	8 998 505	8 363 527	3 970 500

Table 35: Financial performance indicators

Financial position

Assets grew by over 11,41% because of an increase in current assets. Current assets were made of accounts receivable, cash on hand, and short-term deposits on the back of fees for the year 2019 received in advance.

Total equity and liabilities grew in line with assets due to a surplus for the year and income received in advance. The liquidity ratio increased from 0.98 in the prior year to 1.00 at 31 December 2018.



Figure 7: Liquidity ratio year-on-year

Comprehensive income

Council is a not for profit organisation with the funding for its operations drawn mainly from membership fees and others, such as annual fees, registration fees and restoration fees. Other sources of income are sponsorships/donations for specific once-off projects, for instance, the funding of the National Pharmacy Conference.

During the year under review, expenditure grew by 5,92% due to inflationary increases while income remained relatively unchanged. Total comprehensive income decreased by 52,53% from R8 363 527 to R3 970 500.

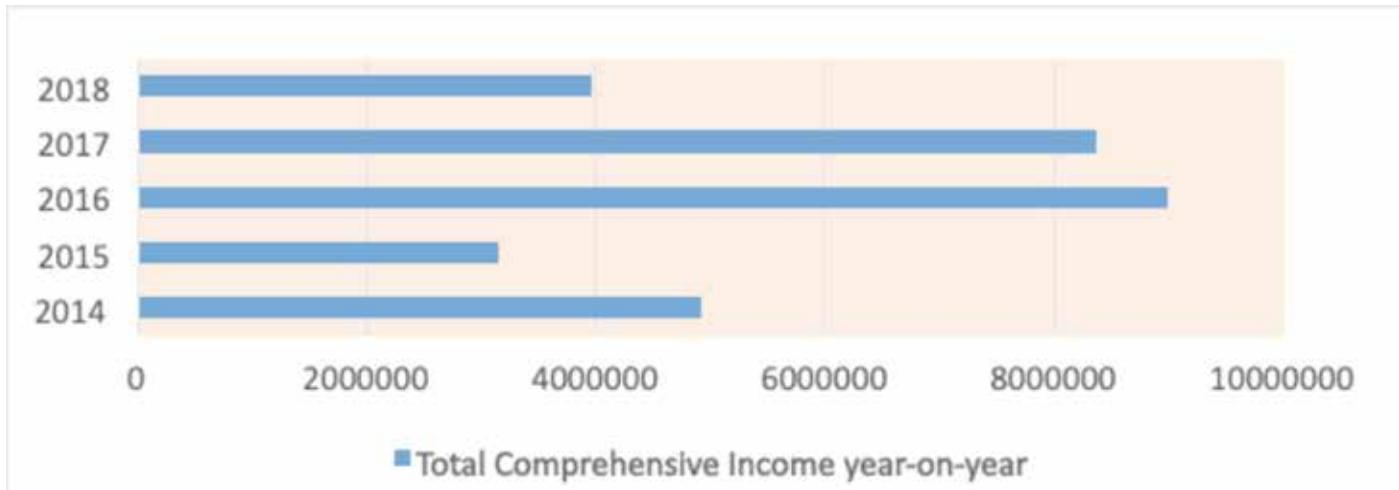


Figure 8: Total comprehensive income year-on-year

Budgetary control

Council's budget is guided by the five-year strategic plan. The budget for the year under review was approved at the 11/12 October 2017 Council meeting. Budget performance reports were presented to management, the Executive Committee, the Audit Committee and Council. At various Council committee meetings, respective budget performance reports formed part of the agenda.

Supply chain management

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

Risk management

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

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

- (a) Non-compliance with education and other related legislation:
 - Follow-up application to be Assessment Quality Partner with QCTO; and
 - Draft MOU with the Council on Higher Education (CHE).
- (b) Litigation as a result of setting and enforcing professional standards:
 - Improve recordkeeping throughout the process of standard-setting and version control;
 - Record the international benchmarking process; and
 - Develop and implement the filing index for the organisation.

- (c) Non-compliance with set turnaround times in processing customer requests/applications:
 - Review turnaround times on applications;
 - Investigate areas where there are bottlenecks in the system and manage them;
 - Review and revise the dashboard process;
 - Standing meetings with heads of pharmaceutical services in both public and private sectors;
 - Standing meetings with heads of departments and MECs in the provinces to address training constraints;
 - Review and automate remaining people/organisation registration processes; and
 - Implement internal audit service delivery recommendations.

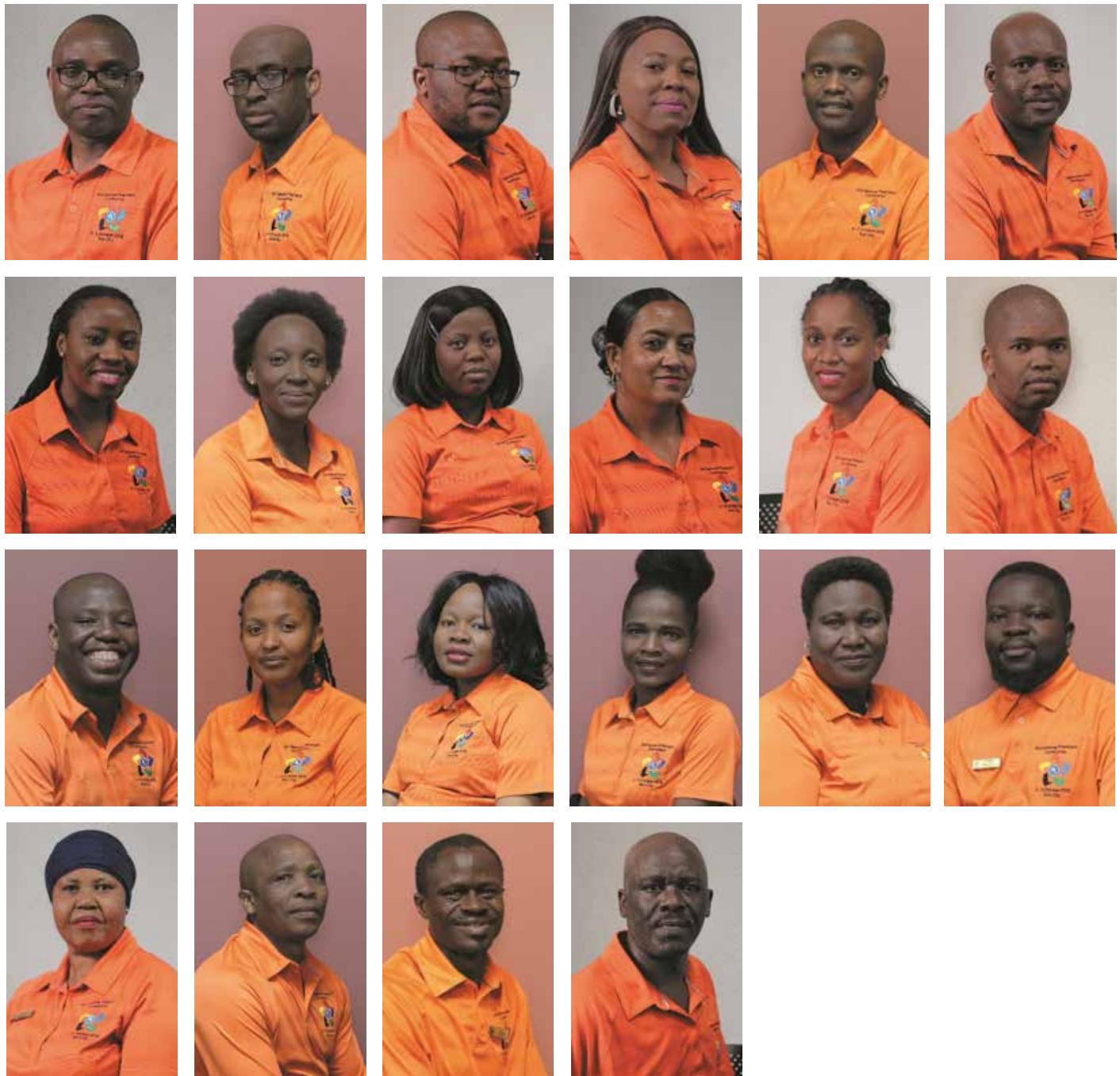
- (d) Inadequate business continuity planning:
 - Review the five-year strategic plan; and
 - Finalise the development of a business continuity plan.

Internal audit

During the year under review, the internal audit function was outsourced to an independent audit firm, Sondlo Chartered Accountants (Sondlo). Sondlo attended all Audit Committee meetings to report on the adequacy of internal controls implemented by management.

A risk-based internal audit plan for the three years ending 31 December 2020 was approved and audits were carried out. Internal controls were considered adequate, with minor improvements recommended in some areas. Below is the list of audits performed:

- (a) Follow-up Audits
 - Pharmacy Practice
 - Pharmacy Education
 - Registration and Continuing Professional Development
 - Legal Services & Professional Conduct
 - External Audit Findings
- (b) New Audits
 - Financial Management
 - Human Resources Management
 - Governance and Compliance
 - Information and Communication Technology
 - Communication and Stakeholder Relations



Finance

Voster Himbotwe (General Manager: Finance); Tebogo Ngobeni (Manager: Revenue); Obakeng Mtimunye (Manager: Financial Accounting); Nanatu Mongwe (Secretarial Support Officer: Finance); Mpho Shisana (Supply Chain Management Controller); Itani Nemathithi (Financial Controller); Lerato Sambo (Financial Controller); Thagi Khame (Financial Controller); Zanele Mahlangu (Financial Officer); Anthula Thumbran (Financial Officer); Othelia Rosele (Financial Officer); Jerry Magwai (Financial Officer); Boipelo Swarathe (Financial Officer); Josephine Mokoka (Supply Chain Management Officer); Turtia Senamela (Financial Officer); Agnes Nekhavhambe (Cleaner); Annah Malatji (Cleaner); Thapelo Macheke (Cleaner); Martha Nchabeleng (Cleaner); Zakia Mampe (Maintenance); Andries Thobane (Maintenance); Dingane Makgalancheche (Maintenance)

Report of the Audit Committee

Purpose of the annual report

This annual report captures in summary form the activities of the Audit Committee (the Committee) for the financial year 2018, accounting how the Committee has performed, met its terms of reference and key priorities.

Audit Committee members and attendance

The Committee meets at least three times per annum in accordance with its terms of reference.

During 2018, the Committee held three meetings. Attendance was satisfactory and all meetings were quorate. The Committee reported to Council after each meeting. The names of the members and attendance at meetings are recorded in Table 36 below.

Name of member	Number of meetings attended during 2018
Mr Haroon Moolla (Chairperson)	3
Mr Panajiotaki George Kyriacos	2
Mr Johannes Stephanus du Toit	2
Ms Anna Miriam Mmanoko Badimo	2
Ms Masesi Enid Sikhosana	3
Mr Samuel Mashilo Kubushu	3

Table 36: Audit Committee meetings 2018

Audit Committee responsibility

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

The Committee ensures there are effective internal audit arrangements in place, reviews the work and findings of internal and external audits, and reviews Council's corporate governance and risk management measures.

The Audit Committee reports that it has complied with its responsibility arising from the International Financial Reporting Standards appropriate to Council. Compliance with a number of 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 to the external audit annual fee and work plan.
- Agree on the internal audit work plan.
- Review of legal and ethical compliance.
- Review of financial and governance policies in line with best practice.
- Assess the Committee's annual performance in line with its terms of reference.
- Review of financial reporting.

Internal and external auditors

The internal audit function during the year under review was undertaken by Sondlo Chartered Accountants, with Rakoma & Associates Chartered Accountants Inc. (Rakoma) serving as the external auditors.

The internal auditors attended every Committee meeting and the external auditors attended by invitation or when items needed to be presented. The auditors assured the Committee of their independence and ethical conduct in the discharge of their functions.

Effectiveness of internal control

The internal control system is effective, as the reports from the internal auditors and the Audit Report on the 2018 annual financial statements from the external auditors record no material non-compliance with prescribed policies and procedures.

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

Evaluation of financial statements

The Committee has:

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

Going concern basis of accounting

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

Risk management

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

Irregularities and supply chain management

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

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

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



Mr Haroon Moolla
Chairperson of the Audit Committee



South African
Pharmacy Council

Financial Statements

South African Pharmacy Council Financial Statements for the Year Ended 31 December 2018

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

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

Issued 14 May 2019



South African
Pharmacy Council

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
Independent Auditors	Rakoma and Associates Incorporated Chartered Accountants (SA) Registered Auditor
Level of Assurance	These financial statements have been audited in compliance with the applicable requirements of the Pharmacy Act, 53 of 1974 and IFRS for SMEs.
Preparer	The financial statements were initially compiled by: Voster Himbotwe General Manager: Finance / CFO

Index

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

General Information	44
Councillor's Responsibilities and Approval	46
Independent Auditor's Report	47
Councillor's Report	49
Statement of Financial Position	51
Statement of Comprehensive Income	52
Statement of Changes in Equity	53
Statement of Cash Flows	54
Accounting Policies	55
Notes to the Financial Statements	60
The supplementary information presented does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	66



South African
Pharmacy Council

Councillors' Responsibilities and Approval

The Registrar shall keep true and accurate records of all income and expenditure as required by the Pharmacy Act, 53 of 1974 and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the councillors' responsibility to ensure that the financial statements fairly present the state of affairs of the council as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

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

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

The councillors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements.

However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The councillors have reviewed the council's cash flow forecast for the year to 31 December 2019 and, in the light of this review and the current financial position, they are satisfied that the council has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the council's financial statements. The financial statements have been examined by the council's external auditor whose report is presented on pages 47 to 48.

The financial statements set out on pages 51 to 64, which have been prepared on the going concern basis, were approved by the councillors on 14 May 2019 and were signed on their behalf by:

Mr. MD Phasha (President)

Ms. NP Thipa (Treasurer)

Mr. TA Masango (Registrar)

We have audited the financial statements of the South African Pharmacy Council set out on pages 51 to 64 which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the South African Pharmacy Council as at 31 December 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Pharmacy Act 53 of 1974.

Basis for opinion

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

Emphasis of matter

Restatement of correspondence figures

As disclosed in note 21 to the financial statements, the corresponding figures for 31 December 2017 have been restated as a result of an error discovered during 31 December 2018 in the financial statements of the South African Pharmacy Council as at, and for the year ended, 31 December 2017.

Other matter

We draw attention to the matter below. Our opinion is not modified in respect of this matter.

Other information

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

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

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

Responsibilities of the councillors for the annual financial statements

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



South African
Pharmacy Council

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

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

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

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

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

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

Rakoma & Associates Inc.

Rakoma & Associates Incorporated

Per: Collins Malunga
Chartered Accountant (SA)
Registered Auditor
Director
14/05/2019
Fourways



Councillors' Report

The council members have pleasure in submitting their report on the financial statements of the South African Pharmacy Council for the year ended 31 December 2018.



1. Nature of business

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

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

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

2. Review of financial results and activities

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

3. Councillors

The councillors in office during the reporting period and at the date of this report were as follows:

Councillors	Office	Designation	End of Term
Prof. Manoranjenni Chetty	President	Non-executive	20/10/2018
Mr. Douglas James Heaslet Defty	Vice President	Non-executive	20/10/2018
Ms. Nocawe Portia Thipa	Treasurer	Non-executive	
Mr. Gavin Stewart Steel	Representative from DoH	Non-executive	20/10/2018
Prof. Roderick Bryan Walker	Education Committee Chairperson	Non-executive	20/10/2018
Mr. Vusi Cornelias Dlamini	Health Committee Chairperson	Non-executive	20/10/2018
Mr. Tshuba Solomon Rasekele	CPI Chairperson	Non-executive	20/10/2018
Mr. Rajatheran Moodley	CII Chairperson	Non-executive	20/10/2018
Ms. Jacqueline Ann Maimin	Practice Committee Chairperson	Non-executive	
Dr. Panjasaram Naidoo	CPD Committee Chairperson	Non-executive	20/10/2018
Mr. Ayanda Soka	CPD Committee Chairperson	Non-executive	
Mr. Gaoboibe Jonas Kgasane		Non-executive	20/10/2018
Mr. Charles John Cawood		Non-executive	20/10/2018
Mr. Panajiotaki George Kyriacos		Non-executive	20/10/2018
Ms. Letty Mahlangu		Non-executive	20/10/2018
Mr. Johannes Albertus Raats		Non-executive	20/10/2018
Mr. Hezron Tshepo Mphaka		Non-executive	20/10/2018
Ms. Helen Catherine Hayes		Non-executive	
Mr. Mathys Jacobus Snyman		Non-executive	20/10/2018
Mr. Johannes Stephanus Du Toit	CPI Chairperson	Non-executive	
Prof. Shirley-Anne Boschmans		Non-executive	20/10/2018
Ms. Rachel Verity Wrigglesworth		Non-executive	20/10/2018
Ms. Claudette Norina Jasson		Non-executive	20/10/2018
Adv. Nazreen Shaik-Peremanov		Non-executive	
Ms. Josephine Herbert		Non-executive	

The council members elected/ appointed from 21 October 2018 are as follows:

Councillors	Office	Designation
Mr. Mogologolo David Phasha	President	Non-executive
Ms. Boitumelo Nelly Molongoana	Vice President	Non-executive
Ms. Khadija Jamaloodien	Representative from DoH	Non-executive

Prof. Yahya Essop Choonara	Education Committee Chairperson	Non-executive
Ms. Mmapaseka Steve Letsike	Health Committee Chairperson	Non-executive
Dr. Moliehi Matlala	Pre-Registration Chairperson	Non-executive
Mr. Tshegofatso Daniel Moralo	CII Chairperson	Non-executive
Ms. Pakama Dlwati		Non-executive
Dr. Margaritha Johanna Eksteen		Non-executive
Mr. Pieter Johannes Killian		Non-executive
Prof. Sarel Francois Malan		Non-executive
Ms. Moitsoadi Sarah Mokgatlha		Non-executive
Prof. Natalie Schellack		Non-executive
Ms. Tlou Mavis Shivambu		Non-executive
Mr. Mosiuoa Shadrack Shuping		Non-executive
Prof. Ilse Truter		Non-executive
Ms. Christina Aletta Venter		Non-executive
Dr. Petrus de Wet Wolmarans		Non-executive

4. Events after reporting date

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. Independent Auditors

Rakoma and Associates Incorporated were the independent auditors for the year under review.

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 four are independent professionals with accounting, auditing, information technology and legal background. The committee meets at least three times a year.

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

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

The committee members during the year were:

Councillors	Office	Designation	End of Term
Adv. Motlajo Josephine Ralefatane	Chairperson	Independent	01/01/2018
Ms. Anna Mirriam Mmanoko Badimo		Independent	
Ms. Shaila Hari		Independent	01/01/2018
Mr. Panajiotaki George Kyriacos		Council member	20/10/2018
Mr. Johannes Stephanus Du Toit		Council member	20/10/2018

The following members were appointed to serve on the audit committee for three years, effective 1 January 2018:

Mr. Haroon Moola	Chairperson	Independent
Mr. Samuel Mashilo Kubushi		Independent
Ms. Masesi Enid Malope		Independent

South African Pharmacy Council

Annual Financial Statements for the year ended 31 December 2018

Statement of Financial Position

	Note(s)	2018	Restated 2017	Restated 2016
Assets				
Non-Current Assets				
Property, plant and equipment	2	26,221,764	22,971,207	10,392,725
Investment property	3	6,800,000	6,833,322	-
Intangible assets	4	404,910	659,390	101,639
		33,426,674	30,463,919	10,494,364
Current Assets				
Trade and other receivables	5	13,736,699	13,674,864	15,949,056
Cash and cash equivalents	6	31,367,702	26,347,478	38,176,849
		45,104,401	40,022,342	54,125,905
Total Assets		78,531,075	70,486,261	64,620,269
Equity and Liabilities				
Equity				
Retained earnings		33,622,302	29,651,802	21,288,275
Non-current Liabilities				
Finance lease liabilities	7	13,887	-	10,996
Current Liabilities				
Trade and other payables	8	44,871,499	40,823,480	43,300,064
Finance lease liabilities	7	23,387	10,979	20,934
		44,894,886	40,834,459	43,320,998
Total liabilities		44,908,773	40,834,459	43,331,994
Total Equity and Liabilities		78,531,075	70,486,261	64,620,269

South African Pharmacy Council

Annual Financial Statements for the year ended 31 December 2018

Statement of Comprehensive Income

	Note(s)	2018	Restated 2017
Revenue	9	79,034,732	79,679,530
Other income	10	1,134,564	439,764
Operating expenses		(78,549,097)	(74,162,377)
Operating profit	11	1,620,199	5,956,917
Investment revenue	12	2,359,481	2,412,625
Finance costs	13	(9,180)	(6,015)
Profit for the year		3,970,500	8,363,527
Other comprehensive income		-	-
Total comprehensive income for the year		3,970,500	8,363,527

South African Pharmacy Council

Annual Financial Statements for the year ended 31 December 2018

Statement of Changes in Equity

	Note(s)	Retained income	Total equity
Balance at 1 January 2017 as previously stated		21,288,275	21,288,275
Total comprehensive income for the year as previously stated		7,210,556	7,210,556
Prior period error adjustment	21	1,152,971	1,152,971
Other comprehensive income		-	-
Total comprehensive income for the year restated		8,363,527	8,363,527
Balance at 1 January 2018		29,651,802	29,651,802
Comprehensive income for the year		3,970,500	3,970,500
Other comprehensive income		-	-
Total comprehensive income for the year		3,970,500	3,970,500
Balance at 31 December 2018		33,622,302	33,622,302

South African Pharmacy Council

Annual Financial Statements for the year ended 31 December 2018

Statement of Cash Flows

	Note(s)	2018	Restated 2017
Cash flows from operating activities			
Cash receipts from customers		79,034,732	79,679,530
Cash payments to suppliers and employees		(71,103,722)	(72,414,816)
Cash generated from operations	15	7,931,010	7,264,714
Investment income		2,359,481	2,412,625
Finance costs	13	(9,180)	(6,015)
Net cash flows from operating activities		10,281,311	9,671,324
Cash flows used in investing activities			
Investment property acquired	3	-	(6,833,322)
Property, plant and equipment acquired	2	(5,362,982)	(13,879,903)
Intangible assets acquired	4	(35,480)	(789,359)
Proceeds on disposals of property, plant and equipment		160,506	25,069
Net cash flows used in investing activities		(5,237,956)	(21,477,515)
Cash flows used in financing activities			
Finance lease payments		(23,131)	(23,180)
Net cash flows used in financing activities		(23,131)	(23,180)
Net increase / (decrease) in cash and cash equivalents		5,020,224	(11,829,371)
Cash and cash equivalents at beginning of the year		26,347,478	38,176,849
Cash and cash equivalents at end of the year		31,367,702	26,347,478

Accounting Policies

1. Presentation of financial statements

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

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

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

Critical judgements in applying accounting policies

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

Lease classification

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

Key sources of estimation uncertainty

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

Useful lives of property, plant and equipment

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

Impairment testing

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

Investment property valuation

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

Provisions

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

Other estimates made

The council makes estimates for:

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

Accounting Policies

Trade receivables, Held to maturity investments and Loans and receivables

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

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

1.2 Property, plant and equipment

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

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses. Cost include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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

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

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

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

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

1.3 Investment property

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

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

1.4 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are initially recognised at cost.

Accounting Policies

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

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date if there are indicators present that there is a change from the previous estimate. Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

Item	Useful life
Computer software	2 to 5 years

1.5 Financial instruments

Initial measurement

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

Financial instruments at amortised cost

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

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.6 Leases

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

Finance leases - lessee

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

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

1.7 Impairment of assets

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

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

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

1.8 Employee benefits

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

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

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

1.9 Provisions and contingencies

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

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

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

Contingent assets and contingent liabilities are not recognised.

1.10 Revenue

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

Interest

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

Rental income

Rental income from operating leases (net of any commission or incentives given to the lessees) is recognised on a straight-line basis over the lease term.

1.11 Equity

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

South African Pharmacy Council

Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

			2018		2017	
	Cost	Accumulated Depreciation	2018 Carrying Value	Cost	Accumulated Depreciation	2017 Carrying Value
Land	8,600,000	-	8,600,000	8,600,000	-	8,600,000
Buildings	18,859,264	(7,447,313)	11,411,951	16,494,871	(6,802,778)	9,692,093
Motor vehicles	752,893	(572,820)	180,073	752,893	(435,155)	317,738
Furniture and fittings	3,967,941	(1,885,580)	2,082,361	2,960,128	(1,577,924)	1,382,204
Office equipment	2,994,696	(1,544,003)	1,450,693	2,225,999	(1,251,427)	974,572
IT equipment	5,433,159	(2,936,473)	2,496,686	5,291,645	(3,287,045)	2,004,600
Total	40,607,953	(14,386,189)	26,221,764	36,325,536	(13,354,329)	22,971,207

Reconciliation of property, plant and equipment – 2018

	Opening Balance	Additions	Disposals	Depreciation	Total
Land	8,600,000	-	-	-	8,600,000
Buildings	9,692,093	2,364,393	-	(644,535)	11,411,951
Motor Vehicles	317,738	(1)	-	(137,664)	180,073
Furniture and fittings	1,382,204	1,016,382	(640)	(315,584)	2,082,362
Office equipment	974,572	803,456	-	(327,335)	1,450,693
IT equipment	2,004,600	1,178,752	(2,597)	(684,070)	2,496,685
Total	22,971,207	5,362,982	(3,237)	(2,109,188)	26,221,764

Reconciliation of property, plant and equipment – 2017

	Opening Balance	Additions	Disposals	Depreciation	Total
Land	600,000	8,000,000	-	-	8,600,000
Buildings	6,580,389	3,630,565	-	(518,861)	9,692,093
Motor Vehicles	412,672	-	-	(94,934)	317,738
Furniture and fittings	952,253	668,650	(4,727)	(233,972)	1,382,204
Office equipment	558,810	484,523	(2)	(68,759)	974,572
IT equipment	1,288,601	1,096,165	(40,930)	(339,236)	2,004,600
Total	10,392,725	13,879,903	(45,659)	(1,255,762)	22,971,207

Net carrying amounts of leased assets

Office equipment	37,112	23,594
------------------	--------	--------

Details of properties

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

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

South African Pharmacy Council

Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

	2018	2017
--	------	------

3. Investment property

	Decrease in Cost	Value	Fair Value	Cost	Decrease in Value	Fair Value
Investment properties	6,833,322	(33,322)	6,800,000	6,833,322	-	6,833,322

Reconciliation of investment of property – 2018

	Opening Balance	Additions	Impairment	Total
Investment properties	6,833,322	-	(33,322)	6,800,000

Reconciliation of investment of property – 2017

	Opening Balance	Additions	Impairment	Total
Investment properties	-	6,833,322	-	6,833,322

Details of investment property

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

The investment property fair value was evaluated by Van Zyl Professional Associated Property Valuers. The significant assumptions used by the valuer is the highest and best use of the property which was considered to be redevelopment for purposes of flats or offices and comparable market value within the area.

4. Intangible assets

	2018	2017				
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
Computer software	5,503,974	(5,099,064)	404,910	5,468,494	(4,809,104)	659,390

Reconciliation of intangible assets – 2018

	Opening Balance	Additions	Depreciation	Total
Computer software	659,390	35,480	(289,960)	404,910

Reconciliation of intangible assets – 2017

	Opening Balance	Additions	Depreciation	Total
Computer software	101,638	789,359	(231,607)	659,390

South African Pharmacy Council

Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

	2018	2017
5. Trade and other receivables		
Trade receivables	12,183,762	13,221,894
Deposits	13 535	13,535
Prepayment	581,368	-
Value Added Tax (VAT)	629,890	377,456
Other receivables	328,144	61,979
	13,736,699	13,674,864

Included in the trade receivables amount is a provision for doubtful debts amounting to R13,231,651.07 (2017: R13,907,779).

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	3,287	2,581
Bank balances	11,081,954	12,320,204
Short-term deposits	20,282,461	14,024,693
	31,367,702	26,347,478

Details of facilities held by the Council are presented below and have an expiry date of 21 September 2019:

- Overdraft amounting to R1 500 000 for unforeseen emergencies;
- Guarantees by the bank amounting to R50 000;
- Card facility by the bank amounting to R350 000;
- Fleet management services amounting to R15 000; and
- Electronic Funds Transfer Services of R4 000 000 and R1 150 000 for Salary Run and Debit Runs respectively.

7. Finance lease liabilities

Minimum lease payments which fall due

Within one year	23,387	11,298
In second to fifth year inclusive	13,887	-
	37,274	11,298
Less: future finance charges	-	(319)
Present value of minimum lease payments	37,274	10,979
Non-current liabilities	13,887	-
Current liabilities	23,387	10,979
	37,274	10,979

South African Pharmacy Council

Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

	2018	2017
8. Trade and other payables		
Trade payables	1,034,263	1,763,207
Income received in advance	40,186,761	37,092,052
Employee leave days	1,640,742	1,870,976
Other payables	2,009,733	97,245
	44,871,499	40,823,480
9. Revenue		
Annual fees	54,054,823	51,460,355
Evaluation, re-inspection and fines	8,839,277	9,898,684
Examination fees	298,011	594,393
Registration fees	15,842,621	17,726,098
	79,034,732	76,679,530
10. Other income		
Insurance claim received	90,938	16,165
Other income	926,096	423,599
Profit and loss on sale of assets and liabilities	106,130	-
Sponsorship	11,400	-
	1,134,564	439,764
11. Operating profit		
Operating profit for the year is stated after accounting for the following:		
Profit/(loss) on sale of assets	106,130	(24,533)
Amortisation of intangible assets	289,960	231,607
Depreciation on property, plant and equipment	2,109,188	1,255,762
Employee costs	47,713,092	42,119,891
Research and development	364,364	69,530
12. Investment income		
Interest revenue		
Bank	2,359,481	2,412,625
13. Finance costs		
Bank	9,180	6,015
	9,180	6,015
14. Auditor's remuneration		
Fees	139,719	168,195

South African Pharmacy Council

Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

	2018	2017
15. Cash generated from operations		
Profit before taxation	3,970,500	8,363,527
Adjustments for:		
Depreciation and amortisation	2,399,148	1,487,369
(Profit)/loss on sale of assets	(106,130)	24,533
Interest received	(2,359,481)	(2,412,625)
Finance costs	9,180	6,015
Impairment of investment property	33,322	-
Movements in security deposits	(1,713)	(1,713)
Changes in working capital:		
Increase in trade and other receivables	(61,835)	2,274,199
Decrease in trade and other payables	4,048,019	(2,476,591)
	7,931,010	7,264,714

16. Commitments

Authorised capital expenditure

Already contracted for but not provided for

Property, plant and equipment	-	578,596
Not yet contracted for and authorised by Council	2,339,000	3,151,664
	2,339,000	3,730,260

This committed expenditure relates to plant and equipment and will be financed by funds internally generated.

Operating leases - as lessee (expense)

- within one year	23,387	10,979
- in second to fifth year inclusive	13,887	-
	37,274	10,979

17. Related parties

Relationships

Key management personnel are those members having authority and responsibility for planning, directing and controlling the activities of the council. Key management personnel include the councillors, committee members and executive management. Executive management includes the Registrar, Chief Operation Officer and General Manager: Finance/CFO.

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

Council members, in relation to attendance of meetings-

Allowances	1,087,531	733,911
Council and sub-committee member fees	414,432	420,035
Locum fees	108,807	168,441
Preparation fees	95,837	107,263
Transport	846,718	904,962
Compensation of executive management	4,920,833	4,192,036

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.

South African Pharmacy Council

Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

2018

2017

20. Financial risk management

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

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

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 2018, the carrying values of trade payables, cash and accrued expenses are assumed to approximate their fair values due to the short-term maturities of these financial statements.

21. Prior Period Errors

Membership and registration fees

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

	2017	2016	2015
Revenue			
- Annual fees	37,615	24,932	37,309
- Registration fees	132,743	17,807	136,609
Trade receivables	170,358	42,739	173,918
Retained income	170,358	42,739	173,918

Fixed assets accumulated depreciation

During the process of reviewing the fixed asset register Council identified error of assets at R1 value that are still in use. The error has been corrected through retrospective restatement of the comparative figures in the current reporting period's financial statements. The carrying value of fixed assets and retained earnings was increased due to adjustment of accumulated depreciation.

Furniture and fittings	18,589
IT equipment	500,761
Motor vehicles	93,289
Office equipment	153,326
Retained earnings	765,956

South African Pharmacy Council

Annual Financial Statements for the year ended 31 December 2018

Detailed Income Statement

	Note(s)	2018	2017
Revenue			
Annual fees		54,054,823	51,460,355
Evaluation, re-inspection and fines		8,839,277	9,898,684
Examination fees		298,011	594,393
Registration fees		15,842,621	17,726,098
	9	79,034,732	76,679,530
Other income			
Insurance claim received		90,938	16,165
Other income		926,096	423,599
Profit on sale of fixed assets		106,130	-
Sponsorship		11,400	-
	10	1,134,564	439,764
Investment income			
Interest received		2,359,481	2,412,625
	12	2,359,481	2,412,625
Expenses (Refer to page 66)			
Operating profit		(78,549,097)	(74,162,377)
Finance costs		11 3,979,680	8,369,542
	13	(9,180)	(6,015)
Profit for the year		3,970,500	8,363,527

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

South African Pharmacy Council

Annual Financial Statements for the year ended 31 December 2018

Detailed Income Statement

	Note(s)	2018	2017
Operating expenses			
Advertising and promotions		(169,386)	(200,220)
Allowances		(1,087,531)	(733,911)
Auditors' remuneration		(139,719)	(168,195)
Bad debts and provision for doubtful debts		(2,464,457)	(5,454,079)
Bank charges		(860,022)	(692,952)
Cleaning		(77,393)	(31,830)
Committee meeting expenses		(459,741)	(487,485)
Computer expenses		(3,823,611)	(3,717,170)
Conferences		(251,947)	(113,395)
Consumables		(177,211)	(138,180)
Council and sub-committee member fees		(414,432)	(420,035)
Curriculum development		(2,668,978)	(2,543,793)
Depreciation, amortisations and impairments		(2,399,148)	(1,487,369)
Disciplinary fees		(72,538)	(54,033)
Employee costs		(47,713,092)	(42,119,891)
Impairment – Investment property		(33,322)	-
Inspection fees		(3,240,997)	(3,988,574)
Insurance		(290,803)	(239,657)
Lease rental on operating lease		(450,746)	(429,287)
Legal expenses		(194,225)	(91,050)
Locum fees		(108,807)	(168,441)
Loss on sale of fixed assets		-	(24,533)
Office expenses		(2,802,492)	(2,620,736)
Postage		(897,853)	(888,269)
Preparation fees		(95,837)	(107,263)
Printing and stationery		(1,032,917)	(1,234,807)
Repairs and maintenance		(1,507,674)	(1,167,877)
Research and development costs		(364,364)	(69,530)
Security		(542,943)	(630,099)
Telephone and fax		(1,603,000)	(1,952,425)
Training		(595,947)	(728,542)
Transport expenses		(846,718)	(904,962)
Utilities		(1,161,246)	(553,787)
		(78,549,097)	(74,162,377)

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

Glossary of Terminology

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

Notes



**South African
Pharmacy Council**

SOUTH AFRICAN PHARMACY COUNCIL

SAPC Building
591 Belvedere Street, Arcadia, 0083

Tel: 0861 7272 00 or 0861 SAPC 00 • Private Bag X40040, Arcadia, 0007
E-mail: customercare@sapc.za.org • Website: www.sapc.za.org

Fax: +27 (0) 12 321 1492 or +27 (0) 12 321 1479
ISBN: 978-0-6398363-0-0