

SOUTH AFRICAN PHARMACY COUNCIL
ANNUAL REPORT
2011



South African
Pharmacy Council



**After climbing a great hill,
one only finds that there are
many more hills to climb.**

Nelson Mandela



SOUTH AFRICAN PHARMACY COUNCIL

ANNUAL REPORT 2011

Dr Aaron Motsoaledi
Minister of Health

In terms of the Pharmacy Act, 53 of 1974, it is a pleasure to submit the Annual Report
on the activities of the South African Pharmacy Council for the period
1 January to 31 December 2011.



OMB Pharasi
President



TA Masango
Registrar/CEO



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VISION

Quality pharmaceutical service for all the people in South Africa

MISSION

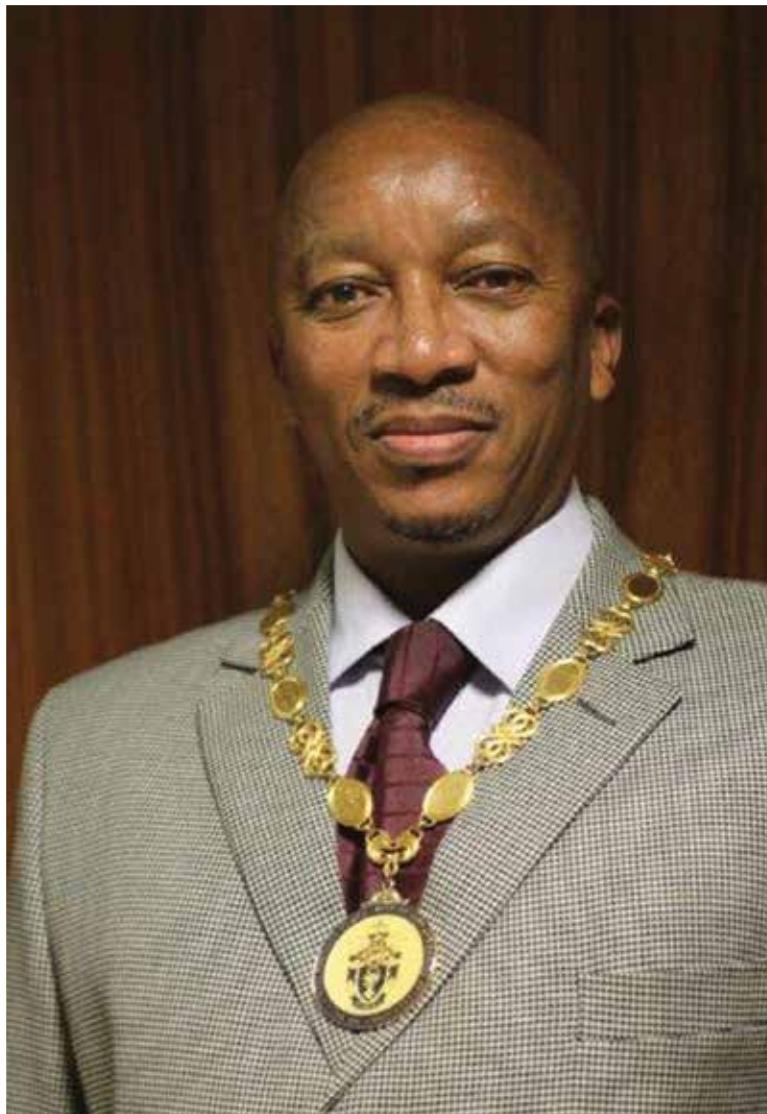
To ensure the provision of quality pharmaceutical services in South Africa by developing, enhancing and upholding:

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

CORE

- Batho Pele (people first)
- Accountability
- Ethics
- Excellence
- Professionalism

BADA PHARASI - SAPC PRESIDENT



When we prepared the report for the previous two years, I remarked that the activities reported on in 2009/2010 were reflective of the thought process and brainstorming that had characterised the work of council in ensuring the highest standards of pharmacy training and practice were maintained. The importance with which council views maintenance of the highest standards could not have been illustrated more soundly than the decision to disallow one of the country's few pharmacy schools from having a first year intake. Difficult and painful as it was, and probably unprecedented in the history of health education in this country, it was a course of action that was deemed to be in the best interests, firstly, of the students directly affected and, secondly, of pharmacy education and training in South Africa.

PRESIDENT'S MESSAGE

FOREWORD

It is not where you start but how high you aim that matters for success

- Nelson Mandela -

It is also worth taking cognisance of the fact that the purpose of the existence of the Pharmacy Council is primarily to regulate the profession of pharmacy in the interests of the general public. To this end, council makes use of various communications to remind pharmacists and pharmacist's assistants of the oath that commits them to providing services to members of the public in a manner that observes the highest ethical standards. Council's Code of Conduct prescribes the imposition of appropriate sanctions when the oath and ethics are violated.

The issue arises particularly following a report that members of Parliament's Portfolio Committee on Health have bemoaned what appears to be a lenient attitude on the part of the health statutory councils concerning transgressions by members of the health profession.

This prompted me to investigate the performance of the Pharmacy Council. I am happy to state categorically that investigating complaints and allegations against pharmacists and pharmacy support personnel remains a priority for the Pharmacy Council. In 2011 the Office of the Registrar received just over 300 complaints and allegations, of which just under 80% were finalised in the year under review, either by way of the Committee of Preliminary Investigations, the Committee of Informal Inquiry or the Committee of Formal Inquiry. Of course, one of the difficulties facing statutory health councils in pursuing disciplinary matters is the onerous task of investigations and to obtain sufficient evidence for successful prosecution of alleged offenders.

Council continues to ensure that all complaints and allegations are addressed in an effective and efficient manner to ensure impartiality and justice. In fact, there was a 10% increase in the number of complaints received (308 in 2011 compared to 280 in 2010). Of these, 62 were submitted online, evidence that Council is continuously reaching out to an increasing number of stakeholders through its online facility.

Regrettably, something that tends to put an unfair blemish on the integrity of the pharmacy profession is the increasing trend in the public sector

whereby pharmacists in key positions are being suspended without any apparent indication of the charges or clear-cut disciplinary action on the horizon. Several such cases were witnessed in 2011. Council is not in a position to preside on the guilt or otherwise of such pharmacists until the cases have been finalised through proper due process.

The above untoward occurrences aside, a myriad of positive activities kept council busy in 2011, as will be evident from the various sections of the report. Two Board notices relating to education and training were published in 2011. These involved the qualifications and scopes of practice required for the registration of the Authorised Pharmacist Prescriber (APP), the Pharmacy Technical Assistant (PTC) and the Pharmacy Technician (PT). The APP qualification will permit community pharmacists to do limited diagnosing and prescribing in resource-limited communities, applying the Primary Health Care Standard Treatment Guidelines and Essential Medicines List. The PTA and PT qualifications will allow persons with formal skills in medicines' management, handling medicines at the PHC level, freeing nursing personnel to concentrate on key nursing functions.

The year also witnessed developments in the CPD on-line recording system and CPD regulations; website and register system development, allowing for on-line applications and payment of fees, together with many other enhancements intent on improving and making pharmacy a better experience for the public.

Encouraged and inspired by the leadership of the Minister of Health, Dr Aaron Motsoaledi, and his measures aimed at making healthcare accessible and affordable to all members of the public, I would encourage the broader family of the pharmacy profession to endeavour to increase their efforts in ensuring pharmacy confidently affirms its place as a member of the healthcare fraternity of this country, and, above, all find their niche in support of National Health Insurance.

AMOS MASANGO - REGISTRAR/CEO



Partnership with National Department of Health

Partnership to improve health of the public with NDoH was enhanced through various communication including bilateral meetings. The Deputy Minister, Dr GM Ramokgopa and the Director-General of Health, Ms MP Matsoso, took time off their busy schedules to meet with Council and to share government's vision on health. The improved communication led to effective consultation on pharmaceutical policy development.

REGISTRAR'S MESSAGE

A good head and a good heart are always a formidable combination

- Nelson Mandela -

Strategic focus areas

The Registrar as accounting officer is in overall control of the office of council and its strategic objectives.

This executive summary highlights the following strategic outputs for the period under review:

- (a) Fulfilling role and responsibilities as prescribed in the Pharmacy Act, 1974.
- (b) Ensuring effective communication with all stakeholders.
- (c) Ensuring co-operation, co-ordination and quality assurance of all activities in the office of council.
- (d) Administration of office of council.
- (e) Provide secretarial services to council and committees.

In the year 2011 Council maintained focus on fulfilling its mandate ensuring good pharmaceutical care for the public through enhancing standards in pharmacy education and training, practice, maintenance of registers, professional conduct and disciplinary enquiries. A lot was achieved on the core functions despite financial challenges being common cause world-wide.

Pharmacy Education and Training

Council continued to monitor providers of education and training for quality assurance. The effort to increase mid-level workers was boosted by the finalisation of relevant qualifications. For instance, the Pharmacy Technical Assistants, Pharmacy Technicians and Authorised Pharmacist Prescriber qualifications were developed. The code of conduct for registered assessors and moderators as well as guidelines for assessment of portfolios was also finalised.

Pharmacy Practice

The standards for pharmacy continued to be assessed by reviewing the Good Pharmacy Practice document being in line with current

developments in the pharmacy sector. The types of pharmacies under each category were expanded to cover services that always fell outside the normal category of pharmacies in terms of section 35(A) (a)(ii) of the Pharmacy Act. Compliance was also monitored through inspection of pharmacies as prescribed.

Maintenance of registers and Continuing Professional Development

The membership database for registered persons, commonly known as "the register system" was rolled out online and web enabled. The roll out introduced to member's a self-service functionality. With these features members are able to amend their particular details as well as make payment of relevant fees. CPD component development also reached an advanced stage. Regulations relating to CPD were published for comment. Once the regulations are finalised, it will be obligatory for pharmacists to participate in CPD.

Professionalism

Council continued to foster professionalism by incentivising quality care through the Excellence in Healthcare Awards. To improve pharmaceutical personnel to patient ratio, which is one of the key indicators of pharmaceutical care, the Human Resource Plan for Pharmacy in South Africa was developed. The plan provides strategies for narrowing the gap from the current ratio of 3849 population per pharmacist to WHO recommended 2300.

Transparency and accountability

The annual financial statements were approved within six months of year-end, with a favourable audit opinion. Despite financial challenges the organisation remained a going concern with credit due to the management team, Audit Committee, Council and other stakeholders.

We must use time wisely and forever realise that
the time is always ripe to do right.

Nelson Mandela

COMPOSITION OF THE SOUTH AFRICAN PHARMACY COUNCIL

The South African Pharmacy Council (Council) is an independent statutory body created by the legislature in recognition of the pharmacy profession as an exclusive occupational group. Council is vested with statutory powers of peer review and is responsible for its own funding.

Council is representative and consists of 25 members' namely, 16 members appointed by the minister of health; and nine members elected by pharmacists. Of the 25 council members, 21 are pharmacists.



ROLE AND FUNCTIONS OF COUNCIL

In terms of the Pharmacy Act, 53 of 1974, council has the following objectives:

- (a) to assist in the promotion of the health of the population of the Republic of South Africa.
- (b) to advise the health minister, or any other person, on any matter relating to pharmacy.
- (c) to 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.
- (d) to uphold and safeguard the rights of the general public to universally acceptable standards of pharmacy practice in both the public and private sectors.
- (e) to establish, develop, maintain and control universally acceptable standards in:
 - (i) pharmaceutical education and training;
 - (ii) 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 that person is registered;
 - (iii) the practice of the various categories of persons required to be registered in terms of the Act;
 - (iv) the professional conduct required of persons to be registered in terms of the Act;
 - (v) the control of persons registered in terms of this Act by investigating in accordance with this Act complaints or accusations relating to the conduct of registered persons;
- (f) to be transparent to the profession and the general public in achieving its objectives, performing its functions, and executing its powers.
- (g) to maintain and enhance the dignity of the pharmacy profession and the integrity of persons practising that profession.

PRIMARY GOAL OF COUNCIL

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

REGISTRATION

By law, council maintains a register of pharmacists who are competent to practise, to ensure the safety of the public. Only pharmacists who are on the register may practise. In this regard, council has two duties to discharge, namely:

- (a) to ensure that practitioners admitted to the register are competent;
- (b) to remove those practitioners who are unfit to practise.

The maintenance of a register is to the advantage of those whose names are registered as this confirms public recognition on the competent practitioner who will thus be able to command a reward for his/her service. Council also oversees the continuing professional development of pharmaceutical personnel in the country.

EDUCATION

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

CONTROL OF PRACTICE

Council plays a role in the establishment, development, maintenance and control of standards of professional practice and monitoring of the standard of practice by way of inspection of premises.

CONTROL OF PROFESSIONAL CONDUCT

With regard to professional conduct, the duties of council are discharged according to strict legal principles following complaints lodged against registered persons. The need for impartiality is self-evident and implies the observance of legal requirements as well as the rights of all parties concerned.

ADVICE TO HEALTH MINISTER

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

STANDING COMMITTEES OF COUNCIL

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

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

Education Committee considers and reports on all matters relating to the establishment, development, maintenance and control of universally acceptable standards in pharmaceutical education and training, including the approval of providers of education and training and the courses offered by providers, examinations, the evaluation of educational qualifications and exemptions from examinations. It may also deal with other matters delegated to it by Council.

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

Preliminary Investigation Committee conducts investigations in terms of Chapter II of the Regulations relating to the Conduct of Inquiries held in terms of Chapter V of the Pharmacy Act, 1974.

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

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

Appeal Committee considers and reports on matters relating to persons whose rights may have been adversely affected by any decision of council, a committee of council, or the Registrar pertaining to the registration, suspension or cancellation of a pharmacy, or registered person , entitled to carry on the business of a pharmacist in terms of the Act, may, in the prescribed manner, appeal against such decision before the Appeal Committee.

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

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

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

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

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

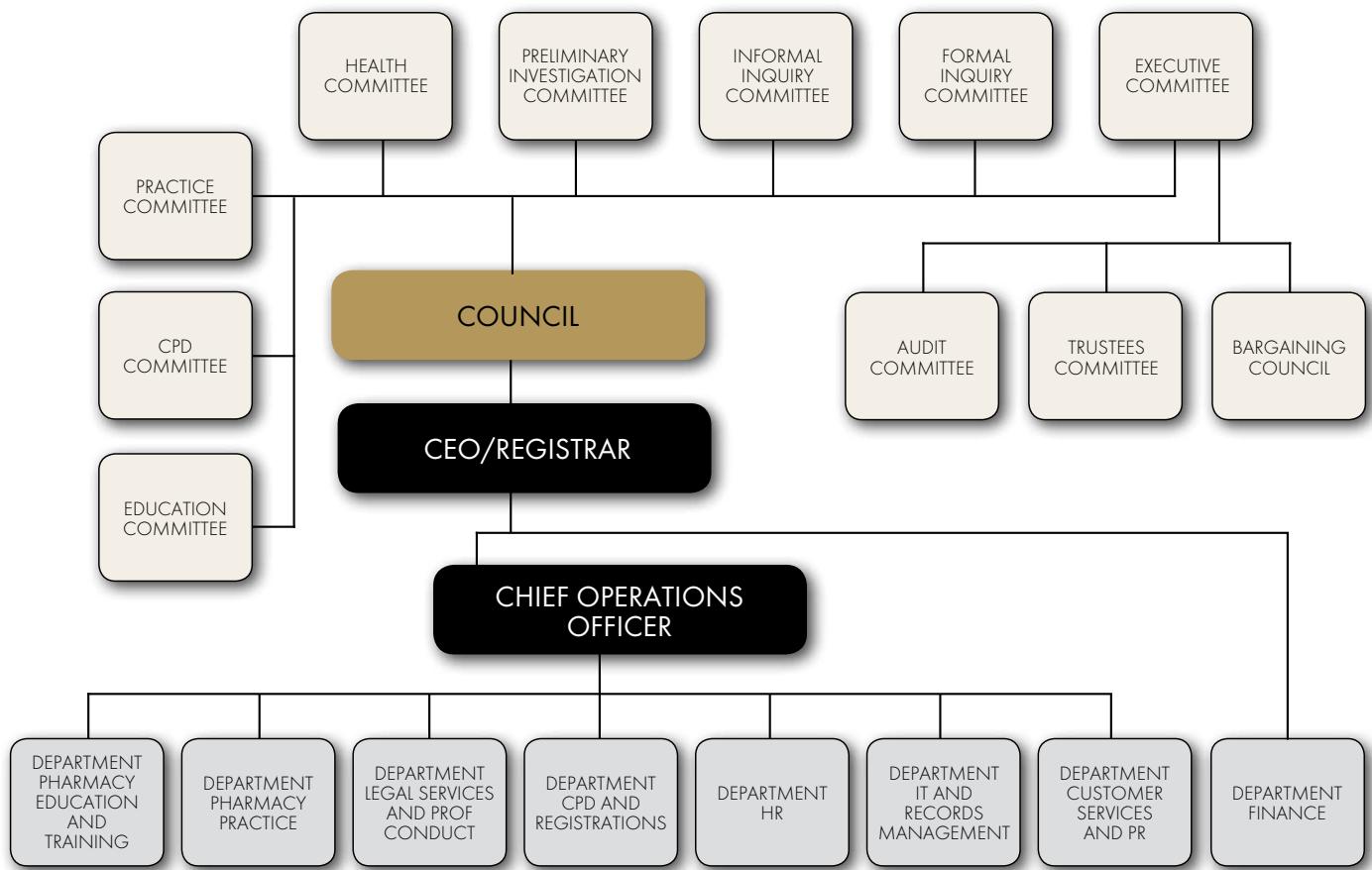
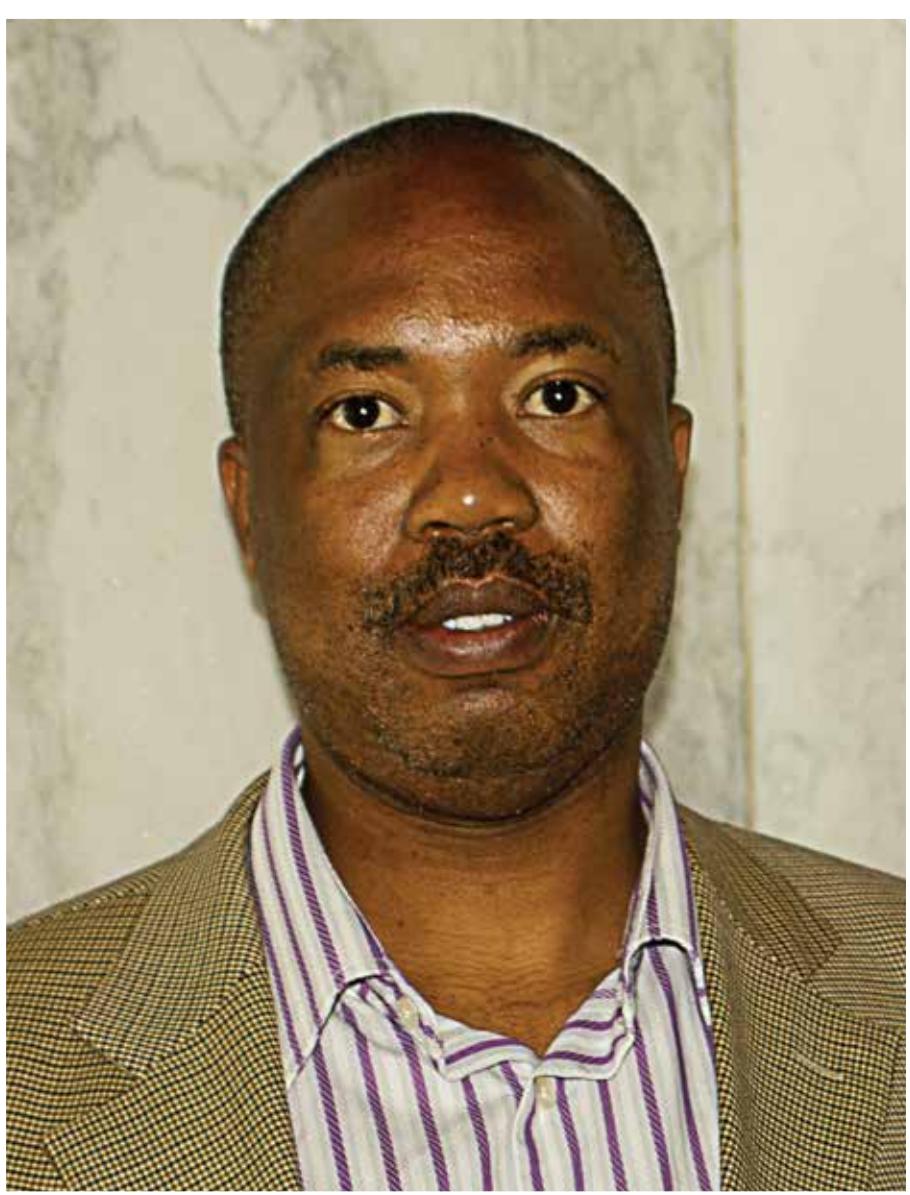


FIGURE 1: Structural relationship between committees and Office of Registrar

DECLARATION OF INTEREST

In the interests of transparency and good governance, a “declaration of interest” form is completed at the first meeting of council every year and is a standard item on the agenda of all committee and council meetings. The declaration of interest requires all members of council to perform their duties and exercise their powers diligently and honestly at all times. Council members must fulfil all obligations imposed upon them by the Pharmacy Act, 53 of 1974, and must act in good faith and in the best interest of good governance. All councillors must act in a manner that is consistent in every respect with the integrity of their office and that of council.

VINCENT TLALA
CHIEF OPERATING OFFICER



CORPORATE SERVICES

EXECUTIVE COMMITTEE

During the year under review the Office of the Registrar facilitated three sit-ins, one special and three teleconference meetings of the Executive Committee, chaired by the President, Mr Bada Pharasi.

BADA PHARASI
CHAIRPERSON:
EXECUTIVE COMMITTEE



**It always seems impossible
until it's done**

Nelson Mandela

STRATEGIC FOCUS AREA

The activities of corporate services are primarily focused on five strategic objectives of council:

- (a) Assist in the promotion of health of the population of the republic.
- (b) Advise the Minister of Health or any other person on any matter relating to pharmacy.
- (c) To provide managerial and administrative support to the Office of the Registrar.
- (d) Coordinate the activities of council by appointing committees.
- (e) Promote transparency to the profession and the general public.

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

INTERACTION WITH STAKEHOLDERS

Interaction with stakeholders with a primary focus on quality service delivery remains a top priority in the office. From the development of interactive self-service functionality on council's website to actually engaging stakeholders at every opportunity to entrench council's brand message of ensuring quality pharmaceutical services nationwide.

The Office of the Registrar interacted with various stakeholders which, in one way or the other, affect the rendering of pharmaceutical services in South Africa. Amongst others this involved attending the following, i.e. the National Department of Health' meetings (on Licensing of pharmacies, Setting up a statutory Office of Health Standards Compliance, National Health Research Summit, Consultation meeting on draft Human Resource Strategy for Health, Launch of the HR Strategy for Health, Consultative meeting on National Health Insurance), the Minister of Health's debate on the Health Budget Vote, Annual conferences and congresses (Limpopo Health Pharmacy, Pharmacy Conference [PSSA, SAPC and Commonwealth Pharmacists Association], Inaugural Conference of the SA Society of Clinical Pharmacists, Clicks Pharmacy, Gauteng Health Pharmacy, International Conference on Pharmaceutical and Pharmacological Sciences, SA Association of Hospital and

Institutional Pharmacy, Board of Healthcare Funders and Congress of International Pharmaceutical Federation [FIP] held in Hyderabad, India), South African Qualifications Authority invitations (Regional roadshow on registration of professional bodies, International NQF Symposium), Department of Higher Education and Training meetings (Accreditation of the University of Limpopo, Turfloop Campus, B.Pharm programme; Ministerial meeting with Professional Bodies in SA), the SA Nursing Council matters (Assisting with CPD development, Attending National Nursing Summit), Gauteng Health (Training and registration of pharmacist's assistants, Accreditation of Further Education and Training providers), meetings with Heads of Pharmaceutical Services, Department of Trade and Industry (Research on Human Capital Outlook for Skills Development), SA Council for Natural Scientific Professions, Opening of a simulation pharmacy by North West University, WHO's Regional consultation on scaling up capacity of health workforce for improved health services, Oath taking by Medunsa/Tshwane University of Technology[TUT], UTI Pharma's ground-breaking ceremony of new distribution facility, CHE/HEQC (Statutory Professional Bodies forum), Pharmacy Awareness Campaigns (Medunsa/TUT campaign, Interviews on RSG and Kyknet), Corporate Governance and Anti-Corruption workshop, and last but not least, attending the Annual Pharmacy Indaba of the Pharmaceutical Society of Zimbabwe and also an interview on a documentary series that deals with medical errors.

These interactions assist council in benchmarking quality standards of practice and education, but most importantly, support to pharmacy industry.

DEPUTY MINISTER AND DIRECTOR GENERAL: HEALTH - VISIT TO COUNCIL

The South African Pharmacy Council was honoured to be visited by Dr GM Ramokgopa, the Deputy Minister of Health on July 13, 2011. The visit was perfectly timed as it coincided with the 3rd annual council meeting in 2011. It was her first visit to council since her appointment in November 2010.

The Director-General of Health, Ms M P Matsoso, visited the South African Pharmacy Council on May 10, 2011, to share her views and NDoH strategic issues with council. It was also the first time she had visited council since her appointment in 2010. She shared with council,

PHARMACY AWARDS

THE FOLLOWING WINNERS WERE RECOGNISED BY THE DEPUTY MINISTER ON THE EVENING:

PHARMACIST OF THE YEAR

The National Pharmacist of the year was scooped by **Mr Salomon van Staden**. The recipients of the 1st and 2nd runners-up award were **Fairoza Mohamed** and **Louise Algera** respectively.

A L-R: Dr Siboniseni Dlomo, MP, MEC for Health: KwaZulu-Natal; Salomon van Staden, 2011 National Pharmacist of the year, Dr GM Ramokgopa, Deputy Minister of Health and Bada Pharasi, President: SAPC.

PHARMACIST'S ASSISTANT OF THE YEAR

The National Pharmacist's Assistant of the year award was scooped by **Magdeline Klaasen**. The jointly awarded 1st runners-up were **Claudette Jasson** and **Chrisseline Hendricks**. (Below)

B L-R: Dr Siboniseni Dlomo, MP, MEC for Health: KwaZulu-Natal, Magdeline Klaasen, 2011 National Pharmacist of the year; The Deputy Minister, Dr GM Ramokgopa, Deputy Minister of Health and Bada Pharasi, President: SAPC

C Below L-R: Chrisseline Hendricks with Bada Pharasi, President: SAPC in the middle and Claudette Jasson (2011 National Pharmacist's Assistant joint 1st runners-up).



A



B



C

challenges facing healthcare in this country, challenges of access to healthcare and why a country like South Africa needs National Health Insurance (NHI). Council welcomed her visit and would be interested in being party to South Africa's future healthcare challenges. She reminded council members that she is a registered pharmacist, and has kept up to date with her registration commitment.

QUALITY SUMMIT AND EXCELLENCE IN HEALTHCARE AWARDS – PHARMACY AWARDS

The National Department of Health, professional associations and regulators in the health professions field, announced the winners of the annual awards for outstanding performance, on 21 November 2011 at an event held at Birchwood centre, Boksburg, Ekurhuleni. A clean sweep in both 2011 pharmacy award categories for the Western Cape. The awards were sponsored by Aspen Pharmacare, Clicks Pharmacy and Medirite Pharmacy.

HIGH PRIORITY CASE AND MEDIA REPORT

During the course of 2011 council attended to a number of media reports which included a Carte Blanche investigative insert into pharmacies in the KwaZulu-Natal region where medication was dispensed without prescriptions. Based on the information provided, inspections of these pharmacies took place even before the insert was aired to the public.

HUMAN RESOURCE PLAN FOR PHARMACY

In an effort to assist the Minister of Health in addressing pharmacy human resource challenges within the Republic of South Africa (RSA), council has developed a human resources (HR) plan for the profession. The document provides a comprehensive analysis of the state of the pharmacy profession with regard to education of personnel, professional practice as well as a comparison with international trends.

As at April 2010, 12,813 pharmacists and 9,071 pharmacist's assistants registered with council. Of the registered pharmacists the majority (63%) were recorded as practising in the private sector,

compared to 29% in the public sector, while 8% had undefined sectors of practice. A significant shift in the proportion of pharmacists working in the public sector, from 12% in 2004 to 29% in 2010, was observed. Community and institutional practice dominate the pharmacy workforce accounting for 43% and 35% of pharmacists respectively.

As at 2010, 4,281 pharmacies registered in South Africa. The overall number of registered pharmacies has increased by 17.2%, from 3,712 in 2001. The majority of pharmacies on council's register were community pharmacies (67%), followed by public institutional pharmacies (15%). manufacturing, wholesale and private institutional pharmacies, each constituted 6% of the pharmacies, while consultant pharmacies constituted 0.3%.

Comprehensive monitoring and evaluation of pharmacy human resources is required in order to enforce policies and undertake planning for the profession. In addition, many challenges that require further research have been identified in this report.

CORPORATE GOVERNANCE

Corporate governance was promoted by way of offering administrative support to the Audit Committee, drafting financial statements and review of relevant charters in line with King III Report. Three meetings were held for the Audit Committee in line with the Audit Committee Charter, to promote good corporate governance, the charters and policy below were reviewed.

- (a) Audit committee charter
- (b) Internal audit charter
- (c) Council charter
- (d) Whistle-blowing policy

Further, on 19 September 2011, a one day corporate governance workshop was arranged for executive management to keep abreast of developments pertaining to the King III Report and the Companies Act, at Gallagher Estates in Midrand, Johannesburg. Annual financial statements for the year ended 31 December 2011 were presented and approved by council within 6 months of year end in line with the Companies Act.

TENDER AND SERVICE LEVEL AGREEMENTS

The Department Corporate Service is responsible for facilitating the tender processes and management of various service level agreements with a range of different service providers. In 2011 the department organised three Tender Committee meetings and facilitated the signing of six service level agreements. These ranged from, telecommunications, internet connectivity, software development and office automation solutions. Another highlight was the drafting of pharmacy qualifications and the awarding of a tender to the courier for distribution of new registration cards. The department was tasked with the appointment of a service provider to assist council with its organisational reviews, and design/work-study during 2011 financial year, and the appointment of an office automation solutions service provider.

ORGANISATIONAL REVIEW AND STRUCTURE

In December 2011, council approved a new organisational structure which will be implemented over a period of three years within budgetary constraints and in compliance with labour relations.

The approved structure consists of three clusters, established to bring the commonality, synergy and enhance productivity within the organisation, particularly in the area of Professional Affairs and Standards and Communications and Stakeholder Relations. These were coupled together in order to strengthen operations and ensure optimal service delivery. All council's auxiliary services (Finance, Human Resources, Information Technology & Legal Services) were joined as one to form a Support Cluster. These separate wings were established to enable improved revenue collection in the Finance Department and introduce Internal Auditing to quality assure the functions of council.

POLICY DEVELOPMENT

Existing policies continued to be revised in 2011 in line with good governance principles and enhancing the working of the Office of the Registrar. New policies include the development and implementation of a range of Information Technology (IT) policies as corporate data. These associated resources are business critical assets requiring a high level of protection. A complete list of IT policies developed is outlined on page 57 as part of the Department: IT and Records Management report for the period under review.

L-R: Lister Mabuza, PA to the COO; Vincent Tlala (COO); Amos Masango (Registrar/CEO);
Middle: Anelda Gillmer, PA to the Registrar/CEO



PROFESSIONAL

HLONEKHAYA MASIZA

SENIOR MANAGER: EDUCATION & TRAINING



PHARMACY EDUCATION AND TRAINING

DEPARTMENTS

EDUCATION COMMITTEE

The Education Committee met on four occasions in 2011 guided by the chairperson, Ms Shirley-Ann Boschmans. The committee considered developments relating to pharmacy education and training during the year.

SHIRLEY-ANN BOSCHMANS
CHAIRPERSON:
EDUCATION COMMITTEE



Education is the most powerful weapon which you can use to change the world

Nelson Mandela

THE EDUCATION COMMITTEE

The Education Committee met on four occasions in 2011 guided by the chairperson, Ms Shirley-Ann Boschmans. The committee considered developments relating to pharmacy education and training during the year. These included, inter alia, the compiling of Good Pharmacy Education Standards for finalising in 2012, the revision of the internship process, development of standards for three new qualifications, i.e. Pharmacy Technical Assistants (PTA), Pharmacy Technicians (PT) and Authorised Pharmacist Prescribers.

The curriculum outline of PTA and PT qualifications were developed in 2011 and will be finalised in 2012. Review of the Primary Care Drug Therapy (PCDT) course, the implementation of the revised Bachelor of Pharmacy qualification, the implementation of the revised qualifications for pharmacy support personnel, specialities in pharmacy, monitoring visits to providers of education and training, submission of portfolios

by pharmacist interns, extension of accreditation of council as an Education and Training Quality Assurance (ETQA) body, professional examinations, and accreditation of providers and applications for recognition of foreign qualifications. The Education Committee approved the results of a number of examinations conducted by council and appointed new examiners and moderators for these examinations.

A Code of Conduct for registered assessors and moderators, guidelines for the assessment of portfolios and various policies relating to education and training were developed and approved by council. Professor Walker took over from Professor Milne as the new chairperson of the Heads of Schools Committee in 2011, and attended the meetings of the Education Committee.

STRATEGIC FOCUS AREA

The activities of the Pharmacy Education and Training Department are focused as one of the strategic objectives of council i.e. the planning, organising, providing guidance in establishing, developing and maintaining universally acceptable standards in pharmacy education and training.

In line with this strategic focus, the department is responsible for managing all procedures : intended to declare a person competent, prior to registration; the accreditation and approval of providers and courses in terms of the Pharmacy Act, 53 of 1974 and the SAQA Act; at promoting quality amongst constituent providers of pharmacy education and training; managing all Education and Training Quality Assurance (ETQA) related functions; generating standards for pharmacy related qualifications; managing education and training-related projects, as well as providing secretarial services to the Education Committee.

MANAGE ALL ACTIONS AIMED AT DECLARING A PERSON COMPETENT PRIOR TO REGISTRATION IN TERMS OF THE PHARMACY ACT

Pre-registration intern year

The Pre-registration year is a practical year prescribed by legislation to take place after completion of a 4 year undergraduate training. The year ensures that anyone registering as a pharmacist is competent to practice. Every intern is required to pass the pre-registration evaluation (i.e. examination and portfolio) and obtain favourable progress reports from his/her tutor. At least 412 new registrations were done in 2011.

Information sessions for 4th year students.

Eight sessions were conducted i.e. one at each pharmacy school. These sessions are done to prepare the students for internship and especially to familiarise them with the internship programme, the registration requirements and any new council decisions to be implemented.

Tutor/intern workshops

Nine tutor/intern workshops were conducted. These workshops were held in each province. The purpose of the workshops is to empower the tutor and pharmacist interns on being successful in ensuring competence during the internship year.

Pre-registration examinations

EXAMINATION DATE	CANDIDATES	PASSED	FAILED
11 March 2012	54	11	43
1 July 2012	344	234	110
7 October 2012	169	84	85

TABLE 1: Pre-registration examination results

Three pre-registrations examinations were held in March. 54 wrote the examination and 11 passed; In July 344 wrote the examination and 234 passed and in October 169 wrote the examination and 84 passed.

As a result of the high failure rate, the Office of the Registrar was requested by council to approach institutions where these interns obtained their undergraduate studies to find out whether the institutions concerned will be able to assist and offer remedial training for these interns.

Interns who failed, but had completed 12 months of internship were allowed to move from their current employment provided they ceded their internship contract.

There are institutions offering these remedial programmes to interns e.g. MEDUNSA.

RECOGNITION OF FOREIGN QUALIFICATIONS

Evaluation of credentials for foreign qualified persons

The evaluation is done in order to assess if the candidate can sit for the examinations prescribed by council in order to register in any category prescribed by the Pharmacy Act.

NUMBER OF CANDIDATES	APPROVAL TO REGISTER AS A PHARMACIST INTERN AFTER SUCCESSFUL COMPLETION OF THE PROFESSIONAL EXAMINATIONS	APPROVAL TO REGISTER AS A PHARMACIST AFTER SUCCESSFUL COMPLETION OF THE PROFESSIONAL EXAMINATIONS	APPROVAL TO REGISTER AS A LEARNER POST-BASIC PHARMACIST'S ASSISTANT
38	26	11	1

TABLE 2: Foreign qualified results

Professional examinations

The professional examination, which comprises of four papers (i.e. Pharmacology and Toxicology, Pharmacy Practice and Administration, Pharmacy Law and Ethics, Pharmaceutics and Pharmaceutical Chemistry) was held in July and October 2011.

	PHARMACOLOGY & TOXICOLOGY	PHARMACY PRACTICE & ADMIN	PHARMACY LAW & ETHICS	PHARMACEUTICS & PHARMACEUTICAL CHEMISTRY
Candidates	27	23	25	37
Passed	20	21	24	18
Failed	7	2	1	19

TABLE 3: Professional examination results

MANAGE ALL ACTIONS INTENDED FOR ACCREDITATION AND APPROVAL OF PROVIDERS AND COURSES IN TERMS OF THE PHARMACY ACT, 1974 AND SAQA ACT

Accreditation of programmes

Sixteen (16) courses were evaluated by council in 2011 and of these 11 were accredited. Eleven (11) new courses on qualifications for pharmacist's assistants, and five were accredited for CPD/short courses.

Visits to providers of education and training

Seven visits were conducted (three accreditation visits and four monitoring visits).

Monitoring visits conducted by council

A schedule of the monitoring visits to pharmacy schools conducted in 2011 is shown below:

INSTITUTION	DATE
University of Limpopo (Turffloop Campus)	24-25 March 2011 & September 2011
University of Limpopo (Medunsa/TUT Campus)	5-6 May 2011
North-West University (Potchefstroom Campus)	24-26 August 2011

TABLE 4: Monitoring visits conducted by council

A monitoring visit was conducted at Comficor which is a provider for the previous qualifications for pharmacist's assistants.

Accreditation visits conducted by council

Three accreditation visits were conducted at Ethel M. Abaluleki-Fort Hare consortium and MEDUNSA which are providers of qualifications for pharmacist's assistants. The visits are conducted to assess the capability of the providers in delivering learning programmes.

STANDARDS FOR PHARMACY RELATED QUALIFICATIONS

Development of new standards

Three new qualifications were developed i.e. the qualifications for Pharmacy Technical Assistants (PTA), Pharmacy Technicians (PT) and Authorised Pharmacist Prescribers (APP). Curriculum outline of two qualifications (PTA and PT) were developed to be finalised in 2012.

Review of the primary care drug therapy (PCDT) course

The list of medicines and conditions for PCDT were reviewed in line with the current Medicine List and Standard Treatment Guidelines.

PROMOTION OF QUALITY AMONGST PROVIDERS

Meeting of heads of pharmacy schools and providers of pharmacist's assistants' qualifications and CPD/short courses was held on 17 May 2011 and 10 November 2011 respectively.

Council resolved that a CPD workshop be conducted by the providers of the PCDT course to align these changes in the PCDT course of pharmacists who trained prior to the introduction of the new course.

The two accredited providers were required to submit jointly details of the CPD workshop and the competence assessments for approval prior to commencing with the envisaged workshops.

All registered pharmacists with a PCDT qualification, meaning the incumbent PCDT permit holders and those currently in training towards a PCDT qualification from the previous courses, are required to comply with council's requirements by attending the CPD workshop and to undertake a competency assessment as arranged by the two accredited providers. A monitoring visit to the two accredited providers of the PCDT course will be conducted in 2012 to ensure that the competency level of assessment for those who are currently in training is in line with council's requirements. A team has already been appointed by council to conduct this visit.

PHARMACY EDUCATION AND TRAINING RELATED PROJECTS

Training of pharmacist's assistants

There were 1121 learner basic and learner post-basic pharmacist's assistants released for registration as basic pharmacist's assistants or post-basic pharmacist's assistants, 3363 progress reports were

evaluated as each learner submits 3 progress reports prior to being released for registration.

There are 3757 learner basic pharmacist's assistants and learner post-basic pharmacist's assistants registered, 11271 progress reports were evaluated prior to them being released for registration as basic pharmacist's assistants or post-basic pharmacist's assistants. Currently the number of reports received could not be verified as the developer of the register system is finalising the capturing of information onto the register.

SAQA was requested to amend the rules for the qualification, National Certificate: Pharmacist Assistance in the community and institutional sectors to include the unit standard 256479 in the community sector qualification and unit standard 256484 in the institutional sector qualification. The Office of the Registrar communicated with the providers to confirm that the providers do not combine the presentation of the community and institutional sector qualifications. Each qualification sector must be presented with examples pertaining to that sector embedded into the presentation of the qualification.

Pharmacist's assistants with a previous qualification wishing to move between the community and institutional sectors are required to successfully complete 4 months of supervised practice.

Tutors were requested to continue to submit four monthly reports for learners busy with the revised qualification.

L-R: Aziza Soopee, Manager: Education & Training; Dorcas Magagula, Pharmacy Education Practitioner; Jenny Songo, Secretarial Support Officer. **FRONT:** Lynette Malan, Senior Education Officer: Quality Assurance; Hlonelikhaya Masiza, Senior Manager: Education & Training



VUYO MOKOENA
SENIOR MANAGER: PHARMACY PRACTICE



PHARMACY PRACTICE

PRACTICE COMMITTEE

Mr C Shabalala chaired the Practice Committee which met four times during the year under review.

CYRIL SHABALALA
CHAIRPERSON:
PRACTICE COMMITTEE



Lead from the front - but
don't leave your base behind.

Nelson Mandela

PRACTICE COMMITTEE

Mr C Shabalala chaired the Practice Committee which met four times during the year under review. The following are broad areas in which matters brought to the attention of the committee were dealt with, e.g. to proactively respond to the needs of the profession in delivering better pharmaceutical care; give guidance and direction to the profession on pertinent matters of pharmacy practice; continuously improve on the legislative framework, creating an enabling environment and to assist the Department of Health in achieving its objectives of issuing licences and permits to pharmacies and various categories of healthcare professionals.

Inspection questionnaires were revised and the grading model for pharmacies implemented as part of effecting council's mandate of monitoring pharmacy practice standards and ensuring compliance in the delivery of pharmaceutical care. Other core functions by the

committee included the revision of categories of pharmacies and services offered in these facilities, gazetting the minimum standards pertaining to the safe disposal of medicines after rigorous consultation processes.

In addition, the committee processed an average of 160 applications during the four meetings held in 2011 for section 22(A)15 permits, which allowed healthcare professionals to acquire, possess, use or supply any specified schedule 1, 2, 3, 4, or 5 medicine. The scope of practice for various categories of persons were also compiled, e.g. authorised pharmacist prescriber; specialist pharmacist (Industrial, Clinical, Public Health / Management Pharmacist), the committee revised and updated scope of practice of pharmacy support personnel.

STRATEGIC FOCUS AREA

The activities of the Practice Department are focused on three strategic goals of council:

- (a) Promote the provision of pharmaceutical care which complies with universal norms and values, in both the public and the private sector, with the goal of achieving definite therapeutic outcomes for the health and quality of life of a patient.
- (b) Uphold and safeguard the rights of the general public to universally acceptable standards of pharmacy practice in both the public and private sector.
- (c) To establish, develop, maintain and control universally acceptable standards of practice of the various categories of persons required to be registered in terms of the Act, and promoting the prerequisite provisions of pharmaceutical care.

PROMOTING STANDARDS OF GOOD PHARMACY PRACTICE

The work undertaken in this regard was aimed at scrutinising the provisions of section 35(A) (a) (ii) of the Pharmacy Act, which empowers council to prescribe the services which may be provided in the various categories of pharmacies, and the conditions under which these services may be provided. The categories of pharmacies are as defined in regulation 16 to 19 of the practice regulations. These regulations provide for the category of pharmacy and services that may be offered in following categories:

- (a) Manufacturing
- (b) Wholesale
- (c) Consultant
- (d) Community
- (e) Institutional

The conditions included in Good Pharmacy Practice (GPP) places certain restrictions and stringent requirements on the nature of services that can be provided by certain types of pharmacies. The provisions give guidance as to physical infrastructure, human resources as well as ownership requirements. The challenge was that the existing classification of pharmacies did not cater for or anticipate any new

and emerging challenges facing pharmaceutical services. The objective of the exercise is to expand on the provisions of section 35(A) (a) (ii) as follows:

- (a) Contend with occurrences where a pharmacy provides limited services other than that provided for in the GPP and to determine GPP requirements specifically relating to these pharmacies.
- (b) Enhance the capacity of council to regulate all relevant aspects of pharmacy, e.g. Pharmaceutical Benefit Management interventions, Public-Private Partnerships, Pharmaceutical Marketing entities, etc.

The process was initiated in 2009 and in October of 2010, the draft proposal was accepted by council as a working document. This document contained the original five categories of pharmacies with additional types attached to these categories. For instance research pharmacy would be regarded as a type of institutional pharmacy and

the pharmaceutical benefit management interventions, public-private partnerships, pharmaceutical marketing entities in the style being regarded as types of consultant pharmacies.

Council in May 2011 accepted the services to be provided in the revised categories of pharmacies including the types. This meant that the specified services would also be provided in the new types.

In summary, the following categories and types were approved by council in 2011:

CATEGORY	TYPES	
Community Pharmacy	Individual community	Mobile
	Chain community	Veterinary
	Courier	
Consultant Pharmacy	Pharmaceutical Benefit Management	Pharmaceutical information management
Institutional Pharmacy	Public hospital	SAPS
	Private hospital	Public correctional services
	Community health centre (CHC)	Private correctional services
	Compounding	Military
	Satellite	Mining
	Research	Waste disposal

TABLE 1: Category and types of pharmacies

There are no changes for the manufacturing and wholesale pharmacies.

PROMOTE COMPLIANCE TO GOOD PHARMACY PRACTICE IN BOTH PRIVATE AND PUBLIC SECTOR

In the year under review, a total number of 1500 inspections were scheduled for inspection but only 1343 inspections were concluded, refer Table 2 below. Council has noted this as an area that requires improvement. It is required that every pharmacy registered with council be inspected once every two years (two-year inspection cycle), however the unavailability of inspectors makes it difficult to attain.

As indicated earlier, steps are underway to correct the situation during 2012. The following action steps have been taken to correct the status:

- (a) An online, real-time inspection process was identified, developed and finalised for implementation as a pilot project.
- (b) A dedicated group of inspectors was identified for the pilot project.
- (c) The pilot-group was trained in October 2011 to update themselves on the new procedures.

PROVINCE	INSPECTION TYPE					GRAND TOTAL
	DISCIPLINARY	FOLLOW UP	MONITORING	NEW PREMISES	TRAINING	
Eastern Cape	2		16	2	48	68
Free State	1		42	4	39	86
Gauteng		1	157	41	251	450
KwaZulu-Natal			74	7	101	182
Limpopo			11	3	33	47
Mpumalanga			8	3	27	38
North West			17		35	52
Northern Cape			11		9	20
Unknown	2		88	14	99	203
Western Cape	1	1	63	2	130	197
(blank)						
Grand Total	6	2	487	76	772	1343

TABLE 2: Inspections conducted per province 2011 – SAPC Register

CATEGORY	INSPECTION TYPE					GRAND TOTAL
	DISCIPLINARY	FOLLOW UP	MONITORING	NEW PREMISES	TRAINING	
Academic Institution			1			1
Community	6	2	327	27	518	880
Consultant			1			1
Institutional Private			25	2	53	80
Institutional Public			64	2	166	232
Manufacturing			27	18	22	67
Wholesale			42	27	13	82
Grand Total	6	2	487	76	772	1343

TABLE 3: Inspections conducted per category of pharmacy 2011 – SAPC Register

APPROVAL OF PREMISES AND TUTORS FOR PURPOSES OF TRAINING OF PHARMACIST INTERNS AND PHARMACY SUPPORT PERSONNEL

The target to approve pharmacy premises for the purpose of training was 600; a total number of 967 applications were received as at November 2011 and 689 of these applications have been finalised.

RECOMMENDATIONS FOR THE ISSUING OF PERMITS, EXEMPTIONS AND LICENSE APPLICATIONS FOR PHARMACY PREMISES IN TERMS OF THE MEDICINES ACT, NURSING ACT AND PHARMACY ACT TO THE DIRECTOR-GENERAL OF THE DEPARTMENT OF HEALTH

The challenges of the licensing process, and possible solutions were discussed at a workshop between the MCC, DoH and the SAPC during the year under review. An MoU was compiled which detailed the payment arrangement to ensure that all parties are able to accurately account for the revenue collected and specify an operational process for handling the day to day activities pertaining to the procedures. There is an outstanding element to be implemented in 2012; this include timelines to be observed by applicants for recording the licensing and any other administrative requirements.

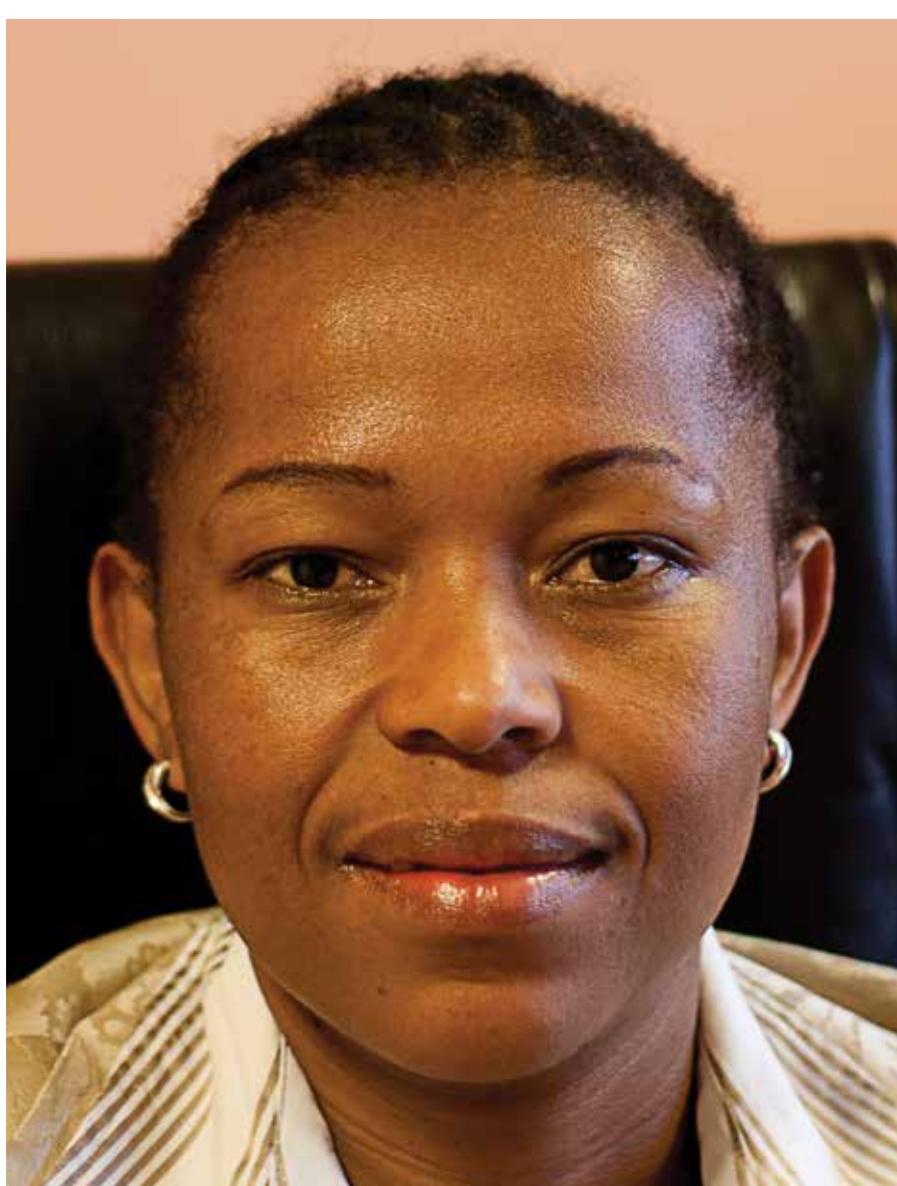
BACK (L-R): Oscar Masuku, Senior Practice Officer; Nelisiwe Manyika, Secretarial Support Officer

FRONT (L-R): Humbulani Makamu, Practice Officer; Vuyo Mokoena, Senior Manager: Pharmacy Practice; Marie Koekemoer, Pharmacy Practice Practitioner

ABSENT: Monkatsi Malatsi, Manager: Pharmacy Practice; Hanneljie Fourie, Senior Practice Officer



MOJO MOKOENA
SENIOR MANAGER: CPD & REGISTRATIONS



CPD & REGISTRATIONS

HEALTH COMMITTEE

The Health Committee, chaired by Ms S Mthiyane, met on four occasions in 2011. The committee managed 15 cases as compared to 16 cases in 2010.

SIBONGILE MTHIYANE

CHAIRPERSON:
HEALTH COMMITTEE

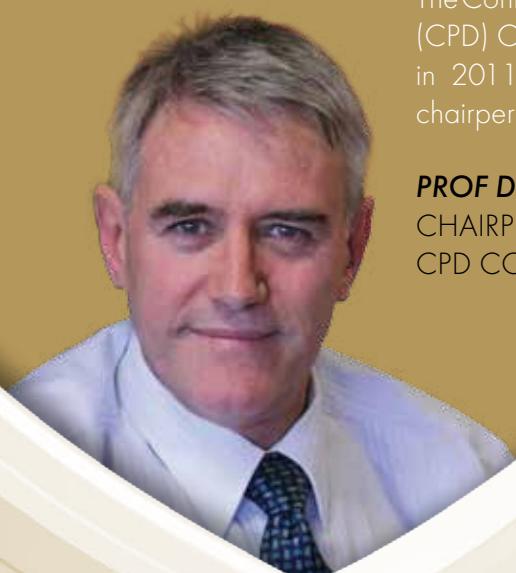


CPD COMMITTEE

The Continuing Professional Development (CPD) Committee met on four occasions in 2011, with Prof DW Oliver as the chairperson.

PROF DOUGLAS OLIVER

CHAIRPERSON:
CPD COMMITTEE



**Sometimes it falls upon a
generation to be great.**

Nelson Mandela

HEALTH COMMITTEE

The Health Committee, chaired by Ms S Mthiyane, met on four occasions in 2011. The committee managed 15 cases as compared to 16 cases in 2010.

Two of these cases were new, one case was referred to a legal committee of council, and five subsequently closed. At the end of 2011, the committee, however, had nine cases requiring further investigation and/or monitoring inspection to be performed during 2012.

CPD COMMITTEE

The Continuing Professional Development (CPD) Committee met on four occasions in 2011, with Prof DW Oliver as the chairperson. In 2004, council took a resolution that all registered persons participate in CPD and keep a record of their CPD involvement, in a format that is acceptable.

In 2011, the CPD Committee developed a new CPD recording system "the South African version" to allow all registered person to be able to record their CPD activities online. The system also assists council in maintaining the registers for accurate record-keeping of contact details for all registered persons.

STRATEGIC FOCUS AREA

The activities of the CPD and Registrations Department are focused on three strategic objectives of council:

- (a) To 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.
- (b) Promote the provision of pharmaceutical care which complies with universal norms and values, in both the public and private sector, with the goal of achieving distinct therapeutic outcomes for the health, and quality of life of a patient.

- (c) Uphold and safeguard the rights of the general public to universally acceptable standards of pharmacy practice in both the public and private sector.

In line with the above strategic focus areas the department is responsible for improving and sustaining turnaround time in processing registrations of persons and organisations. To promote pharmaceutical care through participation in CPD, and in addition this department achieves its mandate through providing secretarial support to the Health Committee, CPD Committee including promoting CPD in addition to keeping and maintaining a register of persons and organisation.

CONTINUING PROFESSIONAL DEVELOPMENT

Regulations relating to CPD for persons registered with council were drafted and submitted to the Minister of Health in 2011. The regulations were circulated for comment from 12 May 2011 to 12 August 2011. The Minister of Health will promulgate the regulations for implementation very soon.

REGISTRATIONS OF VARIOUS CATEGORIES OF PERSONS AND ORGANISATIONS

To safeguard the public, registration with council in terms of the Pharmacy Act, 53 of 1974 is a pre-requisite for practising as a pharmacy professional. It is a criminal offence to practise without registering with council. Names of all registered persons and organisation can be accessed by the public from the SAPC website. Table 1 indicates the various categories of registered persons and organisations.

PERSONS		ORGANISATIONS
PHARMACIST SUPPORT PERSONNEL	PHARMACISTS	
Pharmacist's assistants learner basic	Pharmacy students	Providers
Pharmacist's assistant basic	Pharmacists interns	Pharmacies
Pharmacist's assistant learner post basic	Pharmacists performing community service	
Pharmacist's assistant post basic	Pharmacists	
	Specialist pharmacists	

TABLE 1: Category of register of persons and organisation

Registrations of persons

Table 2 indicates total number of persons registered during the year 2011 compared to the 2010 figures.

CATEGORIES OF REGISTERED PERSONS	REGISTERED IN 2010	REGISTERED IN 2011
Pharmacist's assistant learner basic	1408	754
Pharmacist's assistant basic	236	476
Pharmacist's assistant learner post-basic	896	163
Pharmacist's assistant post-basic	633	645
Students (mostly 2 nd year)	529	946
Pharmacist Interns	374	412
Community Service Pharmacist	389	372

TABLE 2: Newly registered persons during the period of 2011 compared to 2010

Table 3 indicates total number of persons registered at the end of 2011 compared to those registered in 2010. As at 12 December 2011 there were 25137 active registered professionals, compared to 25888 in 2010, indicating a 3% decrease in the registers. 249 responsible pharmacists, 20 assessors and 1884 tutors from both public and private sectors were approved and registered during 2011.

CATEGORY OF REGISTERED PERSONS	ACTIVE IN 2010	ACTIVE IN 2011
Pharmacist's assistant learner basic	3718	2546
Pharmacist's assistant basic	494	696
Pharmacist's assistant learner post-basic	1836	1214
Pharmacist's assistant post-basic	3894	3944
Students (mostly 2 nd year)	2439	3161
Pharmacist Interns	374	631
Community Service Pharmacist	528	434
Pharmacist	12593	12596
Specialist Pharmacists	12	12
Total active persons in the register	25888	25137

TABLE 3: Newly registered persons during the period of 2011 compared to 2010

Distribution of pharmacists by provinces

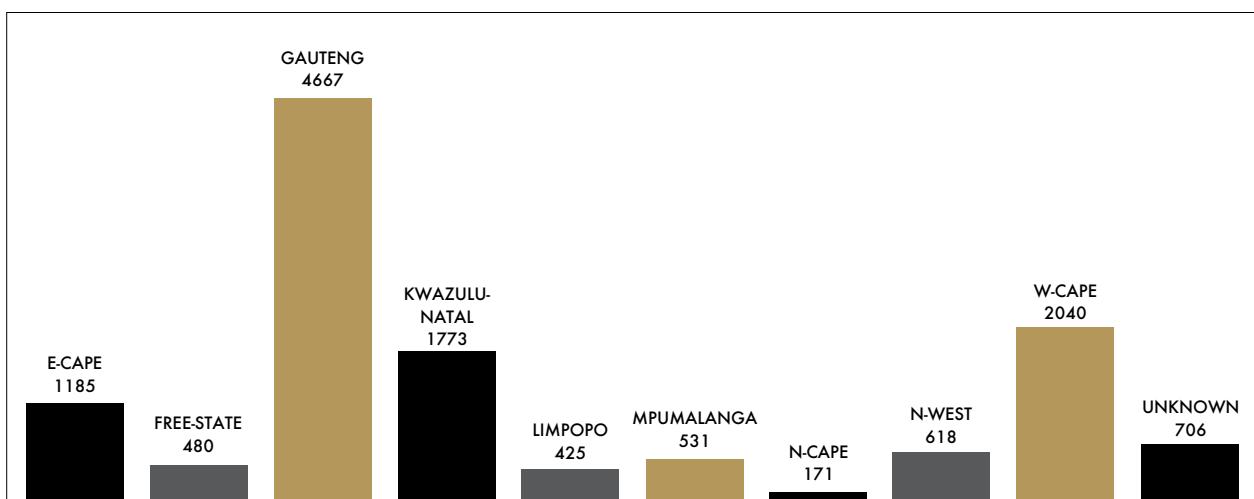


FIGURE 1: Distribution of pharmacists by province in 2011

Figure 1 indicates that Gauteng, Western Cape and KwaZulu-Natal have the majority of pharmacists in South Africa. Of these registered pharmacists, 7695 are in the private sector, and 3666 in the public sector. An 'unknown' sector indicated in the register of pharmacists pertains to 1235 pharmacists.

REGISTRATION OF ORGANISATIONS

According to the register of organisations, 22 providers and 4499 pharmacies were registered with council as at the end of 2011. Anyone who obtains a licence in terms of the Regulations relating to the ownership and licensing of pharmacies is legally obliged to record the pharmacy in the

registers of council before providing any pharmaceutical services, and to do so within 30 days of receiving the licence from the Director-General of Health. Table 4 indicates the total number of pharmacies by category registered in 2011 compared to those in 2010.

FACILITIES BY CATEGORY	2010	2011
Community	2956	3039
Consultant	15	14
Manufacturing	254	263
Private Institutional	243	257
Public Institutional	263	640
Wholesale pharmacy	283	286
Total	4390	4499

TABLE 4: Total number of pharmacies recorded in 2011 compared to 2010

A growth of 3% in registered community pharmacies and a very healthy growth equalling 59% in public institutional pharmacies were noted in 2011 compared to 2010.

Figure 2 shows a similar trend as indicated in Figure 1 with regard to the distribution of pharmacies throughout the country. Gauteng, Western Cape and KwaZulu-Natal are the leaders in terms of the availability of pharmaceutical services.

DISTRIBUTION OF PHARMACIES INCLUDING CATEGORIES BY PROVINCE

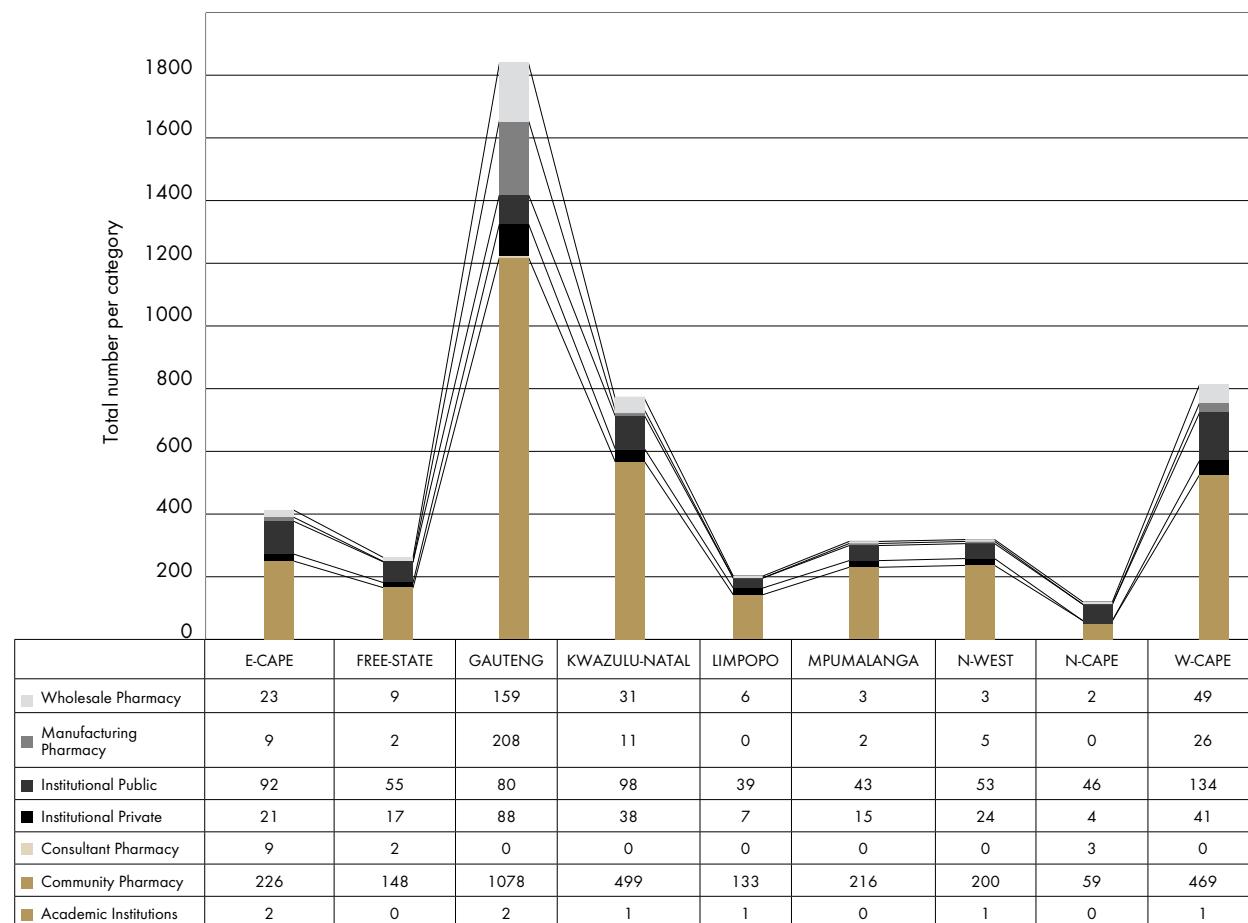


FIGURE 2: Distribution of pharmacies by provinces

Pharmacies opened and closed

Table 5 shows a decline of 80% of new pharmacies (135) opened in 2011 compared to 682 in 2010. 49 pharmacies were closed in 2011 compared to 43 in 2010. Table 5 however, still confirms the significant increase in availability of pharmaceutical services.

FACILITIES BY CATEGORY	2010		2011	
	OPENED	CLOSED	OPENED	CLOSED
Community	492	32	103	31
Consultant	2	0	0	1
Manufacturing	34	1	10	3
Private Institutional	22	1	8	1
Public Institutional	98	8	3	4
Wholesale	33	1	11	9
Total	682	43	135	49

TABLE 5: Statistics on opened and closed pharmacies in 2011 compared to 2010

Persons or organisations interested in opening, relocating and/or changing ownership of their pharmacy, must first apply for a new pharmacy licence to the Department of Health. Once a licence has been issued, the owner must within 30 days, record the licence with council, together with the Responsible Pharmacist (RP). A pharmacy recording certificate, owner and RP certificate are thereafter issued as proof of registration of the pharmacy.

TYPE OF APPLICATION	CATEGORIES				
	COMMUNITY	INSTITUTIONAL PRIVATE	INSTITUTIONAL PUBLIC	MANUFACTURING	WHOLESALE
Relocation	23	1	2	15	5
Change of Ownership	101	0	0	0	0
Internal Change	1	0	0	0	0
Application for licence	7	0	0	1	0
Another business or practice in a pharmacy	5	0	0	1	1
Relocation and trading title	2	0	0	0	0
Change of ownership and trading title	12	2	0	1	0

TABLE 6: Application for licenses in 2011

Maintenance of registers of various categories of persons and pharmacies

Section 14 of the Pharmacy Act, 53 of 1974, entitles council to keep, amend, correct and maintain registers of persons and the recording of premises licenses. To ensure the integrity of data, various measures are in place to validate the data base. During the period under review, 2802 pharmacist's assistants (all sub-categories) and 402 pharmacists were erased from the registers of council for non-payment of fees. Only 15 erasures were due to voluntary request across all categories of registered persons.

Eighty two percent (82%) of pharmacist's assistants erased were learners (i.e. learner basic and learner post-basic) and this poses a huge challenge in terms of the in-service training of these learners as council will not recognise any in-service training and assessment performed during any erased period. Although it is prudent for all registered persons to pay their annual fees, the CPD and Registration Department will continue to work with the Finance Department in ensuring that the profession is reminded of their obligation to pay annual fees in time.

The introduction of online payments through council's website will greatly, alleviate some of the challenges regarding invoices and payments of annual fees. It is envisaged that in 2012, registered persons will be able to raise invoices on the site and pay annual fees online.

BACK (L-R): Thembu Shabangu, Registration Officer; Debbie Scott, Senior Registration Officer

FRONT (L-R): Mpho Moselakgomo, Senior Registration Officer; Emily Kalonga, Registration Officer

MIDDLE (L-R): Mojo Mokoena, Senior Manager: CPD & Registrations; Johannes Moseletha, Registration Officer; Mpho Musi, Secretarial Support Officer



DEBBIE HOFFMANN

SENIOR MANAGER: LEGAL SERVICES & PROFESSIONAL CONDUCT



LEGAL SERVICES & PROFESSIONAL CONDUCT

COMMITTEE OF INFORMAL INQUIRY

In 2011, CII chaired by Dr Vassie Naidoo, held three two-day meetings, with the mid-year meeting including, for the first time, the use of the alternative CII members to enable the running of hearings by two committees in parallel, thus extending the number of matters heard by CII in a scheduled two-day meeting. CII concluded their 198 matters for the year under review.

VASSIE NAIDOO

CHAIRPERSON: CII

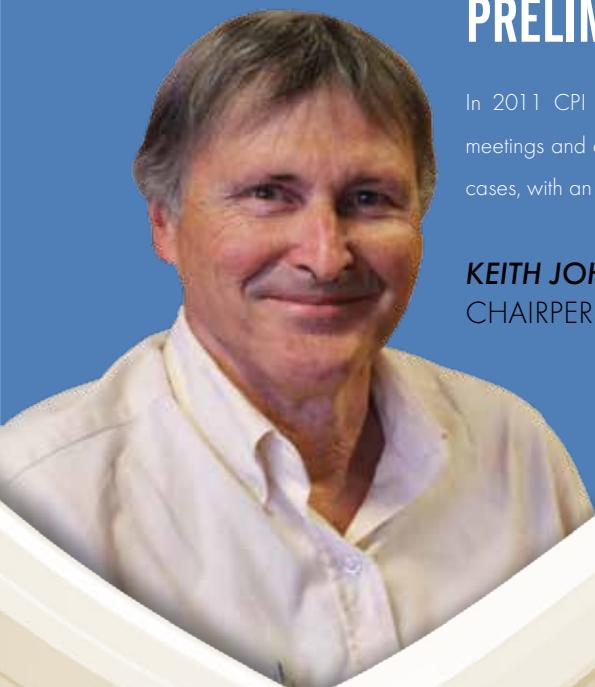


COMMITTEE OF PRELIMINARY INVESTIGATION

In 2011 CPI chaired by Keith Johnson, held two two-day meetings and one one-day meeting, reviewing a total of 202 cases, with an actual output of 67% of target.

KEITH JOHNSON

CHAIRPERSON: CPI



Let there be freedom for all. Let there be peace for all. Let there be work, bread, water and salt for all. Let each know that for each the body, the mind and the soul has been freed to fulfill themselves.

Nelson Mandela

COMMITTEE OF PRELIMINARY INVESTIGATION

The Committee of Preliminary Investigation (CPI) delegates relevant investigations into any matter which is brought to the attention of council, or any complaint, charge or allegation of improper or disgraceful conduct against any person registered in terms of the Pharmacy Act, 53 of 1974, to the Legal Services and Professional Conduct Department.

Recommendations are made as to whether to impose a penalty or to take no further action in the matter. In 2011 CPI chaired by Keith Johnson, held two two-day meetings and one one-day meeting, reviewing a total of 202 cases, with an actual output of 67% of target.

ACTION TAKEN	2008	2009	2010	2011
Recommended consent orders with fine	80	148	183	160
Refer to CFI	6	16	17	12
No further action to be taken	51	51	50	30
Referred for further investigation	6	0	3	0
Referred to Health Committee	0	0	5	0
Total	143	215	258	202

TABLE 1: Annual comparison of action taken by CPI

COMMITTEE OF INFORMAL INQUIRY

The functions of the Committee of Informal Inquiry (CII) are to hear submissions from Respondents that have elected to dispute the penalty recommended by the CPI. These informal inquiries take the form of an inquisitorial investigation, allowing the Pro Forma Complainant and the Respondent an opportunity to present their respective cases as prescribed in terms of Chapter III of the Regulations relating to the conduct of inquiries held in terms of Chapter V of the Act (supra). The CII ratifies the proposed CPI orders as final consent orders should the Respondent accept the finding of the CPI.

In 2011, CII chaired by Dr Vassie Naidoo, held three two-day meetings, with the mid-year meeting including, for the first time, the use of the alternative CII members to enable the running of hearings by two committees in parallel, thus extending the number of matters heard by CII in a scheduled two-day meeting. CII concluded their 198 matters for the year under review.

TOP SIX OFFENCES OF MATTERS REFERRED TO THE CII
Good Pharmacy Practice shortcomings
Absence or shortcomings in the recording of Schedule 1 – 5 medicines
Absence or shortcomings in terms of Schedule 6 registers
No pharmacist in the pharmacy
Allowing unregistered and/or unqualified persons to perform the scope of practice of a pharmacist
Dispensing errors (marked increase)

TABLE 2: Top six offences of matters referred to CII

COMMITTEE OF FORMAL INQUIRY

The CFI meets at the request of the pro forma complainant to preside over formal inquiries, referred to the CFI by the CPI or the CII, or if a respondent elects to have his/her matter heard by the CFI. The CFI elects its chairperson from the members at each sitting. A total of nine matters were concluded in six meetings called by the CFI, being an outcome of 20% of target. A total of 30 matters were referred to CFI by CPI or to CII.

STRATEGIC FOCUS AREA

The activities of the Legal Services & Professional Conduct Department are focused on three strategic objectives of council:

- (a) Advise the Minister of Health or any other person on any matter relating to pharmacy.
- (b) To establish, develop, maintain and control universally acceptable standards of professional conduct required of persons to be registered in terms of the Act by investigating in accordance with the Act complaints or allegations relating to the conduct of registered persons.
- (c) Coordinate the activities of the Committee of Preliminary Investigations, the Committee of Informal Inquiry, the Committee of Formal Inquiries and the Registrar's Complaints Review Panel.

REGULATING PROFESSIONAL CONDUCT

2011 remained a challenging year for the Legal Services & Professional Conduct (LSPC) Department. The department was set for a year where there was anticipation in terms of a streamlined workflow and accurate workflow monitoring. However, due to the delay in system developments, this did not materialise. Testing times for the LSPC, as incompatibility of old and new systems caused frustration, needing to revert to labour intensive methods was not ideal.

Online complaints received

The Office of the Registrar received a total of 308 complaints during the course of 2011 compared to 280 complaints in 2010. 2011 showed an increase of 10% in the number of complaints received. A portion of the increase in the number of complaints received can be attributed to the availability for members of the public, to submit complaints online via council's website. A total number of 62 complaints were submitted online. The advantage of receiving complaints through the website is that these complaints are already in electronic format.

This method from the receipt of the information or complaint can be stored electronically without any further human resources needed for scanning and file allocation.

Moving forward in 2012, complainants should be encouraged to make use of the online complaints facility.

Complaints received from technical departments

The Pharmacy Practice Department continues to provide the LSPC department with a number of complaints arising as a result of monitoring and/or training inspections where there are non-compliance issues to be addressed.

DISCIPLINARY INSPECTIONS

LSPC conducted a total number of 57 disciplinary inspections during 2011.

Legal Committees Workshop

In February 2011 LSPC hosted the first ever Legal Committees Workshop. The purpose of the workshop was to bring together members of CPI, CII, CFI and members of the Practice Committee to understand the processes of each committee's role and function within Chapter V of the Pharmacy Act, 53 of 1974, and to address areas of concern between committees and to recommend possible areas of legislative change.

LEGAL SERVICES

Amendments to the Pharmacy Act and Regulations

Council approved the proposed complete re-writing of the Pharmacy Act, 53 of 1974 in order to bring the governing legislation in line with post 1994 administrative law. In order to facilitate this project, council appointed the Legislation Review Task Team (LRTT).

In terms of the LRTT project plan, LRTT was presented with Chapter 1 of the Pharmacy Act for comparison of legislation of the South African Nursing Council and the Health Professions Council of South Africa. This served to identify legislative shortcomings in the Pharmacy Act in terms of council's structure and governance.

Amendments to Regulations

2011 saw the presentation of the following proposed regulation amendments to the Education Committee and Practice Committee:

- (a) Regulations relating to the practice of pharmacy, which included the scopes of practice for the proposed new entry-level of pharmacy support personnel, the introduction of a nominee pharmacist and the new categories for pharmacies;
- (b) Regulations relating to education and training, which included the required qualifications for the new entry-level of pharmacy support personnel, specialist pharmacists and the authorised pharmacist prescriber;
- (c) Regulations relating to the registration of specialist pharmacies, in particular the additional categories of specialist and the registration requirements; and
- (d) Regulations relating to the registration of persons, the recording of pharmacies and the maintenance of registers, which included the registration requirements to give effect to the new entry-level of pharmacy support personnel and to address the accountability of owners and nominee pharmacists.

Publication of Regulations for comment

The Continuing Professional Development Regulations were published for comment by the Minister of Health on 6 May 2011 for a period of 3 months.

The revised ("Ethical Rules"). A majority of the 2011 proposed amendments were as a direct result of disciplinary matters, the lack of disciplinary action in respect of Health Committee cases, and cognisance of a lack of supervision of pharmacy support personnel. Council approved the revised Ethical Rules for submission to the National Department of Health's (NDoH) Legal Unit for publication by the Minister for comment.

Board Notices published for comment and implementation

LSPC attended to the publication for comment of the following proposed minimum standards, which comments were received and collated for technical department/committee's input:

- (a) Minimum standards for the destruction of medicine.
- (b) Minimum standards for pharmacy premises, facilities and equipment.
- (c) Council by way of Board Notice published on 1 July 2011, the details of the proposed qualifications and scope of practice for the:
 - (i) Authorised Pharmacist Prescriber,
 - (ii) General Pharmacist Assistant (excluding qualification),
 - (iii) Pharmacy Technical Assistant; and
 - (iv) Pharmacy Technician.

The Board Notice also included the proposed minimum standards for the supervision of pharmacy support personnel.

Comments to proposed legislation – National Health Act

LSPC provided the coordinating and collating of council's comments to the proposed amendments to the National Health Act, as contained in the National Health Amendment Bill, 2011, which makes provision for the Office of Health Standards Compliance. Council's comments centred on the fact that council has since 1974, been solely responsible for the standards in pharmacy, and remain to this day the only statutory health council which applies standards to registered persons and premises within the private and public sectors.

LEGAL INFORMATION TO THE PUBLIC AND THE PROFESSION

Legal enquiries - Certificates of good standing

LSPC attended to 56 formal legal enquiries (external) and one formal enquiry (internal) during 2011.

COUNTRY OF DESTINATION	NUMBER
United Kingdom/London	28
Canada	15
Namibia	7
Australia	6
Botswana	3

TABLE 3: Certificates of good standing by country of destination

Section 26 certificates

LSPC provides, on request, section 26 certificates for third parties or persons registered with council as proof of registration or non-registration. During 2011 requests for Section 26 certificates were dominated by forensic investigation units of various medical schemes and law enforcement agencies. LSPC issued a total of 89 certificates.



Debbie Hoffmann, Senior Manager:
Legal Services & Professional
Conduct and Thabo Boase,
Manager: Legal Services &
Professional Conduct
ABSENT: Paulina Motecwane,
Professional Conduct Practitioner and
Elsa Jacobs, Professional Conduct
Practitioner

SUPPORT

ELMARI VENTER

MANAGER: CUSTOMER SERVICES & PUBLIC RELATIONS



CUSTOMER SERVICES & PUBLIC RELATIONS

DEPARTMENTS

STRATEGIC FOCUS AREA

The activities of the Customer Services and Public Relations Department are focused on four strategic objectives of council:

- (a) Assist in the promotion of health of the population of the republic.
- (b) Advise the Minister of Health or any other person on any matter relating to pharmacy.
- (c) Promote transparency to the profession and the general public (Corporate governance).
- (d) To provide managerial and administrative support to the Office of the Registrar.

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

As we let our light shine, we unconsciously give other people permission to do the same

Nelson Mandela

Corporate Communications

With the implementation and launching of the new Register System and Website, innovative, interactive communication portals opened up for council. Highlighted below are the utilisation of these communication tools and the positive comments from the profession and stakeholders in this regard.

Instant messages and e-messages

A total of 50,613 sms's were sent via dashboard. These include standard operational acknowledgements in terms of incoming applications, progress and mailing thereof. Other sms campaigns from the SMS portal include intern/tutor communication, examination results etc. 57, 680, 30 web e-communiqués were sent out to registered individuals on the register in terms of various campaigns administered by council.

Council's new ID Registration Card

Council launched its new 5-year ID Registration Card, a first for health statutory councils, in 2011. The cards boast security and bar code features with ID passport photos. From printing to courier, it is an in-house process which simplifies the handling of communication queries. Communication campaigns in terms of the 4169 outstanding courier addresses and/or ID photo is ongoing. Apart from security features the new ID registration cards indicated a saving (just on the pharmacist's card alone) of R566, 820 over the next five years.

Development and launch of new website

The brand new website with interactive communication functionality was launched in April 2011. Registered persons were issued with

contact and address details to upload their ID profile picture. Other functionality soon to be launched includes the submission of online inspection reports; applications and payments. 71% of hits on website rate it as 'pretty cool'. The new website also boasts a powerful search facility and information accessibility centre.

"For the Public", this up-to-the-minute website boasts dynamic functionality to determine status of registration and to verify registration of persons and organisations. Public stakeholders can also view statistics of registered persons and organisations by sector and province. The site allows a person to submit a complaint online.

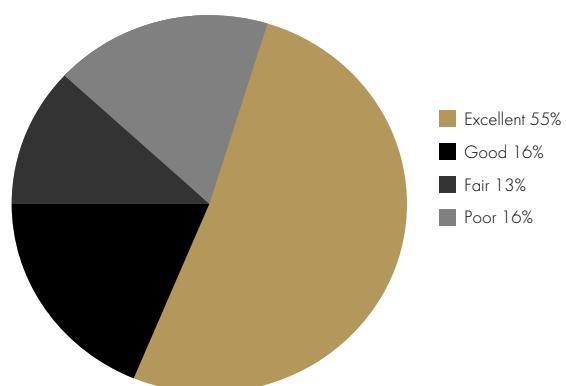


FIGURE 1: Rating of new website



INTERNAL COMMUNICATIONS

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

- (a) One Day without shoes.
- (b) National Women's Day.
- (c) Heritage Day celebrations.

PUBLIC AND MEDIA RELATIONS

Engaging with professional organisations

Council has enjoyed valuable communication opportunities via informative exhibitions at three major pharmaceutical conferences during 2011. The 25th South African Association of Hospital and Institutional Pharmacists (SAAHIP) conference was held, at the beautiful Drakensberg Champagne Sport Resort in KwaZulu-Natal (3 to 6 March 2011), Pharmacy Conference from 29 May to 1 June 2011 in Durban at the International Convention Centre and the 5th Clicks Pharmacy Conference held on 10 to 11 August 2011 at the ICC in Cape Town.



National Pharmacy Awareness Week

The focus of Pharmacy Week (5-11 September 2011) was on quality - 'a measure of excellence'. The theme for the year, "Pharmacy - Towards Quality Care Together" placed a resolute focus on quality (the care and service any patient is entitled to receive from their pharmacist) and teamwork (between a pharmacist and a patient). In their deliberations council, the Pharmaceutical Society of South Africa and the National Department of Health welcomed Management Sciences for Health: Strengthening Pharmaceutical Systems (SPS) as a partner in the promotion of the role of the pharmacist.

The Office of the Registrar attended the Pharmacy Week launch at Mabopane Central City on Saturday 3 September 2011 and also the Medunsa Pharmacy Week launch on 5 September 2011. Various radio interviews were held and council was also represented by Professor Oliver on a KykNet interview regarding Pharmacy Week.

Publications

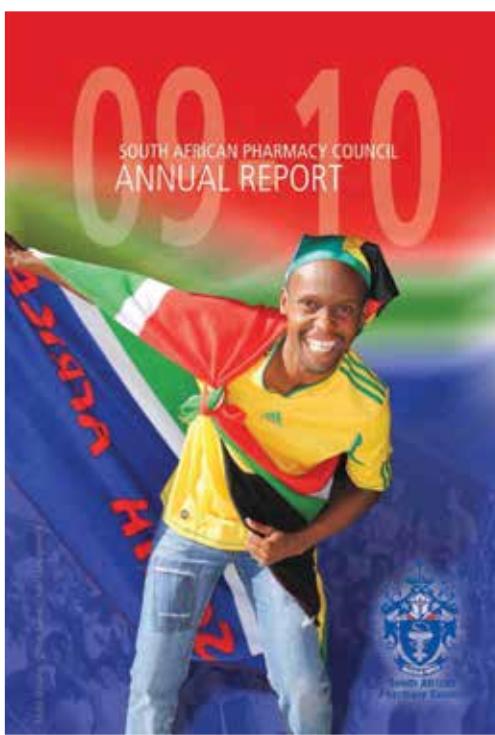
Information on the activities of council, important council resolutions and articles on a diversity of issues is provided to all persons on council's register through its official publication, *Pharmaciae*.

During 2011, two editions of *Pharmaciae* were published. For the first time in 2011 *Pharmaciae* were outsourced in terms of advertising, editing, design & layout to E-Doc. This initiative will result in a cost recovery of over R120 000 on printing and mailing expenditure for the two editions, essentially due to procurement of advertisement sales secured through E-Doc. The Annual Report for 2009/2010 was also produced.

Media interactions

A number of other topical press statements were released and responded to by the Office of the Registrar in addition to media queries addressed from national newspapers plus, the Registrar represented the office during a *Carte Blanche* interview.

Council does not have a select budget for public relations campaigns, but cognisance was taken of the importance of celebrating awareness days. The matter of a budget devoted to campaigns will again be considered when the 2012 budget is drafted. The official media spokespersons for council are the Registrar and the President.



CUSTOMER CARE CONTACT CENTRE

The Customer Care Contact Centre is continuing to evolve with one focal point i.e. surpass expectations of the profession and public through superior service delivery and stakeholder relations.

Customer services (Pre-audit centre)

The pre-audit centre instantly notifies customers of the receipt of their documents or outstanding documents required for registration via sms or e-mail; this innovative system assists customers with tracking their registration enquiries, follow-ups and progress in respect of their applications.

During 2011, the Customer Care Contact Centre received 12% more individual registration applications than in 2010, as depicted in Figure 2. Furthermore 2011 also indicated an improvement of 4% in terms of submitting correctly complete applications, e.g. applications that complied with council's requirements. From the total number of applications submitted in 2011, 86% complied with council's requirements and were immediately, after validation, escalated to the technical departments for processing. A total of 2706 applications required a follow up intervention to facilitate the receipt of the outstanding documentation. This total excludes the non-dashboard documents, consisting of proof of payment, inspection reports, pre-registration examination applications, portfolios, floor plans, etc. What's more is that the office received 80% more walk-in customers in 2011 for speed desk registrations compared to the same period in 2010.

2010/2011 CUSTOMER CARE SNAPSHOT

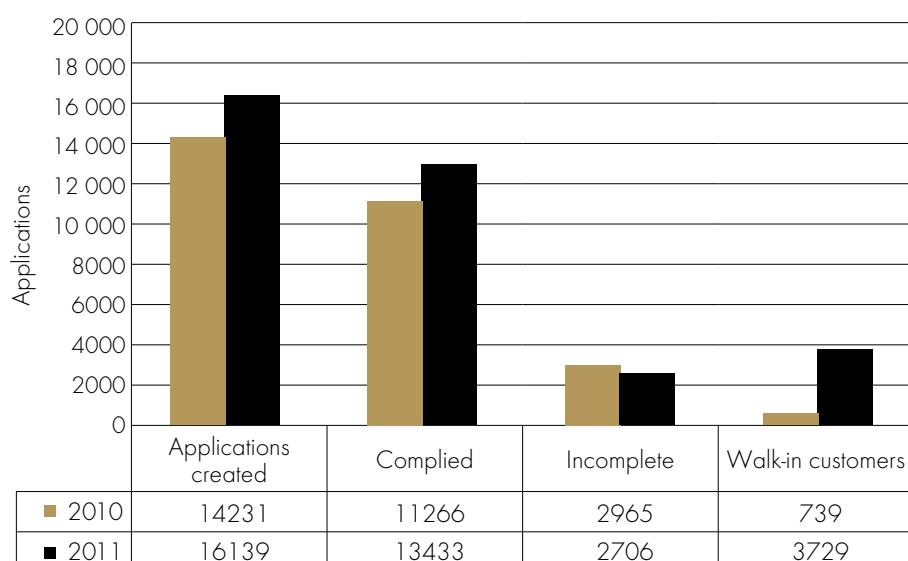


FIGURE 2: Individual dashboard applications received in 2011 compared to 2010

Logistics Centre

The Logistics Centre under the supervision of newly appointed Thembisa Shabangu (Snr Logistics Officer) commenced with its operations on 1 August 2011.

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



Thembisa Shabangu

Senior Logistics Officer

Call Centre

During 2011, the Customer Care Contact Centre received 38% more calls than for the same period in 2010, indicating that more and more people are comfortable using this communication portal. Of concern, however, is that although the contact service maintained a service benefit level of 68% during the latter part of 2011, it only managed to achieve a service level of 47% during the peak period i.e. December 2010 to 31 March 2011, while council's official e-mail address customercare@sapc.za.org also received 13% more e-mails from stakeholders.

38% MORE CALLS RECEIVED IN 2011 VS. 2010

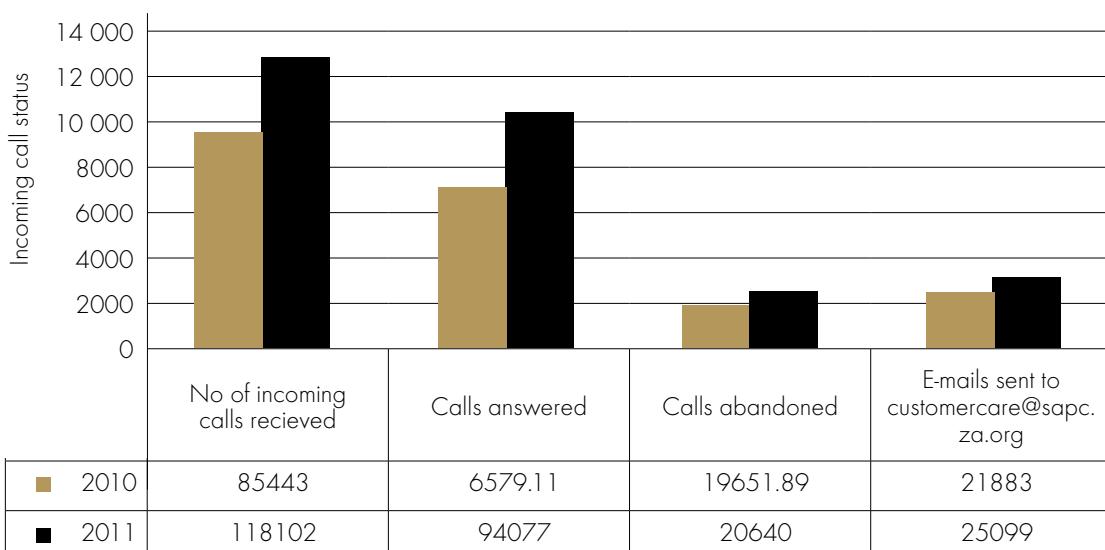


FIGURE 3: Call centre interactions in 2011 compared to 2010



FRONT (L-R): Betty Thubane, Customer Service Clerk; Sarah Nyama, Senior Customer Care Officer

2ND ROW (L-R): Pitsi Mojela, Customer Care Officer; Lebogang Magano, Customer Care Officer; Thembi Maboho, Customer Care Clerk

3RD ROW (L-R): Michelle de Beer, Assistant Manager: Customer Services & Public Relations; Elmari Venter, Manager: Customer Services and Public Relations

4TH ROW (L-R): Victor Malapela, Temporary Customer Care Officer; Maloko Masanya, Secretarial Support CSR; Nkosana Nkoma, Call Centre Agent

5TH ROW (L-R): Brian Baloyi, Call Centre Officer; David Nkuna, Customer Care Officer

BACK ROW (L-R): Thelma Sealese, Call Centre Agent and Amanda Seloane, Temporary Customer Care Officer

ABSENT: Nkele Mengoai, Customer Care Officer; Refilwe Sefula, and Customer Care Officer and Mpho Marole, Call Centre Agent

MICHELLE DE BEER

ACTING MANAGER: INFORMATION TECHNOLOGY
AND RECORD MANAGEMENT



INFORMATION TECHNOLOGY AND RECORD MANAGEMENT

STRATEGIC FOCUS AREA

The activities of the Information Technology Department are focused primarily on one strategic objective of council, to provide managerial and administrative support to the Office of the Registrar. In line with this strategic focal point the department directs and manages computing and information technology's strategic plans, policies, programmes and schedules for business and financial data processing, computer services, network communications, and management information services in order to accomplish corporate goals and objectives.

PROGRAMMING AND SOFTWARE

Register of registered persons and pharmacies

The development and testing of the dynamic forward-thinking Register System, a custom developed software programme to enable accurate record keeping in terms of the Pharmacy Act was completed and implemented in May 2010.

Interaction Manager (Dashboard)

To manage the flow and tracking of all documentation submitted to council, the Interaction Manager Dashboard software tool was developed. The Dashboard is integrated with the Register System and data base to enable electronic processing and progress tracking.

We must use time creatively
and forever realise that the time
is always ripe to do right.

Nelson Mandela

HARDWARE

Backup device

It was necessary for the Office of the Registrar to invest in a new back-up solution during the period under review. The new system also accommodates the sending of daily e-reports to designated staff members drawing attention to the backup status and exceptions.

Workstation upgrades

	HP LAPTOPS	HP DESKTOP WORKSTATIONS
Management and secretarial support staff	14	
Customer care and logistics officers		19
Supervisors	7	
Computer security locks	21	

TABLE 1: Workstation refreshments done in 2011

Generator

Due to power outages experienced nationally during the period under review, and the disruption of services within the office, the Office of the Registrar implemented an alternative solution for power.

SOFTWARE AND SECURITY PURCHASES AND UPGRADES

Internet filters

Internet filters were implemented during the period under review in line with the Acceptable Usage Policy implemented by council.

IT Help desk

To enable IT support staff to interactively assist council's staff, an IT Help Desk systems was implemented. IT faults and problems can now be prioritised and attended to systematically with report functionality to indicate fault tendencies and response time.

Squid

This application allows for the management of internet usage on the raw bandwidth by IP address, where high usage is detected the person monitoring the system can drill down into the sites and access the actual web pages viewed by the user.

DNS Scavenging

This software enables the customisation of domain naming services resulting in a faster internet browsing experience.

OTHER SOFTWARE UPDATES	
2011	Backup Exec 2010
	Symantec end point renewal
	Adobe reader and Adobe reader pro
	Olympus recording software update
	Windows servers update

TABLE 2: Other software purchases during the period under review

CONNECTIVITY

Diginet Line/ADSL

A Diginet line was installed this year to provide internet access redundancy which helps us ensure our systems will not lose internet connectivity in the event that the ADSL line disconnects.

Wireless connectivity

In addition to the four wireless modems already in the office building, a problem was experienced with the wireless strength in certain areas within the building. Four new wireless modems were purchased to increase the wireless range within the building, there are now a total of eight wireless modems.

Virtual Private Network (VPN)

VPN was implemented during the period under review to allow remote connection functionality for staff members to the corporate network.

RECORD MANAGEMENT

Archiving and e-doc management

All incoming documents are scanned, kept for six months and then destroyed. Any first time registration documents are filed and packed

for archiving with Metro file. Further actions in terms of archiving legislation and compliance is underway with converting of previous scanned images to PDF/A for long term storage.

Office automation solution

During 2011, the Office of the Registrar appointed a new service provider in terms of Multifunctional Devices (MFD) with a view to going green.

IT POLICIES

During the IT Audit held in 2011 it was established that the following policies should be prioritised for implementation by the Office of the Registrar to protect council data, systems and applications against accidental or unauthorised modification, disclosure or destruction, as well as to ensure the confidentiality, integrity and availability of council's automated data processing activities. These new IT policies included inter alia:

- (a) Back-up policy
- (b) Acceptable user policy
- (c) User account management policy
- (d) Anti-virus policy
- (e) Remote access policy
- (f) Screensaver policy
- (g) Password authentication and protection policy

FRONT (L-R): Rebecca Thakadu, Records Clerk; Thapelo Mohapi, IT Technician; Violet Mothupi, Records Clerk

BACK ROW (L-R): Kgomošo Ntemane, Temporary IT Clerk; Abram Moropa, Snr Printing Clerk;

Michelle de Beer, Acting Manager: IT Manager and Record Management



JOHN MASHISHI
MANAGER: HUMAN RESOURCES



HUMAN RESOURCES

STRATEGIC FOCUS AREA

The activities of the HR Department are focused on one strategic objective of council - to provide managerial and administrative support to the Office of the Registrar. In line with the strategic focus area the HR Department is responsible for human resource management; ensuring total quality management (TQM) in all activities relating to planning, organising, co-ordinating and providing guidance across the full spectrum of HR; the effective administration of pay roll for all council's employees as well as appointment of consultants and providing secretariat services to the Bargaining Council.

**Man's goodness is a flame
that can be hidden but
never extinguished.**

Nelson Mandela

RECRUITMENT AND SELECTION

Appointments in 2011

NAME	POSITION	APPOINTMENT DATE
IM Kivedo	Manager: CPD & Registrations	1 August 2011
AB Soopee	Manager: Pharmacy Education & Training	1 September 2011

TABLE 1: Appointments in 2011

Resignations in 2011

NAME	POSITION	APPOINTMENT DATE
P Buthelezi	Manager: ETQA	30 April 2011
CM Mosiammo - Makoti	Secretarial Support Officer	31 May 2011
MD Gaula	Manager: Pharmacy Education & Training	7 July 2011
IM Kivedo	Manager: CPD & Registrations	18 October 2011
DS Diale	Manager: Pharmacy Education & Training	9 December 2011

TABLE 2: Resignations in 2011

The office operated with temporary staff across the organisation simply because it was impossible for the current staff to put their hands in all areas of operations, nonetheless the coordination of staff recruitment and selection was successfully carried out within the constraints of the budget ensuring that the expected level of performance was achieved.

The office expects the introduction of the revised staff structure to reduce the level of dependency on temporary staff and contain and absorb the challenges that emanate during peak periods.

CONDITIONS OF EMPLOYMENT

The revision of conditions of employment is never ending due to a number of factors:

- (a) Change and alignment of employment laws. e.g., as new precedents are set in the application of the law and the laws as amended, so do the conditions of employment;
- (b) Improvement of terms and conditions that bring harmony to the work place by stating issues of overtime leave, study leave, financial assistance towards study, ensuring that no doubt exists between employer/employees actions, rights and responsibilities.

The new set of Conditions of Employment embodies these principles. This document was posted in PDF to the e-QMS and each department was presented with a copy at the end of December 2011.

TRAINING AND DEVELOPMENT

The training and development was restructured to take place in an organised manner; therefore both the employer and the employee needed to communicate the guidelines to be accessed by the Skills Development Committee.

Training, to assist managers in dealing with internal disciplinary matters and to take charge of discipline within their own departments, would develop the right way forward.

The training for using the transversal systems is ongoing ensuring that staff remain versatile in the operation of e-systems.

ORGANISATIONAL REVIEW AND DESIGN

The need to study the work of council came to the fore, to determine the number of staff required to carry out the mandate. This dove-tailed very well with change in the business processes and the introduction of the e-systems. The four month long project was approved by the Executive Committee of council on the 30 November 2011.

The approved structure delivered significant improvements. Three clusters were established to bring more rapid commonality, synergy and to enhance productivity within the organisation, specifically in the scope of professional affairs. Communications and stakeholder relations were bolstered to strengthen operations and ensure accountability. Council's auxiliary services (Finance, Human Resources, Information Technology & Legal Services) collectively formed a support cluster.

The separate wings were established to enhance revenue collection in the Finance Department. The introduction of Internal Audit unit also served to quality assure the workings of council. Results of job grading and salary benchmarking were taken into account to ensure that the employer is recruiting appropriately and retaining staff in a suitably competitive manner.

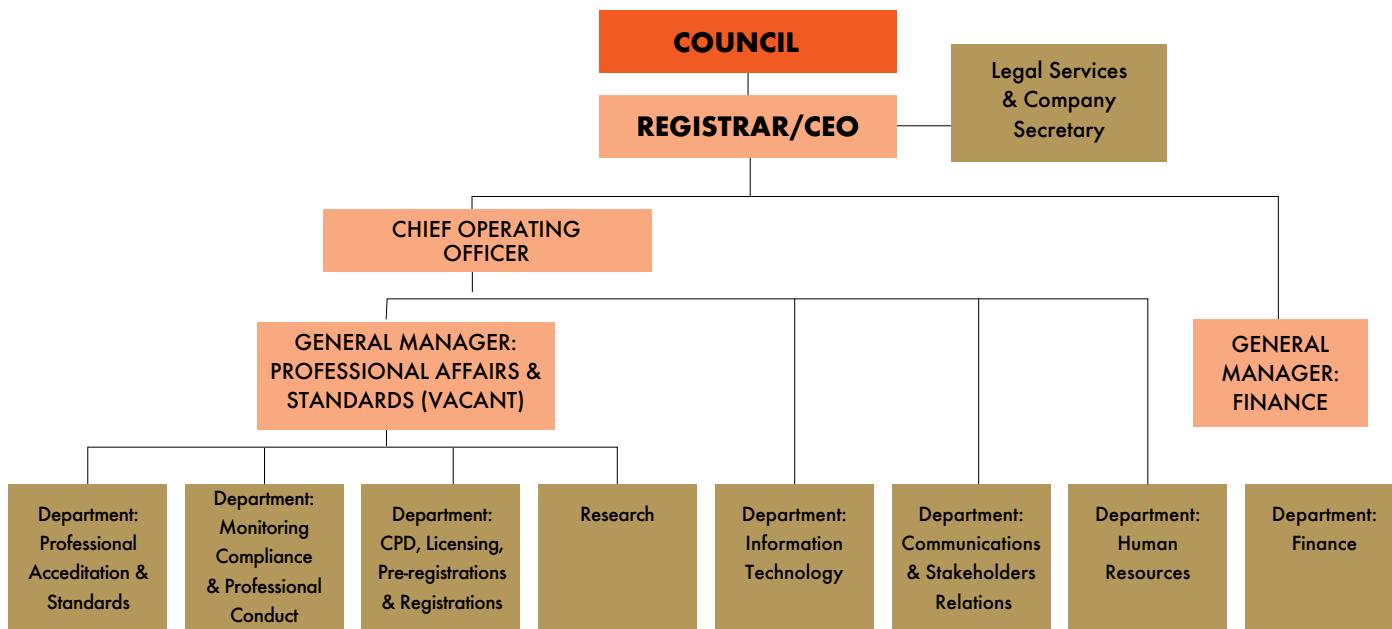


FIGURE: 1: Structure of the Office of the Registrar after organisational review.

EMPLOYMENT EQUITY TABLES

The disposition to produce a new Employment Equity Plan is underway, however, the employment demographics for council are fairly representative of all groups.

Employment equity table showing council staff demographics as at 31 December 2011

OCCUPATIONAL LEVELS	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	3	0	0	1	1	0	0	1	1	0	6
Professionally qualified and experienced specialists and mid-management	4	0	0	0	4	0	0	2	0	0	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	9	0	0	0	23	2	0	5	2	0	40
Unskilled and defined decision making	2	0	0	0	5	0	0	0	0	0	7
TOTAL PERMANENT	18	0	0	1	32	2	0	8	3	0	62
Temporary employees	1	0	0	0	2	0	0	2	0	0	5
GRAND TOTAL	19	0	0	1	35	2	0	10	3	0	70

TABLE 3: Council staff demographics in 2011



John Mashishi, Deputy Manager: HR and Akona Xundu, Snr HR Officer

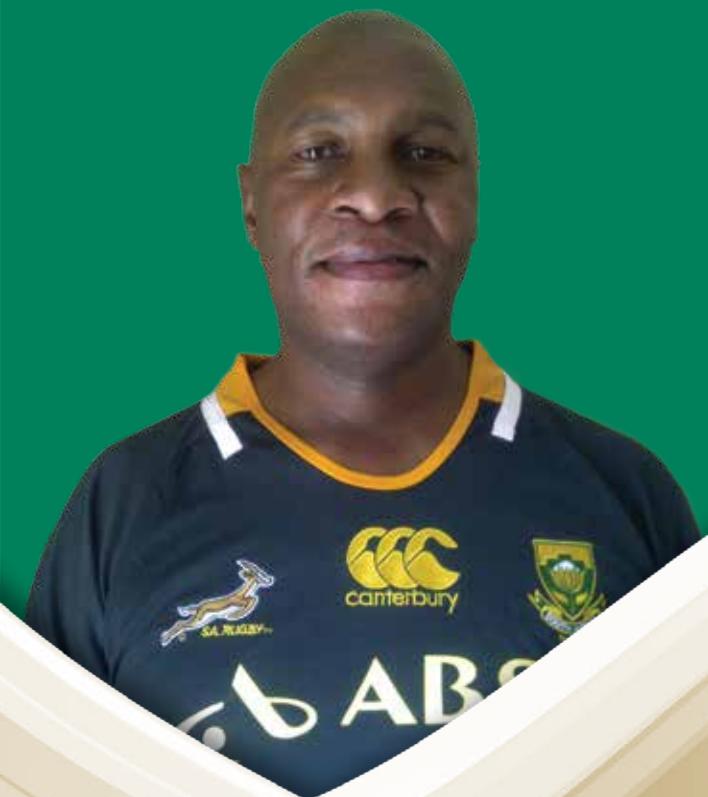
VOSTER HIMBOTWE
SENIOR MANAGER: FINANCE



FINANCIAL SERVICES

COORDINATION OF STANDING COMMITTEES OF COUNCIL

MAJOR GENERAL OBED THENGA
CHAIRPERSON: AUDIT COMMITTEE



The Audit Committee assists council in fulfilling its oversight responsibility by serving as an independent and objective party to monitor and strengthen the objectivity and credibility of council's financial reporting process and internal control systems. It appraises the internal audit function and the audit efforts of the external auditors and provides a channel of communication between the external auditors, the internal audit unit and senior management.

The committee consists of five members appointed in terms of the Audit Committee Charter, three of whom are from outside the council, namely Major General Obed Thenga (chairperson), Mr T Boltman and Ms R Xaba. The two council members are Ms L Osman and Mr K Johnson. In 2011, the Audit Committee in line with its Audit Committee Charter, held three meetings.

**Money won't create success,
the freedom to make it will.**

Nelson Mandela

STRATEGIC FOCUS AREA

The activities of Finance Department are focused on two strategic objectives of council:

- (a) To promote transparency to the profession and the public in general; and
- (b) To provide managerial and administrative support for the sustainability of council as a going concern.

In line with the above strategic focus areas Finance Department ensures efficient and effective management of council's financial resources, fixed assets and coordinates risk management in line with best practice. This requires actively managing the affairs of council as indicated below.

PROMOTION OF TRANSPARENCY IN LINE WITH GOOD CORPORATE GOVERNANCE

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

Council members

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

Financial Statements

Council members are responsible for the preparation of annual financial statements that reasonably represent the financial position of the organisation, the results of its operations and cash flow information for the year end. The auditors, Ngubane & Co. Chartered Accountants Inc., are responsible for independently auditing and reporting on the financial statements. Their report is presented on page 74.

Audit Committee

The Audit Committee is an independent committee established to provide oversight and additional assurance on the reliability and integrity of both the financial and non-financial activities of council. The Audit Committee is satisfied that the annual financial statements fairly represent Council's financial position and recommend to council members to approve the annual financial statements. Their report is presented on page 73.

Business risk

A risk focused internal audit plan, for the three years ending 31 December 2013, was developed by the internal audit unit and approved by the Audit Committee. The internal audit unit's function was outsourced to independent auditors, SAB&T Chartered Accountants Inc (SAB&T). SAB&T attended Audit Committee meetings to report the adequacy of internal controls implemented by management.

Social responsibility

Council is an equal opportunity employer and has adopted a proactive stance towards black economic empowerment. Procurement policies of council are in support of government policy for the greater good in addressing past imbalances.

Code of conduct

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

FINANCIAL MANAGEMENT

Indicators

YEAR	2007	2008	2009	2010	2011
Current assets (R)	13,923,945	18,834,545	13,370,580	7,862,340	9,451,449
Current liabilities(R)	9,162,338	13,706,069	15,132,491	11,112,746	12,561,683
Liquidity ratio	1.52	1.37	0.88	0.71	0.75
Income (R)	21,342,301	23,634,045	28,080,796	32,258,854	37,049,391
Expenditure(R)	20,512,625	23,769,404	28,042,607	32,075,207	36,812,515
Total comprehensive income for the year [Surplus/(deficit)](R)	829,676	(135,359)	38,189	183,647	236,876

Budgetary control

The compilation of the budget for the year 2011 based on the Strategic Plan 2008 - 2013 was approved at the 13/14 October 2010 council meeting. Budget performance reports (financial reports) were presented to executive management. Similarly at every sitting of the Executive Committee, the Audit Committee and council, financial reports are presented. Similarly at various committee meetings specific budget performance reports forms part of the agenda.

Financial performance and position

The financial statements were audited by Ngubane & Co. Chartered Accountants Inc. and reviewed by the Audit Committee. The financial

statements fairly present, in all material respects, council's financial position, financial performance and cash flows for the year ended 31 December 2011 in accordance with SA GAAP and the requirements of the Pharmacy Act, 53 of 1974. Total comprehensive income (surplus) grew by 28.98% largely due to improved revenue flow and to a certain extent containment of expenses. This translated into 3.92% growth in reserves/retained income.

Current assets and current liabilities increased by 20.21% and 13.04% respectively leading to marginal increase of 5.63% in the liquidity ratio.

FRONT MIDDLE: Zakia Mampe, General maintenance clerk

FRONT (L-R): Nanatu Shingange, Finance Officer; Voster Himbotwe, Senior Manager: Finance; David Mathole, Deputy Manager: Finance

2ND ROW (L-R): Mpho Shisana, Supply Chain Management officer; Itani Nemathithi, Snr Finance Officer (Creditors); Nicole Furst, Secretarial Support: Finance

3RD ROW (L-R): Thagi Khame, Senior Finance Officer (Debtors); Mary Pelo, Finance Officer

BACK ROW (L-R): Refilwe Khumalo, Senior Supply Chain Officer; Audrey Math-ekga, Finance Officer





PRESENTATION OF FINANCIAL STATEMENTS

**SOUTH AFRICAN PHARMACY COUNCIL
FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER**

2011



**NGUBANE
& CO.**

* Chartered Accountants * Consultants * Forensic Investigators *

Ngubane & Company Incorporated

Chartered Accountants (S.A.)

Issued 09 May 2012

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Pharmacy industry regulator
Members	Mr OMB Pharasi (President) Ms L Osman (Vice-President) Mr MS Choma (Treasurer) Mr S Ramasala Mr CJ Cawood Mr CB Shabalala Mr DJH Defty Dr JC Gouws Ms ME Sclanders Mr KA Johnson Mr L Moshiga Ms TL Mulovhedzi Mr LF Ambler - member until 15 March 2012 (deceased) Ms PB Santho Prof AGS Gous Prof CM Dangor Prof DW Oliver Ms SEN Skweyiya Ms SI Boschmans Ms S Mthiyane Mr MC Joubert Mr HT Mphaka Dr P Naidoo Mr W Jordaan Ms N Makunzi
Registered office	591 Belvedere Street Arcadia Pretoria 0083
Postal address	Private Bag X40040 Arcadia Pretoria 0007
Bankers	Standard Bank of South Africa Limited Investec Bank Limited
Auditors	Ngubane & Company (JHB) Inc. Chartered Accountants (S.A.)



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The reports and statements set out below comprise the financial statements presented to the members :

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Councillors' Responsibilities and Approval

The councillors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. It is their responsibility to ensure that the financial statements fairly present the state of affairs of 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 South African Statement of Generally Accepted Accounting Practice. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice, requirements of the Pharmacy Act No 53 of 1974 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 council and place considerable importance on maintaining a strongly controlled environment. To enable the councillors to meet these responsibilities, the councillors set a standard of 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 council and all employees are

required to maintain the highest ethical standards in ensuring council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in council is on identifying, assessing, managing and monitoring all known forms of risk across council. While operating risk cannot be fully eliminated, 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. Nothing has come to the attention of the councillors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the councillors have every reason to believe that council has adequate resources in place to continue in operation for the foreseeable future.

The financial statements set out on pages 75 to 91, were approved by councillors on 09 May 2012 and were signed on their behalf by:



Mr OMB Pharasi (President)



Mr TA Masango (Registrar)



Mr MS Choma (Treasurer)

Report of the Audit Committee

We have pleasure in presenting our report for the financial year ended 31 December 2011.

Audit Committee members and attendance

The Audit Committee consists of the members listed hereunder and met three times during the year in accordance with its terms of reference.

NAME OF MEMBER		TERM OF OFFICE	
		STARTED	ENDED
Messrs	Major General O Thenga (Chairperson)	November 2005	December 2011
	Mr KA Johnson	January 2009	-
	Mr T Boltman(Chairperson)	January 2009	-
	Mr CD Kneale	January 2012	-
Mesdames	Ms L Osman	January 2009	-
	Ms R Xaba	January 2009	December 2011
	Adv M Ralefetane	January 2012	-

Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibility arising from the South African Statements of Generally Accepted Accounting Practice appropriate to the Pharmacy Council. The Audit Committee also reports that it has adopted formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Effectiveness of internal control

The system of internal control is effective as the reports of the Internal Auditors, the Audit Report on the 2011 annual financial statements and management letter of Ngubane & Company Incorporated Chartered Accountants have not reported any significant or material or non-compliance with prescribed policies and procedures.

Evaluation of financial statements

The Audit Committee has:

- (a) reviewed and discussed with Ngubane & Company Incorporated Chartered Accountants and the Accounting Authority the audited annual financial statements;
- (b) reviewed Ngubane & Company Incorporated Chartered Accountants' management letter and management responses; and
- (c) reviewed significant adjustments resulting from the audit.

The Audit Committee concurs with and accepts the conclusions of Ngubane & Company Incorporated Chartered Accountants on the annual financial statements and is of the opinion that the audited financial statements be accepted and read together with the report of Ngubane & Company Incorporated Chartered Accountants.

Major General Obed Thenga

Chairperson of the Audit Committee

9 May 2012

Independent Auditors's Report

To the members of the South African Pharmacy Council

We have audited the financial statements of South African Pharmacy Council, which comprise the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and council members' report as set out on pages 75 to 91.

Councillor's responsibility for the financial statements

The councillors are responsible for the preparation and fair presentation of these financial statements in accordance with the South African Generally Accepted Accounting Practice and requirements of the Pharmacy Act, 53 of 1974, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

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

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

reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the South African Pharmacy Council as at 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with the South African Generally Accepted Accounting Practice and the requirements of the Pharmacy Act, 53 of 1974.

Supplementary information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on pages 92 to 93 does not form part of the financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Ngubane & Co.

Ngubane & Company (JHB) Inc.

Chartered Accountants (S.A)

Director: Ephraem Sibanda

Registered Auditor

09 May 2012

Midrand

Councillors' Report

This report presented by the councillors is a constituent of the South African Pharmacy Council's financial statements for the year ended 31 December 2011.

1. Review of activities

Main business and operations

Council is engaged in regulating the pharmacy industry and operates principally in South Africa. The operating results and state of affairs of council are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. 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.

3. Events after the reporting period

The councillors are not aware of any matter or circumstance arising since the end of the financial year.

4. Councillors

Mr OMB Pharasi (President)

Ms L Osman (Vice-President)

Mr MS Choma (Treasurer)

Mr S Ramasala

Mr CJ Cawood

Mr CB Shabalala

Mr DJH Defty

Dr JC Gouws

Ms ME Sclanders

Mr KA Johnson

Mr L Moshiga

Ms TL Mulovhedzi

Mr LF Ambler - Member until 15 March 2012 (deceased)

Ms PB Santho

Prof AGS Gous

Prof CM Dangor

Prof DW Oliver

Ms SEN Skweyiya

Ms SI Boschmans

Ms S Mthiyane

Mr MC Joubert

Mr HT Mphaka

Dr P Naidoo

Mr W Jordaan

Ms N Makunzi

5. Audit Committee

The Audit Committee is constituted in terms of the requirements of sound corporate governance practices and operates within that framework. The committee consists of non-executive members of which two are councillors and three are independent accounting professionals. 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 council's accounting policies, internal control systems, financial reporting and practices. The external auditors formally report to the committee on critical findings arising from audit activities.

The committee members during the year were: Major General O Thenga; Mr T Boltman; Ms R Xaba; Mr KA Johnson and Ms L Osman.

6. External Auditors

External auditors of the South African Pharmacy Council are Ngubane & Company (JHB) Incorporated.

Address:

Building 01

Midrand Business Park

563 Old Pretoria Road

Midrand, 1685

Statement of Financial Position

Figures in Rand	Notes	2011	2010
Assets			
Non-Current Assets			
Property and equipment			
2		9 301 322	9 571 668
Intangible assets	3	2 199 927	1 304 600
		11 501 249	10 876 268
Current Assets			
Trade and other receivables	5	3 711 111	1 208 878
Cash and cash equivalents	6	5 740 338	6 653 462
		9 451 449	7 862 340
Total Assets		20 952 698	18 738 608
Reserves			
Retained income		6 285 761	6 048 885
Liabilities			
Non-Current Liabilities			
Finance lease obligation	7	158 254	484 977
Retirement benefit obligation	4	1 947 000	1 092 000
		2 105 254	1 576 977
Current Liabilities			
Finance lease obligation	7	467 878	377 169
Trade and other payables	9	11 212 148	9 922 485
Provisions	8	881 657	813 092
		12 561 683	11 112 746
Total Liabilities		14 666 937	12 689 723
Total Equity and Liabilities		20 952 698	18 738 608

Statement of Comprehensive Income

Figures in Rand	Notes	2011	2010
Revenue	10	35 590 018	31 371 355
Other income	11	1 010 910	145 911
Operating expenses		(35 236 966)	(30 620 975)
Operating profit	12	1 363 962	896 291
Investment revenue	13	448 463	741 588
Finance costs	14	(1 575 549)	(1 454 232)
Profit for the year		236 876	183 647
Other comprehensive income		-	-
Total comprehensive income for the year		236 876	183 647

Statement of Changes in Equity

Figures in Rand

	Retained income	Total equity
Balance at 01 January 2010	5 865 238	5 865 238
Changes in equity		
Total comprehensive income for the year	183 647	183 647
Total changes	183 647	183 647
Balance at 01 January 2011	6 048 885	6 048 885
Changes in equity		
Total comprehensive income for the year	236 876	236 876
Total changes	236 876	236 876
Balance at 31 December 2011	6 285 761	6 285 761

Statement of Cash Flows

Figures in Rand	Notes	2011	2010
Cash flows from operating activities			
Cash generated from (used in) operations	16	2 708 354	(1 585 053)
Interest income		448 463	741 588
Finance costs		(1 516 431)	(1 262 106)
Net cash from operating activities		1 640 386	(2 105 571)
Cash flows from investing activities			
Acquisition of property and equipment	2	(1 138 809)	(3 375 602)
Sale of property and equipment	2	6 785	5 494
Development of intangible assets	3	(1 126 354)	(344 737)
Net cash from investing activities		(2 258 378)	(3 714 845)
Cash flows from financing activities			
Finance lease payments		(295 132)	(438 716)
Total cash movement for the year		(913 124)	(6 259 132)
Cash at the beginning of the year		6 653 462	12 912 594
Total cash at end of the year	6	5 740 338	6 653 462

Accounting Policies

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the South African Generally Accepted Accounting Practice, 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 Rand.

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 estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

Estimated value of employee benefit plan

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

Other estimates made

Council also makes estimates for:

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

Provisions

Provisions were raised and management determined an estimate based on the information available.

Taxation

In terms of section 10(1) (cA) (i) of the Income Tax Act, council is exempt from South African normal taxation.

1.2 Property and equipment

Property and equipment are tangible items that:

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

Costs include costs incurred initially to acquire or construct an item of property 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 and equipment, the carrying amount of the replaced part is derecognised. Property and equipment is carried at cost less accumulated depreciation and any impairment losses. Depreciation is provided using the straight line method to write down the cost, less estimated residual value over the useful life of the property and equipment, which is as follows:

Item	Average useful life
Buildings	20 years
Furniture and fixtures	10 years
Motor vehicles	4 years
Office equipment	5 years
Computer software	3 years

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

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

Accounting Policies

1.3 Intangible assets

Intangible assets are initially recognised at cost. All research and development costs are recognised as an expense unless they form part of the cost of another asset that meets the recognition criteria. The amortisation period and the amortisation method for intangible assets are reviewed at each reporting period date if there are indicators present that there is a change from the previous estimate. Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Average useful life
Computer Software	5 years

1.4 Financial instruments

Financial instruments at amortised cost

Initial recognition

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.

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. The carrying amount

of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in the statement of comprehensive income.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalent

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.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. 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.

Accounting Policies

The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

1.6 Employee benefits

Defined contribution plans

Under defined contribution plan council's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund. Consequently, the actuarial risk that benefits will be less than expected and the investment risk that assets invested will be insufficient to meet expected benefits is borne by the employee. Employee and employer contributions to defined contribution plans are recognised as an expense in the year in which incurred.

Defined benefit plans

Under defined benefit plan, the council has an obligation to provide the agreed benefits to current and former employees. The actuarial and investment risks are borne by council. For defined benefit plan, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. The current service cost in respect of defined benefit plan is recognised as an expense in the year to which it relates.

Actuarial gain or losses are all recognised in the statement of comprehensive income immediately as per the choice of council. Council chose not to restrict recognition of these gains or losses in terms of the corridor approach. Past service cost is recognised immediately to the extent that it relates to former employees or to active employees already vested. Otherwise, it is amortised on a straight line basis over the average period until the amended benefits become vested. Adjustments relating to retired employees are expensed in the year in which they arise. Deficits arising on this fund, if any, are recognised

immediately. The defined benefit obligation recognised in the statement of financial position, if any, represents the present value of the defined benefit obligation as adjusted for unrecognised past service costs (if any) and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to past service cost (if any) plus the present value of available refunds and reductions in future contributions to the plan.

1.7 Provisions and contingencies

Provisions are recognised when:

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

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Additional disclosure of these estimates of provisions is included in note 8. Contingencies are disclosed in note 18.

1.8 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax. Interest is recognised, in profit or loss, using the effective interest rate method.

Notes to the Financial Statements

Figures in Rand

2011

2010

2. PROPERTY AND EQUIPMENT

	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	600 000	-	600 000	600 000	-	600 000
Buildings	9 523 923	(3 582 963)	5 940 960	9 433 336	(3 110 153)	6 323 183
Furniture and fixtures	1 807 337	(687 225)	1 120 112	1 743 210	(541 851)	1 201 359
Motor vehicles	155 220	(155 219)	1	155 220	(139 220)	16 000
Office equipment	2 685 010	(1 654 266)	1 030 744	2 164 150	(1 283 551)	880 599
IT equipment	1 709 969	(1 100 464)	609 505	1 495 250	(944 723)	550 527
Total	16 481 459	(7 180 137)	9 301 322	15 591 166	(6 019 498)	9 571 668

Reconciliation of property and equipment – 2011

	Opening balance	Additions	Disposals	Depreciation	Total
Land	600 000	-	-	-	600 000
Buildings	6 323 183	90 587	-	(472 810)	5 940 960
Furniture and fixtures	1 201 359	74 348	(6 121)	(149 474)	1 120 112
Motor vehicles	16 000	-	-	(15 999)	1
Office equipment	880 599	570 540	(18 922)	(401 473)	1 030 744
IT equipment	550 527	403 334	(4 309)	(340 047)	609 505
	9 571 668	1 138 809	(29 352)	(1 379 803)	9 301 322

Reconciliation of property and equipment – 2010

	Opening balance	Additions	Disposals	Depreciation	Total
Land	600 000	-	-	-	600 000
Buildings	4 351 277	2 404 631	-	(432 725)	6 323 183
Furniture and fixtures	1 102 208	242 182	(4 127)	(138 904)	1 201 359
Motor vehicles	32 000	-	-	(16 000)	16 000
Office equipment	1 048 464	177 777	-	(345 642)	880 599
IT equipment	228 815	551 012	-	(229 300)	550 527
	7 362 764	3 375 602	(4 127)	(1 162 571)	9 571 668

Assets subject to finance lease (Net carrying amount)

Office equipment	461 373	576 242
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Notes to the Financial Statements

Figures in Rand

2011

2010

Details of property

Land and building is situated at 591 Belvedere street, Arcadia; Pretoria. The title deed number to the property is Erf 1470 Arcadia, Pretoria in the extent of 1708 sqm.

3. INTANGIBLE ASSETS

	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	2 693 077	(493 150)	2 199 927	1 566 724	(262 124)	1 304 600

Reconciliation of intangible assets – 2011

	Opening balance	Additions	Amortisation	Total
Computer software	1 304 600	1 126 354	(231 027)	2 199 927

Reconciliation of intangible assets – 2010

	Opening balance	Additions	Amortisation	Total
Computer software	1 075 935	344 737	(116 072)	1 304 600

4. RETIREMENT BENEFITS

Defined benefit plan

As at 01 July 2010 the structure of council pension fund changed from defined benefit plan to defined contribution plan. The rules of the fund states that a member is entitled to a benefit on the defined contribution basis, with a guarantee that it will not be less than the benefit the member was entitled to on the defined benefit basis. Council Pension Fund was established on 1 July 1977. The Rules of the fund were revised with effect from 01 July 2010.

Subsequent to the structural change, only four new members joined council. Consequently, based on substance over form, the guarantee provision and the fact that only four employees joined, materially restricts the reporting of the plan to the bases of defined benefit. The most recent actuarial valuation of the plan assets and the present value of the defined obligations were carried out on 31 December 2011 by Absa Consultants and Actuaries. The present value of the defined benefit obligation and the related current service costs were measured using the Projected Unit Credit Method.

Notes to the Financial Statements

Figures in Rand

2011

2010

Carrying Value

Present value of the defined benefit obligation wholly funded	(19 888 000)	(18 427 000)
Fair value of plan assets	17 941 000	17 335 000
	(1 947 000)	(1 092 000)

Reconciliation of opening and closing balances of the defined benefit obligation

Opening balance	1 092 000	-
Contributions by members	(2 538 000)	(2 489 000)
Net expense recognised in profit or loss	3 393 000	3 581 000
	1 947 000	1 092 000

Net expense recognised in profit or loss

Current service cost	2 321 000	2 027 000
Interest cost	1 512 000	1 261 000
Actuarial (gains) losses	1 186 000	1 697 000
Expected return on plan assets	(1 626 000)	(1 404 000)
	3 393 000	3 581 000

The above cost for the year, are included in payroll costs and interest expense in the statement of comprehensive income.

Key assumptions used

Assumptions used on last valuation on 31 December 2011.

Discount rates used	8.80%	8.40%
Expected rate of return on assets	10.40%	9.50%
Expected rate of general inflation	6.40%	5.50%
Expected increase in salaries	7.40%	6.50%

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

Notes to the Financial Statements

Figures in rand

5. TRADE AND OTHER RECEIVABLES

	2011	2010
Trade receivables	3 199 060	1 021 263
Deposits	29 556	29 556
VAT	8 310	-
Accrued income	83 797	158 059
Prepayment: City of Tshwane	390 388	-
	3 711 111	1 208 878

The councillors consider carrying amounts of the trade and other receivables to approximate their fair values.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	1 895	2 724
Bank balances	3 484 425	3 899 122
Short-term deposits	2 254 018	2 751 616
	5 740 338	6 653 462

The weighted average effective interest rate on short term deposits is 7,4% (2010: 6,31%).

7. FINANCE LEASE OBLIGATION

Minimum lease payments due

- within one year	516 612	439 456
- in second to fifth year inclusive	169 687	512 698
less: future finance charges	(29 231)	(90 008)

Present value of minimum lease payments

657 068 **862 146**

Non-current liabilities	158 254	484 977
Current liabilities	467 878	377 169
	626 132	862 146

It is council policy to lease office equipment such as photocopiers under finance leases.

The average lease term is five years and the average effective borrowing rate is 9% (2010: 9%).

Interest rates are linked to prime rate. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

Notes to the Financial Statements

Figures in Rand

2011

2010

8. PROVISIONS

Reconciliation of provisions – 2011

	Opening balance	Additions	Total
Provision - leave	813 092	68 565	881 657

Reconciliation of provisions – 2010

	Opening balance	Additions	Utilised during the year	Total
Provision - leave	749 776	65 712	(2 396)	813 092

9. TRADE AND OTHER PAYABLES

Trade payables	11 169 755	9 598 626
VAT	-	66 946
Other payables- Department of Health	41 427	169 800
Accrued expenses	966	87 113
	11 212 148	9 922 485

The councillors consider carrying amounts of the trade and other payables to approximate their fair values

10. REVENUE

Annual and Registration fees	30 091 959	28 278 605
Examination fees	138 236	37 140
Other revenue	5 359 822	3 055 610
	35 590 017	31 371 355

11. OTHER INCOME

Sponsorship	343 999	144 544
Profit on sale of assets	22 567	1 367
VAT refund	242 075	-

Notes to the Financial Statements

Figures in Rand

2011

2010

12. OPERATING PROFIT

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

Loss (profit) on sale of property and equipment	(22 567)	1 367
Legal expenses	353 946	277 609
Amortisation on intangible assets	231 027	116 072
Depreciation on property and equipment	1 379 803	1 162 569
Employee costs	19 303 287	19 096 063
Research and development	708 128	36 062

13. INVESTMENT REVENUE

Interest revenue

Bank	448 463	741 588
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14. FINANCE COSTS

Finance leases	59 118	192 126
Retirement fund interest	1 512 000	1 261 000
Trade payables	4 431	1 106
	1 575 549	1 454 232

15. AUDITORS' REMUNERATION

Fees	131 269	90 000
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16. CASH USED IN OPERATIONS

Profit before taxation	236 876	183 647
------------------------	---------	---------

Adjustments for:

Depreciation and amortisation	1 610 830	1 278 641
(Loss) profit on sale of assets	22 567	(1 367)
Interest received	(448 463)	(741 588)
Finance costs	1 575 549	1 454 232
Movements in retirement benefit assets and liabilities	855 000	1 092 000
Movements in provisions	68 565	63 309

Changes in working capital:

Trade and other receivables	(2 502 233)	(750 889)
Trade and other payables	1 289 663	(4 163 038)
	2 708 354	(1 585 053)

Notes to the Financial Statements

Figures in Rand

2011

2010

17. COMMITMENTS

Authorised capital expenditure

Committed but not contracted

Property and equipment	1 941 000	1 881 510
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This authorised expenditure relates to property and equipment and will be financed by funds internally generated.

Finance leases – as lessee payments

Minimum lease payments due

- within one year	516 612	439 456
- in second to fifth year inclusive	169 687	512 698
	686 299	952 154

Finance lease payments represent rentals payable by council for photocopies. Leases are negotiated for an average term of five years and rentals are fixed. No contingent rent is payable.

18. CONTINGENCIES

There were no material contingent liabilities at year end.

19. RELATED PARTIES

Relationships

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

Related party transactions

Transaction with councillors

Councillors and Sub-committee member fees	222 644	174 659
Preparation fees	45 495	30 069
Allowances	160 396	151 979
	428 535	356 707

Purchases from (sales to) related parties

Locum fees	111 659	87 911
Transport fees	605 763	395 540
	717 422	483 451

Notes to the Financial Statements

20. EVENTS AFTER THE REPORTING PERIOD

There were no adjusting events after reporting date.

21. FINANCIAL RISK MANAGEMENT

Council's activities expose it to a variety of financial risks including interest rate risk, credit risk and liquidity risk. Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. Risk management is carried out by the senior management under finance policies approved by council members.

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities. 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 council's financial instruments is less than 12 months.

Interest rate risk

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

Credit risk

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

As at 31 December 2011, 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 instruments.

Detailed Statement of Comprehensive Income

Figures in Rand	Notes	2011	2010
Revenue			
Annual fees earned and registration fees		35 590 018	31 371 355
Other income			
Sponsorships		1 010 910	144 544
Interest received	13	448 463	741 588
Gains on disposal of assets		-	1 367
		1 459 373	887 499
Operating expenses			
Advertising and promotions		(512 653)	(564 335)
Allowances		(160 396)	(151 979)
Auditors' remuneration	15	(131 269)	(90 000)
Bank charges		(266 601)	(291 396)
Committee meeting expenses		(111 505)	(85 649)
Computer expenses		(1 383 331)	(759 684)
Consumables		(78 004)	(70 154)
Council and Sub-committee member fees		(222 644)	(174 659)
Curriculum development		(870 632)	(449 116)
Depreciation, amortisation and impairments		(1 610 830)	(1 278 641)
Disciplinary fees		(55 870)	(52 719)
Employee costs		(19 303 287)	(19 096 063)
Entertainment		(4 223)	(306)
Inspection fees		(1 307 345)	(1 134 185)
Insurance		(128 252)	(105 643)
Legal expenses		(353 946)	(277 609)
Locum fees		(111 659)	(87 911)
Loss on disposal of assets		(22 567)	-
Office expenses		(1 139 129)	(965 159)
Pharmacy practice and CPD		(705 922)	(689 217)
Postage		(610 480)	(489 468)
Preparation fees		(45 495)	(30 069)
Printing and stationery		(1 052 364)	(569 587)
Provision for doubtful debts		(2 197 881)	(1 029 855)
Repairs and maintenance		(509 084)	(522 555)
Research and development costs		(708 128)	(36 062)

Detailed Statement of Comprehensive Income

Figures in Rand	Notes	2011	2010
Security		(104 432)	(137 823)
Subscriptions		(440)	(629)
Telephone and fax		(540 489)	(454 563)
Training		(111 772)	(188 622)
Transport Expenses		(605 763)	(395 540)
Utilities		(270 573)	(441 777)
		(35 236 966)	(30 620 975)
Operating profit	12	1 812 425	637 879
Finance costs	14	(1 575 549)	(454 232)
Profit for the year		236 87	183 647

Staff members







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