



**South African
Pharmacy Council**

SOUTH AFRICAN PHARMACY COUNCIL
ANNUAL REPORT
2019



South African Pharmacy Council 2018 – 2023

From left to right:

Back row:

Christine Venter, Jackie Maimin, Yahya Essop Choonara, Sarel Malan, Mosiuoa Shadrack Shuping, Pieter Kilian, Jan du Toit, Natalie Shellack, Josephine Herbert, Helen Hayes

Middle row:

Mmapaseka Steve Letsike, Ilse Truter, Ayanda Soka, Moliehi Matlala, De Wet Wolmarans, Tshegofatso Daniel Moralo, Mariet Eksteen, Tlou Mavis Shivambu, Khadija Jamaloodien, Moitsoadi Sarah Mokgatlha

Front row (seated):

Boitumelo Molongoana (Vice-President), Mogologolo David Phasha (President), Nocawe Portia Thipa (Treasurer), Amos Masango (Registrar)

Absent:

Pakama Dlwati, Nazreen Shaik-Peremanov

South African Pharmacy Council

ANNUAL REPORT 2019

Minister of Health

It is our pleasure to submit the Annual Report on the activities of the South African Pharmacy Council for the period of 1 January 2019 – 31 December 2019, in terms of the Pharmacy Act, 53 of 1974.



MR MD PHASHA
PRESIDENT



MR TA MASANGO
REGISTRAR

ISBN: 978-0-620-89283-4

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VISION

Accessible quality pharmaceutical services for all.

MISSION STATEMENT

We exist to:

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

CORE VALUES

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



South African
Pharmacy Council

PRESIDENT'S FOREWORD

It is an honour to present the maiden Annual Report of the recently-appointed 25-member Council collective. At the beginning of our term, we committed ourselves to achieving various strategic objectives towards the realisation of our legislative mandate and in line with our newly-adopted vision of ensuring *"Accessible quality pharmaceutical services for all"*. Chief among the main tenets of this vision is to ensure that pharmaceutical services and care are fully accessible to patients throughout the country and they are of the right quality; that is, they are in line with the *Rules relating to Good Pharmacy Practice (GPP)*.

The Council collective has a stewardship responsibility towards the Office of the Registrar and all Council resources managed from this office. In the year under review, we have managed to attain a clean audit opinion and adequately resourced the activities of the Council while maintaining average annual fee increases in line with headline inflation. For the year under review, a pharmacy professional's annual fees were marginally lower than comparable health care professions in South Africa (+10% difference) and considerably lower than comparable professionals in other sectors of the economy (+100% difference). Notwithstanding the fact that all service providers of Council usually apply double-digit increases to their own fees and prices, we intend to sustainably manage the resources of Council to ensure that we limit or totally eliminate above-inflation increases to annual fees for the remainder of the Council term.

In line with our strategic objective to ensure definite therapeutic outcomes for the health and quality of life of patients through the promotion of compliance to good pharmacy practice standards, the Office of Council has undertaken several initiatives in 2019. We have conducted more than 2 000 pharmacy inspections and workshops across the country to guide pharmacy professionals on matters relating to compliance, continuing professional development and the changing pharmacy education landscape. In addition to these, we have jealously guarded the image of the profession by processing more than 400 disciplinary matters. The intention of Council is not to punish unintentional transgressions or acts of omission, but to guide the profession towards full compliance in the interest of patient care and safety. As such, only gross transgressions received definite penalties such as suspension from practice or deregistration.

As a Council that cares for the profession it regulates, we provide support and guidance to pharmacy professionals who encounter challenges that threaten their fitness to practise the calling of Pharmacy. In the



Mr MD Phasha
(President)

year under review, the Health Committee of Council attended to nineteen (19) colleagues who requested Council's assistance in managing various health and wellness issues. Four (4) of these colleagues were referred from the disciplinary committees of Council. It is fulfilling to note that we addressed the issues affecting eight (8) of these colleagues. The Health Committee is still working with eleven (11) members of the profession to ensure the improvement of their wellbeing. We trust that we will successfully guide and support them.

Our standard-setting work focused on improving aspects of the GPP in line with the changing patient care environment, as well as ensuring that challenges such as the abuse of over-the-counter medicines are addressed. To this effect, work is at an advanced stage to finalise the *Minimum standard for substances with a potential to be overused, misused or abused*. Further to this, we have engaged with the Department of Health on matters relating to the finalisation of the regulations related to the scope of practice of Pharmacy Technicians and trust that the regulations would be published for comment in the coming reporting period.

The advent of sustained competence through Continuing Professional Development (CPD) is upon us, pharmacists have been selected as the first category of registered pharmacy professionals to be expected to comply with the CPD Regulations. I urge all colleagues to welcome this opportunity to stay

competent and ensure that they continuously search for professional development opportunities, be they best practice articles, academic/professional journals, training courses, webinars/seminars, or informal training within the pharmacy environment, among many other avenues.

The Council also presided over the hosting of the 3rd National Pharmacy Conference held in North West in October 2019. This was an important national dialogue of all stakeholders in the profession which also presented ample opportunities for continuing professional development, as well as skills and best-practice transfer among delegates. Our appreciation is to both local and international partners as well as the Ministry of Health, the leadership of the North West Department of Health and Moses Kotane Local Municipality for having showered us with their support and presence.

Among the key objectives of the 2030 Human Resources for Health Strategy championed by the Honourable Minister of Health, Dr Zweli Mkhize, is the goal to "Produce a competent and caring multi-disciplinary health workforce through an equity-oriented, socially accountable education and training system" by 2030. In the year under review, Council undertook various measures to ensure that this objective is realised. The review of the Bachelor of Pharmacy (BPharm) qualification was undertaken in collaboration with the Council on Higher Education (CHE), the reviewed qualification will be published for comment in the forthcoming year. We have also managed to publish the *Scope of practice and qualification for specialist pharmacists in industrial pharmacies* (Master of Pharmacy: Industrial Pharmacy) for comment through Board Notice 173 of 2019.

In 2019 alone, we have added 680 more training sites for pharmacy graduates and pharmacy support personnel – bringing the total number of pharmacies approved for training to 2 325. We hope this will go a long way in ensuring that pharmacy graduates do not find it hard to find internship placements post-graduation.

In the interest of ensuring that pharmacists continue to draw on the support of a competent and knowledgeable support workforce, Council appointed a Pharmacy Support Personnel (PSP) Task Team to facilitate the finalisation of the PSP part qualifications, namely: the Pharmacist's Assistant (Basic), Pharmacist's Assistant (Post-Basic), and the Occupational Certificate: Pharmacy Technician. The work of this task team should bear fruit soon.

The 2030 Agenda for Sustainable Development adopted in 2015 by the United Nations General Assembly identifies seventeen (17) Sustainable Development Goals, among which is a commitment by member states to ensure universal health coverage (UHC) for their citizens by 2030. Recognising that the pharmacy is an important primary health care point for the fulfilment of UHC, we have put our focus on ensuring that pharmacies can provide primary health care by taking actions that seek to equip pharmacists to provide a full-service primary health care offering in support of the goal for ensuring access to quality health care for all. To this effect, we have ensured that we equip the Office of the Registrar to encourage the development and accreditation of Primary Care Drug Therapy (PCDT) programmes. Moreover, a task team of Council has also reviewed some of Council's minimum standards related to the provision of primary health care services within the pharmacy, including the *Minimum standard for family planning and sexual health*. It is our intention to ensure that, in addition to family planning and the provision of Emergency Post-coital Contraception (EPC), pharmacists are able to provide Pharmacist-Initiated Management of Anti-Retroviral Therapy (PIMART), i.e. Pre-Exposure Prophylaxis (PrEP), Post-Exposure Prophylaxis (PEP) and Test & Treat.

We are an organisation that does not operate in a vacuum, most of our work is enabled and supported by various stakeholders and partners. I wish to thank the Ministry of Health, South African Health Products Regulatory Authority (SAHPRA), all Statutory Health Councils, law enforcement agencies, education and training Councils, associations and industry formations, and other stakeholders for their support during this year.



MD Phasha
President

FOREWORD: REGISTRAR & CEO

There is an adage in the Nguni languages of Southern Africa that *Ithole likhula namafutha alo* (loosely translated to mean: one's habits (good or bad) become greater as they age, or, rather, one's behaviour in infancy informs their behaviour in adulthood). The fastidiousness of our good governance structures, financial prudence, and commitment to the advancement of pharmacy and the assurance of patients' rights to quality pharmaceutical care have been habits which have followed a consistent, upwards trajectory as the profession grew from strength to strength.

I am pleased to announce that we have attained yet another clean audit – our eleventh in a row. Further to this, we have ensured the continued financial sustainability of the South African Pharmacy Council (SAPC) by improving the liquidity ratio from 1.00 in 2018 to 1.13 in 2019.

The 3rd National Pharmacy Conference was also hosted during this reference period, without putting a strain on Council coffers.

Advancing Pharmacy towards Vision 2030: 3rd National Pharmacy Conference

The premier triennial pharmacy gathering in the country, the 3rd National Pharmacy Conference, saw 1 200 delegates, 27 exhibitor organisations and 12 sponsors converged during the weekend of 3-5 October 2019 to advance the pharmacy profession, share best practices and learn from each other's experiences, amongst others.

We are grateful to the Minister of Health, Deputy Minister, Director-General: Health as well as the North West MEC for Health and Mayor of Moses Kotane Local Municipality for having been part of the proceedings during this august occasion. We acknowledge with appreciation the support shown by our local partners, the experts, associations, educational institutions and other organisations within Pharmacy. The participation of International Pharmaceutical Federation (FIP) Vice-President, Ms Samira Shammas, as well as other international partners from the Southern African Development Community (SADC) region, the continent and the rest of the world has been a great honour and of much benefit to Pharmacy in South Africa.

On behalf of delegates, the Council collectives that presided over the 3rd NPC, and all stakeholders, I wish



Mr TA Masango
(CEO & Registrar)

to express our indebtedness to the 39 organisations that participated in making this the Conference such a resounding success by providing resources for its execution. We salute the following sponsors for showing commitment to advancing the Pharmacy profession, the prosperity of South Africa and the health of her people: the Platinum Sponsor, Aspen Pharmacare, the delegate sponsor, Health & Welfare Sector Education and Training Authority (HWSETA), our Gold Sponsors, Cipla, Dischem Pharmacies and the Government Employees Medical Scheme (GEMS), and the Silver Sponsors: Adcock Ingram, Clicks, Colgate, Pharma Dynamics, Pick n Pay Pharmacy, Right e-Pharmacy, and Transpharm.

Continuing Professional Development is now a reality

The Honourable Minister of Health, Dr Zweli Mkhize, promulgated the *Regulations relating to Continuing Professional Development* in May 2019. The Regulations provided for the phased implementation of the continuing professional development (CPD) process, the designation of registered persons as either "non-practising" or "practising" as well as the requirement to submit an annual declaration to the SAPC by registered persons, amongst other matters.

The SAPC announced, through Board Notice,

pharmacists as the first category of registered persons expected to comply with the regulations with effect from January 2020.

Since then we have noticed confusion around the CPD requirements, including whether people can accumulate “points” as a way of complying with the requirements. The SAPC CPD system is not based on points. It is an outcome-based system that seeks to assess whether a new skill or knowledge was acquired. As such, learning can occur by either reading an article, interacting with colleagues or patients, or attending a course/workshop amongst many other avenues.

Fulfilling the legislative mandate of Council

The effective management of both human and financial resources and assets is a key determinant for an organisation’s survival and sustainability. However, of paramount importance is the management of resources towards the effective achievement of organisation’s key objectives and, in our case, the legislative mandate as dictated by, amongst others, the Pharmacy Act, 53 of 1974.

We have continued to maintain and enhance the dignity of the pharmacy profession, safeguard the rights of patients to universally acceptable standards of pharmaceutical care, provide counsel on matters pharmacy, contribute to efforts to promote the health of the South African population, and we have ensured utmost transparency to the profession and the public as called for in Section 3 of the Pharmacy Act.

Maintaining and enhancing the dignity of the profession

During the period under review, the disciplinary committees of Council attended to 470 cases. This represents a 3,5% year-on-year increase in disciplinary cases from 2018. The majority (390) of the cases were attended to by the Committee of Preliminary Inquiry (CPI), followed by Committee of Informal Inquiry (CII) with 55 matters, and Committee of Formal Inquiry (CFI) with 25 cases. Of the matters heard at CFI, 21 respondents were convicted of the charges brought against them – representing a rather concerning conviction rate of 84%.

In 2019 we inspected 2 043 pharmacy facilities, a 12,6% year-on-year increase in pharmacies inspected when compared with 2018. A basic analysis of the

inspection findings indicates that the Free State (98,9%), Western Cape (89,7%), Northern Cape (86,4%), North West (83,3%), Gauteng (81,7%), and KwaZulu-Natal (81,6%) had substantially higher proportions of pharmacy facilities achieving acceptable compliance levels to Good Pharmacy Practice (GPP) standards (i.e. achievement of Grade A & B inspection outcomes). Limpopo (38,9%), Mpumalanga (26,4%), and Eastern Cape (21,7%) had higher proportions of pharmacy facilities achieving Grade C or D inspection outcomes in 2019.

Universally acceptable standards of pharmaceutical care

The Pharmacy Act, especially objects 3(c), (d), (g), (e) (iv), and (e)(v), requires of the South African Pharmacy Council (SAPC) to set, maintain and uphold standards that ensure good pharmacy practice with the specific aim of delivering definite therapeutic outcomes for patients and safeguarding the rights of the public to universally acceptable pharmaceutical care. As a result, maintaining and enhancing the dignity of the pharmacy profession and the integrity of those practising the calling.

During the year under review, we have developed standards aimed at improving pharmacy education, training and practice. We have published the following standards/amendments during this period, amongst others:

- Correction Notice to the Good Pharmacy Education Standards – Higher Education;
- Good Pharmacy Education Standards – Occupational Qualifications Sub-Framework (for comment);
- Good Pharmacy Practice (GPP) amendments pertaining to access to a pharmacy, locums and standard operating procedures (for comment);
- GPP additional standard for Unit Dose Dispensing (for implementation);
- GPP amendment to the requirements of a trading title of a pharmacy (for comment);
- GPP amendment with regards to access to facilities, locums and standard operating procedures.

Additionally, in order to ensure the continued competence of pharmacy professionals despite operating in a forever-changing practice environment, we had welcomed the promulgation of the Continuing Professional Development (CPD) regulations by the Honourable Minister of Health with enthusiasm and immediately implemented measures to support pharmacists to comply with the regulations. To this

end, we have published a CPD Guidance Document and conducted workshops throughout the country. The Office of the Registrar continues to be available to assist registered persons with understanding the CPD process and requirements.

Ensuring accessible quality pharmaceutical services through the registration of facilities and persons

In 2019, the Office of the Registrar processed 12 123 successful registration applications. A large number of the new applications were from Learners (Basic and Post-Basic Pharmacist's Assistants) at 3 505 (or 28,9%). These were followed by Qualified Basic and Post-Basic Pharmacist's Assistants (2 993 or 24,7%), Tutors (1 763 or 14,5%), Pharmacy Students (1 045 or 8,6%), Community Service Pharmacists – after Community Service (953 or 7,9%), Responsible Pharmacists (922 or 7,6%), and Community Service Pharmacists (776 or 6,4%). Applications from Pharmacy Technicians (PT), PT Trainees, Assessors and Moderators collectively amounted to 1,4% (166) of all new registrations in 2019.

Council has as its vision for the 2019-2023 term ensuring Accessible quality pharmaceutical services for all – that is, to ensure more South Africans have access to pharmaceutical care and medicines without having to travel great distances. To achieve this, the Council would, amongst others, work towards ensuring the establishment of access points (pharmacy facilities) within underserved communities.

During 2019, the Office of the Registrar attended to 535 license applications and recommended to the Director-General: Health to issue 514 of these. More than half of these applications (288) were for new pharmacy licenses. We are also beginning to see the impact of the Fourth Industrial Revolution (4IR) within Pharmacy; during the year under review, we have approved three (3) licences for Remote Automated Dispensing Units (RADUs). As at the end of 2019, there are 4 800 pharmacies in South Africa, 10 of which are academic institutions. Of these, 4 346 were community and institutional pharmacies, representing an average of 18 pharmacies per municipality for the country's 234 metropolitan and local municipalities.

Promoting health and ensuring transparency to the public and the profession

Chief among the Council's efforts to promote the health of the population were the 2019 Pharmacy Month programme and 3rd National Pharmacy Conference. All stakeholders within Pharmacy engaged in Pharmacy Month activities across the country throughout the month of September; additionally, media and social media campaigns ensured increased awareness and impact.

In addition to these, the Office of the Registrar engaged Council stakeholders through various stakeholder platforms, including the Annual Stakeholder Forum and Heads of Pharmacy Schools meetings. Moreover, the Office organised fourteen (14) workshops for the profession across South Africa's nine provinces aimed at educating the profession on matters such as Continuing Professional Development (CPD), the expanding role of pharmacy support personnel (PSP) as well as changes to PSP training programmes, and reviews to Council's Inspection and Grading mechanisms. The Office has also conducted information sessions with students across all registered Pharmacy Schools in the country.

Effective and efficient management of the Office of Council

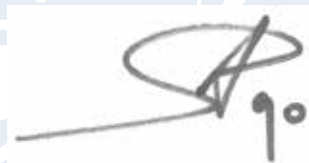
The Office of the Registrar, established in terms of Section 2 of the Pharmacy Act, has grown from strength to strength over the years. For instance, in 2007, the Office only had a full-time staff complement of 40 persons; this number has grown with the size of the consolidated register of pharmacy professionals and the increased demand for Council services. As such, in 2019, 103 persons are employed in the Office of the Registrar. During the year under review, our staff turnover rate has only been 1,9%.

We have managed the assets of Council with prudence and have grown the value of the total assets by 425,6% over the 12 years between 2007 and 2019, representing an average annual growth rate of 35,5% in total asset value. A year-on-year comparison of the total assets values between 2018 and 2019 reveal that total assets appreciated by 12,2% over this period.

Good governance: A science we have perfected

It is with pride that I note our eleventh favourable consecutive external audit report. The consistency with which the internal audit committee has lauded the efficiency of Council processes and policies, the rigour of our corporate governance structures and performance of the Office of the Registrar against strategic objectives has been a reassurance that we are indeed on the right path towards achieving Council's vision of ensuring *Sustainable quality pharmaceutical services for all*.

I would like to thank members of Council, the management and staff within the Office of the Registrar, the Ministry of Health, our partners and collaborators, especially the Statutory Health Councils, education and training authorities/councils, and organised pharmacy, including, but not limited to, industry associations, student associations, trade organisations and professional associations.



TA Masango
Registrar/CEO

African
Pharmacy Council

COUNCIL – ROLE AND RESPONSIBILITIES

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

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

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

Objectives and Functions of Council

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

- assist in the promotion of the health of the population of the Republic of South Africa.
- advise the Minister of Health or any other person on any matter relating to pharmacy.
- promote the provision of pharmaceutical care which complies with universal norms and values, in both the public and private sectors, with the goal of achieving definite therapeutic outcomes for the health and quality of life of a patient.
- uphold and safeguard the rights of the general public to universally acceptable standards of pharmacy practice in both the public and private sectors.
- establish, develop, maintain and control universally acceptable standards for:
 - o pharmaceutical education and training;
 - o 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;
 - o the practice of the various categories of persons required to be registered in terms of the Act;
 - o the professional conduct required of persons registered in terms of the Act; and
 - o the control of persons registered in terms of the Act by investigating in accordance with the Act complaints or accusations relating to the conduct of registered persons.
- promote transparency to the profession and the general public in achieving its objectives, performing its functions, and executing its powers.
- maintain and enhance the dignity of the pharmacy profession and the integrity of persons practising the profession.
- coordinate the activities of Council and its committees, give guidance to the Office of the Registrar, and provide oversight on risk management and financial controls.
- improve internal efficiency and effectiveness through improved customer care relations and service delivery, and investigation of alternative sources of funds.
- build a pipeline of highly skilled staff to meet the Council’s mandate through training, implementation of performance management and retention of key personnel.

Governance Structure

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

Council Members (2018 – 2023)

Mr Mogologolo David Phasha	President
Ms Boitumelo Molongoana	Vice-President
Ms Nocawe Portia Thipa	Treasurer
Prof Yahya Essop Choonara	Chairperson: Education Committee
Ms Jacqueline Ann Maimin	Chairperson: Practice Committee
Mr Ayanda Soka	Chairperson: CPD Committee
Dr Moliehi Matlala	Chairperson: Pre-registration Committee
Ms Mmapaseka Steve Letsike	Chairperson: Health Committee
Mr Johannes Stephanus du Toit	Chairperson: Committee of Preliminary Investigation
Mr Tshhegofatso Daniel Moralo	Chairperson: Committee of Informal Inquiries
Ms Khadija Jamaloodien	National Department of Health Representative
Ms Pakama Dlwati	
Dr Margaritha Johanna Eksteen	
Ms Helen Catherine Hayes	
Ms Josephine Winley Herbert	
Mr Pieter Johannes Kilian	
Prof Sarel Francois Malan	
Ms Moitsoadi Sarah Mokgatlha	
Prof Natalie Schellack	
(Adv.) Dr Nazreen Shaik-Peremanov	
Ms Tlou Mavis Shivambu	
Mr Mosiuoa Shadrack Shuping	
Prof Ilse Truter	
Ms Christina Aletta Venter	
Dr Petrus de Wet Wolmarans	

CORPORATE SERVICES

Strategic focus area

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

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

Council meetings

A total of four Council meetings were conducted in February, May, July and October 2019.

National/International Conferences

Council appreciates valuable communication and interaction with pharmacy professionals and public stakeholders. Informative exhibitions took place at the following pharmaceutical conferences in 2019:

- South African Association of Hospital and Institutional Pharmacists (SAAHIP) Conference, Drakensberg Champagne Sports Resort, KwaZulu-Natal, 7-10 March 2019;
- South African Pharmaceutical Regulatory Affairs Association (SAPRAA) Conference, Bytes Conference Centre, Midrand, 12 April 2019;
- South African Association of Pharmacists in Industry (SAAPI) Conference, CSIR International Convention Centre, 16-19 May 2019;
- South African Society of Clinical Pharmacy (SASOCP) Conference, Lagoon Beach Hotel, Cape Town, 6-8 June 2019;
- Board of Healthcare Funders Conference, CTICC, Cape Town, 21-24 July 2019;
- Signing of Presidential Health Compact, Dr George Mukhari Academic Hospital, Ga-Rankuwa, 25 July 2019;
- Independent Community Pharmacy Association (ICPA) Conference, Emperors Palace, Gauteng, 17-18 August 2019;
- Health Professions Council of South Africa (HPCSA) Conference, Emperors Palace, 17-19 August 2019;
- Annual Gauteng Pharmaceutical Services Conference, Birchwood Hotel and Conference Centre, 19 September 2019;
- International Pharmaceutical Federation (FIP), Abu Dhabi, United Arab Emirates, 22-26 September 2019.

Board Notices

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

(a) Education

- Board Notice 32/2019, published on 15 March 2019 – Correction Notice to the Good Pharmacy Education Standards – Higher Education;
- Board Notice 34/2019, published on 29 March 2019 – Good Pharmacy Education Standards – Occupational Qualification Sub-Framework (for comment); and
- Board Notice 173/2019, published on 27 September 2019 – Qualification pertaining to the Specialist Pharmacist: Industrial Pharmacist (for comment).



Mr VM Tlala
(COO)

(b) Good Pharmacy Practice

- Board Notice 75/2019, published on 10 May 2019 – Good Pharmacy Practice (GPP) amendments pertaining to access to a pharmacy, locums and standard operating procedures (for comment);
- Board Notice 172/2019, published on 27 September 2019 – GPP additional standard for Unit Dose Dispensing (for implementation);
- Board Notice 177/2019, published on 27 September 2019 – GPP amendment to the requirements of a trading title of a pharmacy (for comment); and
- Board Notice 205/2019, published on 13 December 2019 – GPP amendment with regards to access to facilities, locums and standard operating procedures.

(c) Continuing Professional Development

- Board Notice 171/2019, published on 27 September 2019 – Continuing Professional Development (CPD) Guidance Document (for comment);
- Board Notice 174/2019, published on 27 September 2019 – Categories of registered persons who are required to comply with CPD; and
- Board Notice 201/2019, published on 10 December 2019 – Categories of registered persons who are required to comply with CPD.

(d) Others

- Board Notice 35/2019, published on 29 March 2019 – Services for which a pharmacist may levy a fee;
- Board Notice 41/2019, published on 12 April 2019 – Additional fees payable to Council;
- Board Notice 170/2019, published on 27 September 2019 – Findings of the Committee of Formal Inquiry (CFI);
- Board Notice 188/2019, published on 15 November 2019 – Fees payable to Council for 2020;
- Board Notice 196/2019, published on 29 November 2019 – Guidelines for the removal of pharmacy recordings (for comment); and
- Board Notice 202/2019, published on 10 December 2019 – Guidelines for the restoration of persons (for comment).

2019 Attendance at meetings

In terms of the principles of Corporate Governance and legal principles of administrative law, Council and Committee members must exercise their discretion in making decisions or providing recommendations to

Council. This should be done within the confines of the Pharmacy Act and associated regulations.

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

For purposes of corporate governance, the attendance registers for 2019 Council and committee meetings are represented in the tables below:

Date of meeting	Total members	Present		Absent/ Apologies
		Both days	One day	
12-14 February 2019	25	23	0	2
14-15 May 2019	25	23	1	1
9-10 July 2019	25	19	1	5
16-17 October 2019	25	24	0	1

Table 1: Attendance at Council meetings

Date of meeting	Total members	Present	Absent/ Apologies
17 April 2019	11	11	0
15 May 2019	11	11	0
7 June 2019 (Special Teleconference)	11	6	5
13 August 2019 (Special Teleconference)	11	8	3
12 September 2019	11	7	4
28 November 2019	11	6	5

Table 2: Attendance at Executive Committee meetings

Date of meeting	Total members	Present	Absent/ Apologies
14 March 2019	6	5	1
6 June 2019	6	5	1
14 August 2019	6	5	1
7 November 2019	6	5	1

Table 3: Attendance at Continuing Professional Development (CPD) Committee meetings

Date of meeting	Total members	Present	Absent/ Apologies
12 March 2019	9	8	1
4 June 2019	9	8	1
13 August 2019	9	8	1
5 November 2019	9	8	1

Table 4: Attendance at Education Committee meetings

Date of meeting	Total members	Present	Absent/ Apologies
13 March 2019	10	8	2
20 March 2019 (Teleconference)	10	6	4
5 June 2019	10	8	2
11 September 2019	10	9	1
6 November 2019	10	8	2

Table 5: Attendance at Practice Committee meetings

Date of meeting	Total members	Present	Absent/ Apologies
11 March 2019	9	8	1
3 June 2019	9	7	2
12 August 2019	9	6	3
4 November 2019	9	7	2

Table 6: Attendance at Pre-Registration Committee meetings

Date of meeting	Total members	Present	Absent/ Apologies
15 March 2019	6	6	0
13 June 2019	6	6	0
22 August 2019	6	5	1
14 November 2019	6	4	2

Table 7: Attendance at Health Committee meetings

Date of meeting	Total members	Present	Absent/ Apologies
16 July 2019	5	5	0
29 October 2019	5	4	1

Table 8: Attendance at Committee of Informal Inquiries (CII) meetings

Date of meeting	Total members	Present	Absent/ Apologies
5-6 March 2019	6	5	1
29-30 July 2019	6	5	1
19-20 November 2019	6	5	1

Table 9: Attendance at Committee of Preliminary Investigation (CPI) meetings

Date of meeting	Total members	Present	Absent/ Apologies
10-11 April 2019	3	3	0
22-23 May 2019	3	3	0
17 July 2019	3	3	0
5 September 2019	3	3	0
19 September 2019	3	3	0

Table 10: Attendance at Committee of Formal Inquiries (CFI) meetings

Date of meeting	Total members	Present	Absent/ Apologies
23 April 2019	7	5	2
2 May 2019	7	6	1
6 August 2019	7	7	0
12 November 2019	7	5	2

Table 11: Attendance at Audit Committee meetings

Date of meeting	Total members	Present	Absent/ Apologies
11 March 2019	8	6	2
26 November 2019	8	5	3

Table 12: Attendance at Trustees meetings

Date of meeting	Total members	Present	Absent/ Apologies
16 April 2019	3	2	1
11 September 2019	3	2	1
20 November 2019	3	3	0
27 November 2019	3	2	1

Table 13: Attendance at Bargaining Committee meetings

Date of meeting	Total members	Present	Absent/ Apologies
15 April 2019	3	2	1
26 November 2019	3	3	0

Table 14: Attendance at REMCO meetings

Date of meeting	Total members	Present	Absent/ Apologies
15 April 2019	6	5	1
14 October 2019	11	7	4
24 October 2019	11	6	5

Table 12: Attendance at Trustees meetings

COMMUNICATION AND STAKEHOLDER RELATIONS

Strategic focus area

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

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

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

Corporate Communication

3rd National Pharmacy Conference



Council hosted the 3rd National Pharmacy Conference (3rd NPC) in North West from 3 to 5 October 2019. It was with the realisation that the National Development Plan's vision for universal access to quality healthcare calls for the pharmacy profession, as an integral part of the healthcare system, to actively participate in shaping the envisioned future and ensuring that the profession is responsive to the changing healthcare environment brought on by technological innovation and changing patient needs, that the 3rd NPC was themed: "Plugged-in, engaged, become a catalyst for change".

The Conference brought together 1 198 pharmacists, pharmacy support personnel, policy-makers and decision-makers to find solutions for issues affecting South Africa and the pharmacy profession. Amongst matters discussed at the Conference were interventions to deal with medicine misuse and abuse, transformation in the profession and pharmacy ownership, improved access to pharmaceutical services in previously underserved areas, patient safety in an era of technological advances, and increasing rural distribution of pharmaceutical service through the proposed National Health Insurance.

The 3rd NPC also ensured the training of pharmacists and their support



Ms E Venter
(Senior Manager: Communication and Stakeholder Relations)

personnel in best practices, point-of-care testing and HIV self-testing, HIV prevention through pre-exposure and post-exposure prophylaxes, and early detection of health issues through screening tests in order to improve the health of the population.

The Conference programme comprised addresses and workshop sessions by 70 experts in various areas of pharmacy, 63 of which were from South Africa, three (3) from the African continent, and four (4) from overseas countries. National government dignitaries present at the Conference included the Honourable Minister of Health, Dr Zweli Mkhize, Deputy Minister of Health, Dr Joe Phaahla, and the Deputy Director-General: Department of Health, Dr Anban Pillay. The provincial MEC for Health in the North West, Madoda Sambatha, as well as the Vice-President of the International Pharmaceutical Federation (FIP), Ms Samira Shammass Goussous, also honoured invitations to address the conference.

The National Health Insurance (NHI) was fully discussed throughout the three days of the conference, focussing on how pharmacy professionals see themselves contributing to improving access to healthcare and pharmaceutical care in the advent of universal healthcare. Importantly, delegates deliberated at lengths on the opportunities that are presented by the NHI and how some of the possible challenges can be addressed.

The 3rd NPC was featured in various media outlets 61 times. 3rd NPC-related media messages reached 15,3 million people (about 26% of South Africa's population) and resulted in 20,5 million impressions. The 61 media items on the 3rd NPC resulted in an AVE Rand-value of R2 023 690,00 and return-on-investment (ROI) of 841%.

The conference was made possible by the contribution of 15 sponsors and 35 exhibitors. We wish to express gratitude to the following sponsors: Aspen Pharmacare as the Platinum Sponsor, Health and Welfare Sector Education and Training Authority (HWSETA) as the Delegate Sponsor, Standard Bank of South Africa as the sponsor of the mobile app, and the following Gold and Silver Sponsors: GEMS, Dis-Chem Pharmacies, Cipla, Adcock Ingram Limited, Clicks Retailers, Colgate Palmolive, Pharma Dynamics, Pick n Pay Pharmacy, RAM Transport, Right ePharmacy, and Transpharm.

2019 National Pioneer Pharmacy (Professional and Facility) Awards



The Conference culminated in the 2019 National Pioneer Pharmacy Awards on Saturday evening where the Honourable Deputy Minister of Health, Dr Joe Phaahla, delivered the keynote address. The National Pioneer Pharmacy Awards honoured pharmacy support personnel, pharmacists, and pharmacy facilities who have shown commitment to excellent service delivery while consistently observing Good Pharmacy Practice standards. Recipients of the National Pioneer Pharmacy (Professional and Facility) Awards, the crème-of-the-crop in service excellence and patient care, were:

Recipient	Award
Professional	
Previn Ramiah	Future Pharmacist Award
Sjaan Megan Vos	Pharmacy Support Personnel Award
Rajatheran (Sham) Moodley	Community Pharmacist Award
Marthie Hendriksz	Public Institutional Pharmacist Award
Nirasha Singh	Private Institutional Pharmacist Award
Prof Roderick Walker	Academic Pharmacist Award
Siraaj Adams	Rising Star Pharmacist Award
Prof Rashid Bhikha	Legacy Pharmacist Award
Facility	
Thrive Pharmacy	Community Pharmacy Award
Netcare Christiaan Barnard Memorial	Private Institutional Pharmacy Award
Sabie Hospital Pharmacy	Public Institutional Pharmacy Award
National Bioproducts Institute	Manufacturing (Industry) Pharmacy Award
Logic Trials	Wholesale (Depot) Pharmacy Award

The overall winner of the National Pioneer Pharmacy Professional Award was Siraaj Adams in recognition of his technological innovation and being a trailblazer in the 4th Industrial Revolution.

The overall winner of the National Pioneer Pharmacy Facility Award was National Bioproducts Institute in recognition of the pharmacy's excellent role in biotechnology development and manufacturing of diagnostic kits and monoclonal antibodies for the South African and international diagnostic market.

2019 National Pioneer Pharmacy Awards



Sirraaj Adams
National Pioneer Pharmacy Professional
Award Recipient



National Bioproducts Institute
National Pioneer Pharmacy Facility
Award Recipient

Congratulations to our winners



The National Pioneer Pharmacy Awards winners are shining examples to their colleagues of being at the forefront of best-practice innovation. They pioneer better ways to serve the people of South Africa and improve the health of the nation.

SAPC IP PBX self-help functionality

The self-help functionality on VOIP-PBX to enhance customer service experience when telephoning Council was introduced in 2014. Customers are able to interactively request Council's banking details, their login passwords on the secure site and also their individual financial statements. Table 17 indicates the types of activities the functionality recorded in 2019 in comparison with 2017 and 2018.

Type of transaction requests	Type of transaction requests		
	2017	2018	2019
Council's banking details	1 242	265	1 100
Login passwords	191	288	1 165
Financial statements	1 449	397	2 341

Table 17: Usage of Council's IP PBX self-help functionality January – October 2019 in comparison with 2017 and 2018

SAPC Website

Council launched a new, device responsive website in December 2018. The website recorded a total of 804 431 sessions during 2019, with new visitors comprising 31,08% of that number. The secure login site recorded 400 139 logins in 2019. The public website recorded 4 422 262 page views.

Public and Media Relations

Public and media communication for the 2019 reporting period was comprised of communication aimed at improving awareness and encouraging participation in the 3rd National Pharmacy Conference (3rd NPC), creating awareness around the Pharmacy Month 2019 campaign, as well as statements on Council's stance on various issues. The Chief Operating Officer, Registrar, and the President of Council engaged several media outlets, chiefly due to the 3rd NPC and Pharmacy Month during 2019. These engagements resulted in 61 media coverage items during the conference period, and a further 30 related to various corporate communication messages throughout the reporting period. In addition to proactive media and public communication, the Office of the Registrar received and replied to various media enquiries from regional and mainstream media establishments. The main issues of engagement were as follows: Council's work in assuring patients' rights to quality pharmaceutical care, progress in terms of the finalisation of the Pharmacy Technicians scope of practice, and the Council's stance on universal healthcare coverage.

One adverse media conversation around the SAPC's stance on universal healthcare coverage was initiated by some sectors of society immediately after the 3rd NPC. To dispel the falsehoods and preserve the SAPC's reputation, a media statement was issued to all media and published across organisational communication platforms. The Registrar attended to several media interviews where he disproved the false insinuation.

Social & Digital Media

In order to improve communication to the profession and all stakeholders, the South African Pharmacy Council has official social media presence on the following popular social media networks: Facebook, Twitter, Instagram and LinkedIn. The Office of the Registrar has managed to increase audience numbers across all social media accounts organically, with zero budgetary implications. Between 2018 and 2019 the SAPC social media audience grew by 115% (3 291 new followers); from 2 855 in 2018 to 6 146 followers in 2019 across the four platforms. Post impressions for the period under review were 804 353 – representing a year-on-year growth of 704% in post impressions between 2018 and 2019.

Facebook Twitter Instagram LinkedIn

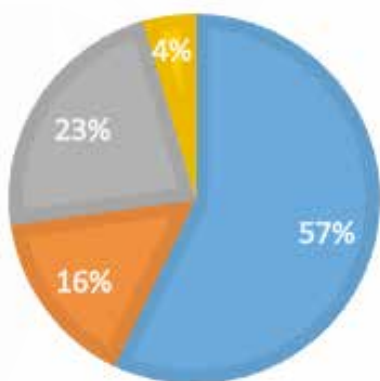


Figure 1: Social media audience growth by social network during 2019

Facebook LinkedIn Twitter Instagram

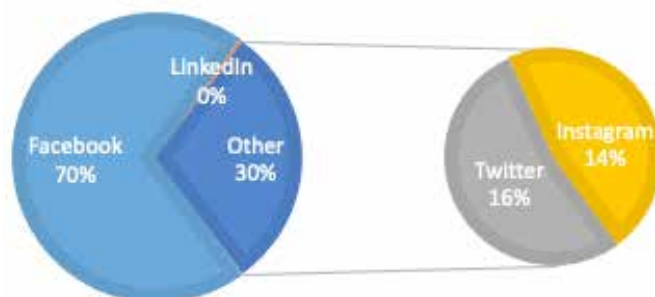


Figure 2: Percentage distribution of social media post impressions by social network in 2019

2019 Pharmacy Month

In its third year since superseding National Pharmacy Week, the Pharmacy Month initiative was this year again observed from 1 until 30 September. The main theme for the 2019 Pharmacy Month was “Mental illness can be treated – Ask your pharmacist for advice”. The campaign encouraged patients and all members of the public to approach their pharmacists for advice when suffering from certain symptoms related to mental illness.

As in 2018, the Pharmacy Month campaign materials were translated into all eleven official languages. These were made available to all responsible pharmacists across the country. A media release was issued to all media houses and major news agencies in South Africa and abroad.

Pharmacy Month messages were featured in fourteen media articles and interviews throughout September and the first half of October. Social media was pulsating with posts and messages from the pharmacy profession using the official hashtags #PharmacyMonth and #AskYourPharmacist. Through the hashtags, pharmacy professionals across the country were able to instantly share their community activities with all stakeholders and increase awareness about Pharmacy Month to the South African public. SAPC-owned social media properties made 152 updates/posts throughout Pharmacy Month, which were viewed 166 488 times.

The theme for Pharmacy Month 2019 was “Mental illness can be treated – Ask your pharmacist for advice”, through which members of the public were encouraged to visit their nearest pharmacy for advice when exhibiting any of the following symptoms, amongst others:

- o Anxiety/Stress;
- o Addiction;
- o Abuse;
- o Self-harm; and/or
- o Depression.

In comparison to previous years, the 2019 Pharmacy Month campaign was a major success in terms of social media and public engagement; however, it is worth noting that the prioritisation of media coverage for the 3rd National Pharmacy Conference had an effect on the media performance of the Pharmacy Month campaign. Despite this, the campaign performed notably well and was covered by newspapers, digital platforms and several radio stations across the country.

Publications

One issue of the *e-Pharmaciae* was published during the period under review. As the flagship publication of the South African Pharmacy Council, the August issue of the *e-Pharmaciae* carried important Council decisions and other information affecting the practice of pharmacy in the country to ensure that pharmacy professionals are always kept in the loop of key developments affecting the profession.



Outlined below is the analytics of the August 2019 *e-Pharmaciae* edition in comparison with the August 2018 *e-Pharmaciae* edition. Market research shows that with each bulk e-campaign, only 30% of emails are opened. The August 2019 *e-Pharmaciae* beat this market ratio by 25,94%.

	Analysis	August 2018 Analytics	August 2019 Analytics
1.	Emails sent	35 319	37 339
2.	Emails opened	36.8%	55.94%

Table 19: Analysis of *e-Pharmaciae* emails opened

The 2018 Annual Report was published in November 2019. To ensure that the South African Pharmacy Council complies with the country's reporting laws, especially the Legal Deposit Act, 54 of 1997, the Office of the Registrar acquired an International Standard Book Number (ISBN) for the 2018 Annual Report through the National ISN Agency and ensured the deposit of the 2018 Annual Report to all Legal Deposits in South Africa. This will increase public access, knowledge preservation and legislative compliance.

Internal Communication

The Department executed several poster and email campaigns to communicate key information to Council staff members in order to support operational objectives. A few staff events were coordinated during the reporting period. The development of an intranet portal was concluded and will be implemented from the beginning of 2020. It is expected that the existence of this portal will improve operational efficiency, staff engagement, proper document version control, and ultimately result in improved productivity and service levels.

Language Support

Due to increased demand as a result of the 3rd National Pharmacy Conference, 320 documents were edited internally over the period under review. This represents a 392% increase in the number of documents drafted, reviewed, edited and/or proofread in comparison with 2018. The Department has engaged in both grammatical and substantive editing of documents ranging from stakeholder correspondence and promotional material to standard documents and board notices amongst others.

Stakeholder Relations

Online payments

During 2019, online payment transactions totalled R6 513 022,67. A total of 4 333 pharmacy professionals used the online payment functionality.

Online applications

In 2019, 15 452 online applications were submitted and 4 196 manual applications were received.

Instant messaging and e-messages

- SMS automated messages sent from the website and the register system: A total of 291 252 SMSes were sent out during the period under review.
- SMS campaigns: A total of 40 669 SMSes were sent during the period under review. These are inclusive of automated responses sent from the dashboard and customised operational campaigns from the office.
- Bulk email campaigns: A total of 37 different bulk e-campaigns were conducted during 2019, communicating to 234 520 pharmacy stakeholders.

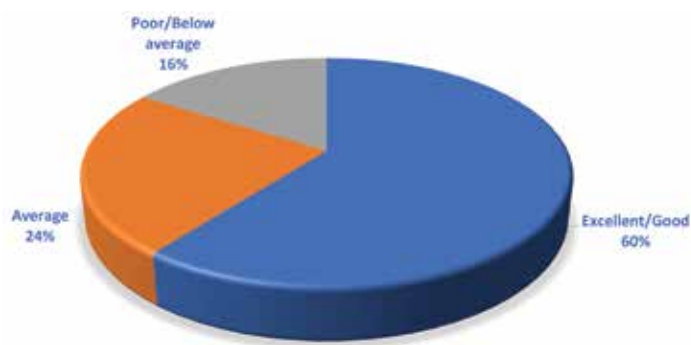


Figure 3: Overall satisfaction rating of Council's service delivery

	2016	2017	2018	2019
Excellent/Good	33%	35%	36%	60%
Average	24%	22%	21%	24%
Poor/Below average	43%	46%	43%	16%

Table 20: Service delivery rating comparison 2016 – 2019

The Excellent/Good rating improved with 24% and the Average rating with 3% compared to 2018. The Poor/Below average rating also improved by 27% compared to 2018.

Contact Centre

Telephones

	2016	2017	2018	2019
Number of incoming calls	70 660	66 625	57 126	67 401
% of calls serviced	88.7%	91.1%	95.2%	85.4%

Table 21: Contact Centre Service rating comparison 2016 – 2019

The Contact Centre received 67 401 incoming calls and serviced 85.4% of these calls during 2019. This reflected an increase in calls handled by the Contact Centre of 10 275.

Front desk and pre-audit of manual applications

Of the 25 289 cases received during the period under review, 5 143 were created manually while the balance of 20 146 were created online. The improved online web functionality and the profession's usage thereof have decreased the number of incoming manual cases considerably.

The unit validated 3 492 applications during 2019. Of the total number of applications, 3 227 complied with Council's requirements and were, after validation, escalated to the technical departments for immediate processing. A total of 215 applications required a follow up for outstanding documentation.

The Office of the Registrar attended to 2 354 walk-in customers during 2019.

Logistics Centre

The unit scanned in 12 600 (dashboard and non-dashboard) documents. In addition, a total number of 2 976 grading certificates were printed, scanned and couriered. A further 10 899 certificates and registration documents were printed and couriered. A total of 9 389 items were couriered and 3 888 items posted by EDBN mail.

ID registration cards

Council's registration cards are fitted with security and barcode features with ID passport photos. From printing to couriering the process is in-house, which simplifies the handling of communication queries. A total of 5 318 ID registration cards were printed and issued in 2019 for, inter alia, basic assistants, post-basic assistants and pharmacists, as well as students whose cards were issued during student visits.

PROFESSIONAL AFFAIRS – PRACTICE

Strategic focus area

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

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

Practice Committee

The Chairperson of the Practice Committee, Ms Jackie Maimin, chaired five meetings of the Practice Committee in 2019, which included one teleconference.

During this period, the committee developed new standards, reviewed some of the existing standards, and discussed compliance with these standards using reports from the Council Pharmacy Inspection Tool.

The committee also discussed the grading of pharmacy methodology; applications for permits in terms of Section 56(6) of the Nursing Act, 33 of 2005; reports on Good Pharmacy Practice (GPP) pharmacy license recommendations to the Director-General: Health; and Section 22A(15) permits issued in terms of the Medicines and Related Substances Act, 101 of 1965.

Standard Setting

Council reviewed a number of existing standards in order to cater for the operational environment changes brought about by the Fourth Industrial Revolution (4IR). The Practice Committee was assisted by three task teams appointed to assist and contribute in reviewing existing standards and, where pertinent, to develop new standards and guidelines for ensuring that the pharmacy profession and other health professionals comply with all relevant health legislation affecting Pharmacy. These task teams presented their reports at the five Practice Committee meetings held in 2019.

The three task teams are:

- the task team for developing and reviewing existing standards;
- the task team for review of comments submitted by stakeholders on published standards; and
- the task team to advise the Practice Committee in dealing with applications relating to Section 22A(15) of the Medicines and Related Substances Act, 101 of 1965 and Section 56(6) of the Nursing Act, 33 of 2005.

Task team for developing and reviewing existing standards

The task team for developing and reviewing standards held five meetings in 2019 and two of these meetings were held over two consecutive days. During these meetings the following standards and guidelines were discussed:



Ms MM Mokoena
(Senior Manager: Professional Affairs – Practice)



Ms JA Maimin
(Chairperson: Practice Committee)

- (a) Minimum standard for substances with a potential to be overused, misused or abused, previously known as 'minimum standard for codeine care'

The task team deliberated on the draft *Minimum standard for substances with a potential to be overused, misused or abused* previously known as 'minimum standard for codeine care' developed by the Office of the Registrar.

Deliberations at the task team meeting, and later at the Practice Committee meeting, confirmed that both parties support any valid initiatives to curb and regulate the sale of substances with the potential for overuse, misuse and abuse. The Practice Committee supported that there is sufficient and superior legislation to deal with this dilemma and that developing a minimum standard is not an appropriate means to deal with this matter. As such, it was recommended that the following be considered as a way forward:

- directives for stringent measures;
- increase of financial penalties;
- elaboration in the 'model answers' of the inspection questionnaires;
- recording of Schedule 2 medicines being identified as a non-negotiable criterion;

- position statement by Council; and
- closer collaboration with professional initiatives.

Council supported this approach and resolved that:

- the current systems, i.e. inspections, adherence to code of conduct, etc., be strengthened;
- high-level strategic meetings be arranged with SAHPRA, DoH, SANC and HPCSA and other stakeholders that have access to medicines with a potential to be overused, misused or abused to clarify roles and jurisdictions; and
- a position statement on the sale of substances with a potential to be overused, misused or abused needs to be issued by Council and published on the website.

(b) Minimum standards for the alternative models of delivery of medicines

Under this umbrella topic, the task team looked at GNR. 1158, published on 20 November 2000, which states that *"a pharmacist assistant (post-basic) may perform the acts or provide the services as prescribed in sub-regulations 11(5), 11(6), 11(8) and 11(9), as well as the reading and preparation of a prescription, the selection, manipulation or compounding of medicine and the labelling and supply of medicine in an appropriate container under the indirect personal supervision of a pharmacist, provided that the services are provided or acts are performed at a primary healthcare clinic or any other facility as approved by Council"*.

The focus of the task team discussion was only on defining *"any other facility as approved by Council"*, as the Rules relating to Good Pharmacy Practice (GPP) contain an existing standard on services which are provided or acts which are performed at a primary healthcare clinic. The discussions were tailored around whether the Practice Committee needs to first develop criteria, followed by multiple standards to address other facilities as there might be more than one form of 'other facilities'. A draft *Criteria for other facilities referred to in Regulation 12 of the Practice Regulations* document was developed but is still under discussion.

In the meantime, Council approved that all owners who wish to offer services similar to those provided in a primary healthcare clinic must comply with Rule 1.6 of the GPP: *Minimum standards for the supply of medicines in a primary healthcare clinic*.

During some of the task team meetings, the task team listened to presentations following an invitation extended by the Office of the Registrar to stakeholders to attend a consultative meeting. This afforded the relevant stakeholders an opportunity to:

- Present their current or envisaged models for alternative models of delivery of medicines in the evolving climate of pharmacy practice and using the Pharmacy Linked Distribution Facility (PLDF) standard as a guide. The PLDF standard was developed and published for comments in 2017. In reviewing the comments submitted by stakeholders, it became apparent that there is a need for Council to engage with the DoH and develop a standard for outreach pick-up points of medicines for patients who have been stabilised on long-term therapy and utilising a Centralised Chronic Medicine Dispensing and Distribution (CCMDD) programme.
- Submit and present their comments on the *Minimum standard for outreach pick-up points of medicines for patients who have been stabilised on long-term therapy and utilising a Centralised Chronic Medicine Dispensing and Distribution (CCMDD) programme* in line with the services they are already offering. Stakeholders were advised that in providing comments, they must comply with the "requirements and conditions for the evaluation of alternative models for delivery of chronic medication to patients", a document which was approved by

Council in November 2016.

- Submit and present their comment on the previously developed *Minimum standard and services pertaining to the scope of practice of a pharmacist which may be provided in a courier pharmacy*, using Regulation 18 of the Practice Regulations as a guide.
- Present their motivations on the need to amend Rule 2.3.5: *Minimum standards for the procurement, storage and distribution of thermolabile pharmaceutical products*.

Stakeholders submitted inputs and presented their views on how Council could improve access to pharmaceutical services using the above approach. The Office of the Registrar will arrange follow-up meetings in 2020 to accommodate stakeholders who could not make their presentations at the task team and incorporate all inputs received into draft standards for consideration by the Practice Committee and Council.

(c) Minimum standard for family planning and sexual health previously known as access to pre-exposure prophylaxis (PrEP) or allowing pharmacist-initiated PrEP

Council recognises that pharmacists should be involved in the Pharmacist-Initiated Management of Anti-Retroviral Therapy (PIMART), i.e. Pre-Exposure Prophylaxis (PrEP), Post-Exposure Prophylaxis (PEP) and Test & Treat, and that pharmacists who wish to offer this service need to be trained appropriately. Council further recognises that pharmacists are already involved in family planning and Emergency Post-coital Contraception (EPC), and standards need to be developed for inclusion in the GPP.

Consultation with stakeholders already involved in training for other health professionals was undertaken to discuss the possible involvement of pharmacists in PrEP and the possibility of the DoH issuing Section 22A(15) permits to pharmacists who have undergone the appropriate training. The approach taken by the committee was such that the standard should include PrEP, PEP and incorporate some of the existing standards such as EPC and the standards for performing HIV tests.

(d) Guideline for the removal of pharmacy registration/recording as a result of non-compliance with GPP

Council developed a document entitled *Guideline for the removal of pharmacy registration/recording as a result of non-compliance with GPP* using existing legislation to discharge its role in the interest of patient safety. Council has a responsibility to ensure that the public receives quality pharmaceutical services by removing from its register pharmacies that fail to comply from the onset and those who continue to be non-compliant to the GPP.

The document outlines the legal framework that empowers Council to discharge this function. It also states how the Office of the Registrar will identify pharmacies where the provision of pharmaceutical services should be discontinued, criteria for removal, and the restoration process, as well as the appeal process, should any owner of a pharmacy whose pharmacy is removed from Council's register wish to appeal the decision of the Registrar.

The guidelines were published for comment in November 2019. Comments received will be discussed in 2020 at a meeting(s) of the task team appointed by Council to review stakeholders' comments on the published standard.

Task team for review of comments submitted by stakeholders on published standards

The Executive Committee appointed a task team to review comments on standards published by Council for comment. This task team held two

(2) meetings in 2019 to listen to presentations and evaluate inputs from stakeholders who submitted comments and to finalise the standards. The Practice Committee deliberated on the standards presented by the task team and provided further inputs and recommendations on the standards for Council's approval. All the standards were approved by Council for implementation. The standards are –

(a) Minimum standard for unit-dose dispensing

The *Minimum standard for unit-dose dispensing (UDD)* was published for implementation (BN 172 of 2019) on 27 September 2019 as an additional standard in the GPP in accordance with Section 35A(b) (ii) of the Pharmacy Act, 53 of 1974.

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

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

(b) Minimum standard for locum tenens pharmacists and pharmacy support personnel

Rule 3.5: *Minimum standard for locum/relief pharmacists published in the Rules relating to Good Pharmacy Practice (GPP)* was reviewed and approved by Council in October 2019 for implementation. The standard has been handed over to the Legal Services and Professional Conduct Department for preparation of a board notice for implementation.

The standard addresses information that must be made available to the locum/relief pharmacist to ensure that there is continuous provision of pharmaceutical services and compliance to the GPP.

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

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

(c) Minimum standards for pharmacy administration and management

Rule 4.2: *Minimum standards for pharmacy administration and management* published in the *Rules relating to Good Pharmacy Practice (GPP)* was reviewed and approved by Council in October 2019 for implementation. The standard has been handed over to the Legal Services and Professional Conduct Department for preparation of a board notice for implementation.

The standard was initially developed to optimise the quality of pharmaceutical services rendered in pharmacies which include

lists of standard operating procedures (SOPs) that must be in each category of pharmacy.

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

(d) Minimum standard for pharmacy premises, facilities and equipment – control of access to pharmacy premises

Rule 1.2.4: Control of access to pharmacy premises published in the GPP was reviewed and approved by Council in October 2019 for implementation.

Rule 1.2.4(a) has been reviewed to read, "The responsible pharmacist must ensure that every key, key card or other device, or the combination of any device, which allows access to a pharmacy when it is locked, is kept only on his/her person or the person of another pharmacist and/or the person of the owner/delegated person at all times. In the case where the owner/delegated person is not a pharmacist and wishes to have access to the pharmacy, he/she may not have access to the dispensary which must be locked. In this case, only the pharmacist must be in possession of the keys to the dispensary."

The review follows concerns raised by the profession and inspectors on access to medicines when the pharmacy is closed.

Task team to advise the Practice Committee in dealing with Section 22A(15) of the Medicine and Related Substances Act, 101 of 1965 and Section 56(6) of the Nursing Act, 33 of 2005

The task team appointed by the Executive Committee to advise the Practice Committee on dealing with Section 22A(15) of the Medicines and Related Substances Act, 101 of 1965 and Section 56(6) of the Nursing Act, 33 of 2005, held two (2) meetings in 2019. The Office of the Registrar met with a delegation from DoH, which included a member with a nursing background, prior to the task team sitting to develop working documents and source all relevant information in preparation for the task team meetings.

This task team was established following concerns raised by the Practice Committee that:

- the Office of the Registrar has, to date, evaluated the Section 22A(15) permit without levying a fee for the services rendered by Council;
- the issuing of permits for other health professionals is on paper and there is no inspection conducted prior to or after the permit is issued; and
- there are no records submitted to Council on permits issued for other health professionals following a recommendation by the Committee.

The concerns underlined by the Committee led to Council making a decision in 2018 that permits for health professionals, other than PCDT permits for pharmacists, not be approved. In addition, no permits should be recommended until Council receives a response from the Director-General: Health regarding the request for a mandate to inspect Section 22A permit holder facilities in order to make informed decisions regarding GPP compliance, and thus ensuring medicine and patient safety.

In consultation with the Director-General: Health, Council extended their support to the issuing of these permits if an inspection is conducted in these facilities prior to and after the issuing of the permits. It was further communicated that although Council does not have a mandate to inspect facilities for other health professionals, Council offered the services of its inspection officers to assist the Director-General with inspections, on condition that applicants pay for the inspection.

Short-term and long-term plans were agreed upon at these meetings and the final report will be presented to the Practice Committee in 2020.

The short-term plan for the task team is to:

- develop guidelines (as there was never a document developed by the DoH for these applications) and review the application form;
- review the process for evaluating the applications; and
- define the responsibilities of the DoH and SAPC in reviewing these applications as presented in the working document.

The long-term plan for the task team is to implement an online system. Once implemented, it will be used to establish ways of monitoring all permit holders, including dispensing licence holders; however, this process is dependent on the Director-General: Health.

The matter related to inspection of permit holders attracted some discussion at the 3rd National Pharmacy Conference. Members of the profession raised concerns about the storage of some of the medicines by permit holders who are not pharmacists.

All matters related to Section 56(6) of the Nursing Act, 33 of 2005 will be discussed and finalised in 2020.

Rules relating to GPP reviewed by the Practice Committee

(a) Rule 2.3.6: Maintenance of the refrigerator

The section of the *Rules relating to Good Pharmacy Practice (GPP)* that required that a World Health Organisation (WHO)-approved dial thermometer, alcohol or mercury thermometer be used in the monitoring of refrigerator/cold room temperatures was removed to align to best practices.

Council only expects pharmacists to ensure that the temperature of the refrigerator/cold room is controlled 24 hours a day by a maximum/minimum thermometer as demonstrated using either chart recorders or electronic recorders to continuously record the temperatures.

(b) Rule 2.3.7: Storage of vaccines

Rule 2.3.7: Storage of vaccines, with specific emphasis on 2.3.7(c), which reads;

"Various aids can be used to monitor the temperature of vials, e.g. cold chain monitors cards (CCMs) and vaccine vial monitors (VVMs),"

was reviewed to align with the WHO Handbook on monitoring temperatures in the vaccine supply chain. The section in the *Rules relating to GPP that addresses Expanded Programme on Immunisation (EPI) – Childhood Immunisation Schedule* has been reviewed and aligned to the revised schedule published by the DoH. As a result of these schedules continuously changing to address the need, the section of the GPP has been amended to refer members of the profession to the Essential Medicines Lists/Standard Treatment Guidelines (EML/STG) for an updated EPI schedule.

(c) Rule 1.2.2: Another business or practice in a pharmacy

Council published Rule 1.2.2: Another business or practice in a

pharmacy or a pharmacy in another business, which stated that:

- The responsible pharmacist of a pharmacy must obtain the approval of Council prior to allowing a person who is not registered with Council to conduct a separate practice or business in the pharmacy.
- The pharmacy premises must be clearly demarcated and identified from the premises of any other business or practice.

The rule was revised in line with changes in the business practices presented to the Office of the Registrar and stakeholder comments received. On 17 December 2014, Council published the Minimum standards for premises, facilities and equipment (BN 35 of 2012) for implementation. The standard has two sections:

- Rule 1.2.2.1 – A pharmacy in another business; and
- Rule 1.2.2.2 – Another business or practice in a pharmacy.

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

In 2017, the Practice Committee reviewed Rule 1.2.2.2 to ensure that the standard appropriately incorporated the *Medirite v South African Pharmacy Council* (197/2014) [2015] ZASCA 27 (20 March 2015) judgement and other provisions which were not directly affected by the judgement.

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

During its 30/31 October 2019 meeting, Council resolved that all pharmacies that previously applied for approval for 'another business in a pharmacy' and were issued with an approval letter, be issued with a Council certificate at no fee. Letters are to be written to all owners that have other businesses in their pharmacies instructing them to comply with Rule 1.2.2.2.

As a result of the emerging virtual business models, such as tele-medicine, the Office of the Registrar presented the draft standard at its Stakeholder Forum held on 15 November 2019 and requested inputs on the current rule to incorporate the virtual business models as 'other business in a pharmacy' prior to finalisation of the rule.

Pharmacy Inspection Officers

In 2019 six additional Council Inspection Officers were appointed; one for Gauteng, one for Limpopo, two for the Western Cape and two for the North West.

One inspection officer was not reappointed.

All thirty-four (34) inspection officers signed service level agreements (SLA) with Council which expire at the end of March 2020. One training session was conducted in April 2019. During this training session previous Council decisions affecting inspectors, expectations of Council from inspectors, and the inspection questionnaires were discussed. Inspectors had an opportunity to provide input on the inspection questionnaires to improve pharmacy inspection outcomes and to eliminate subjectivity. Testing of the inspection mobile application (app) was also conducted.

In October 2019, an Inspectors Bosberaad was conducted over two days, where the Office of the Registrar provided feedback on operational plans for 2019 and presented the 2020 operational plans at this meeting. The chairpersons of the Practice Committee and the Committee of Preliminary Investigation addressed the inspectors on various issues affecting them and the practice of pharmacy in general.

The President of Council, Mr Mogologolo Phasha, and the Vice-President of International Pharmaceutical Federation (FIP), Ms Samira Shammass, addressed the inspectors on the final day of the bosberaad.

Pharmacy inspection tool (inspection questionnaires) and grading of pharmacies

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

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

Table 22: Inspection weighting key used from 2013 to 2019

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

Inspections of pharmacies

A total of 2 043 inspections were conducted by the end of December 2019. These included monitoring, training, new pharmacies and disciplinary inspections. Figures 4 and 5 provide a summary of inspections conducted in 2019 and their grading by province and category of pharmacy registration.

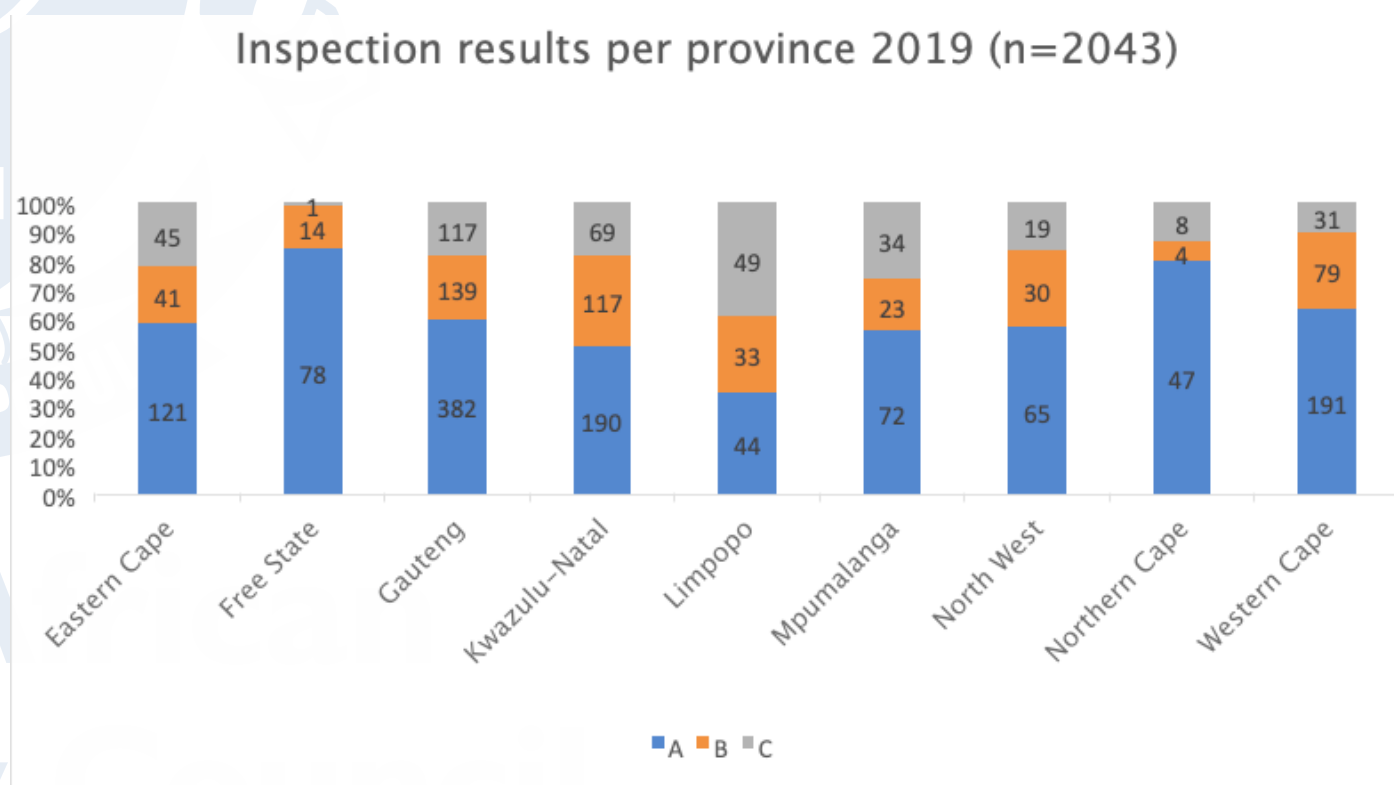


Figure 4: Pharmacy inspections conducted in 2019 and their grading by province

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

- SAPC inspectors – implementors of the inspection questionnaires;
- SAPC staff members – evaluators of the inspection questionnaires;
- Practice Committee members – decision-makers with regards to the inspection questionnaires;
- Heads of pharmaceutical services (Groups, Metros and Provincial) and heads of professional associations – representatives of the profession; and
- Responsible pharmacists.

The results of the revised grading methodology were sent to North-West University (NWU) statisticians for analysis. The reviewed methodology was sent to NWU's Committee for Scientific Review and, thereafter, to the Ethics Committee for approval.

The roll-out process for the review of grading and the implementation of the computer application for inspections ("Inspection App") was developed.

Council conducted workshops in 2019 in all the provinces to communicate all changes to the inspection questionnaire to responsible pharmacists and interested persons.

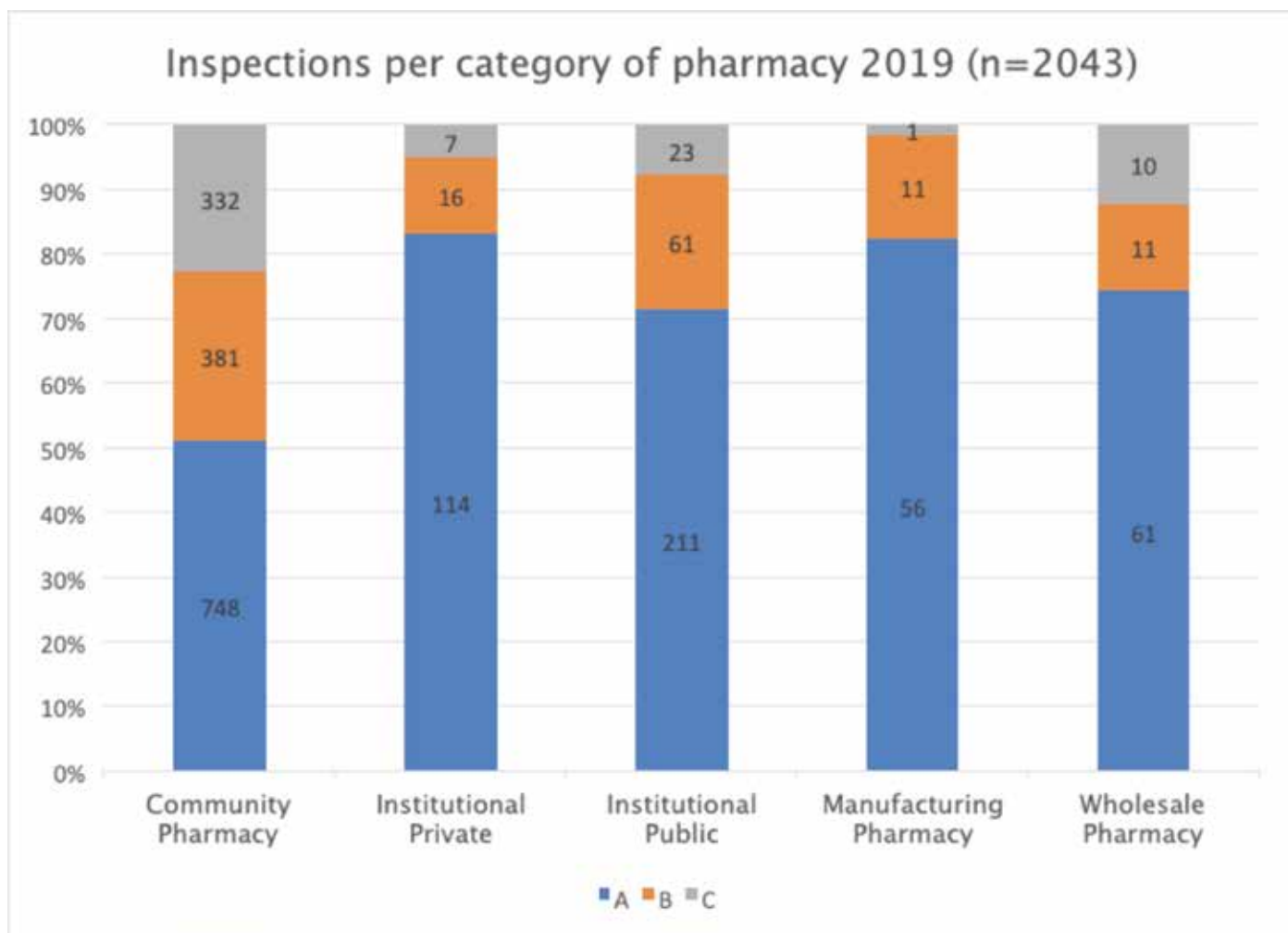


Figure 5: Pharmacy inspections conducted in 2019 and their grading by category of registration

Grade A pharmacies are considered 'excellent', minor deficiencies would have been observed during an inspection. Where major deficiencies were observed during an inspection the pharmacy will attain a Grade B and be considered 'good'. Grade C pharmacies are those with critical deficiencies observed during an inspection. These pharmacies are inspected annually, and the owner is required to pay the cost of the inspection. The fee to be paid by the owner is published via Board Notice and is accessible on the SAPC website at www.sapc.za.org. The report excludes pharmacies that were inspected and were found not in operation (Grade D). Some of the Grade D pharmacies were closed, while others will be re-inspected in 2020.

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

There were no inspections conducted for consultant pharmacies in 2019. Previously, the community pharmacy questionnaires were used to inspect these facilities although the services are not similar. Council approved a new inspection questionnaire in line with the services provided by this category of pharmacy. The online system is being reviewed to accommodate this change. Effective from 2020, consultant pharmacies will be inspected using the newly developed questionnaire.

GPP recommendations: Licensing and recording of pharmacies

The National Department of Health (DoH) issues licenses where GPP requirements are satisfactory and the application complies with the Regulations relating to the ownership and licensing of pharmacies. The lists of licences recommended by the office and licenses issued by the DoH are presented at each Practice Committee.

A total of 535 licence applications were evaluated and finalised by 31 October 2019 and only 21 of these applications were not recommended as the applicants failed to comply with the *Rules relating to Good Pharmacy Practice* (GPP). Figure 6 below provides a summary of licence applications evaluated for GPP compliance.

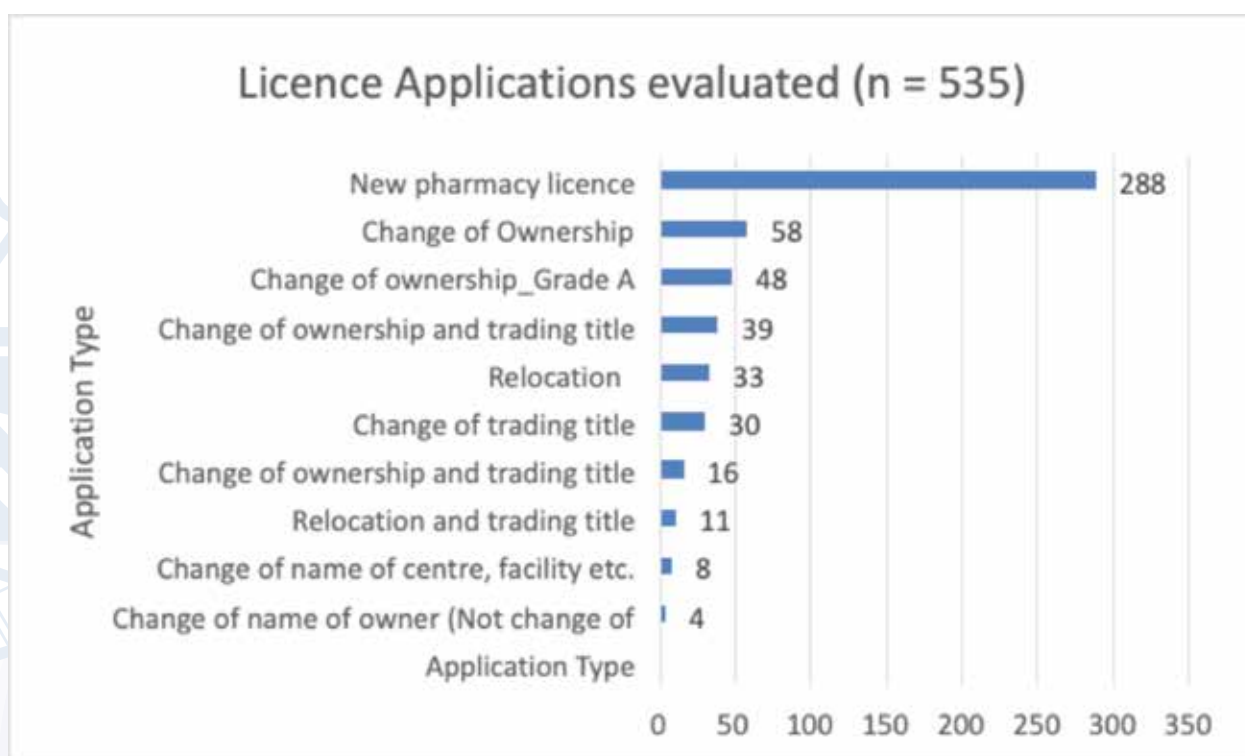


Figure 6: Pharmacy license applications evaluated in 2019

In comparing the list of licences issued to those recorded, it became apparent that some owners have been issued with licences which they have never recorded with Council. The Practice Unit is managing a follow-up project with these owners to ensure that all licences issued are recorded. At the beginning of the project, there were 100 licences issued and not recorded. By the end of September 2019, 20 of these owners had recorded their licences while seven (7) had indicated that they are no longer interested in opening pharmacies. The Unit is still investigating and following up with other owners.

The Office of the Registrar also evaluated 22 applications for internal pharmacy changes and 50 applications for Rule 1.2.2: Another business in a pharmacy, for compliance with the GPP.

Three Remote Automated Dispensing Units (RADU) were approved in 2019.

One hundred and thirty-six (136) pharmacies were removed from the register as a result of owner's request or pharmacies found not in operation following a number of attempts to find these pharmacies, while only 288 new pharmacy licences were recorded on Council's register by the end of 2019. At the end of the year, there were still about 1200 pharmacies that were not in operation but were still active on Council registers, as the office was still investigating whether these pharmacies should be closed or remain active until such time that they are ready to provide pharmaceutical services.

The *Guideline for the removal of pharmacy registration/recording of a licence as a result of non-compliance with GPP and other relevant legislation* developed by Council, aims, amongst other things, to provide a process for removal and restoration for some of these facilities to ensure that the reporting on availability of pharmaceutical services is not skewed.

Licences issued by the DoH are recorded with Council. Table 23 provides a summary of licences recorded with Council in 2019, of which some were issued in 2018.

Recording Type	Number
New pharmacies	362
Change of address	2
Change of owner's name	1
Change of ownership	98
Relocation	17
Change in trading title	15
Grand Total	495

Table 23: Pharmacy recordings in 2019

There were 4800 pharmacies, including academic institutions, registered/recorded with Council by the end of the year. Table 24 provides a breakdown of categories of pharmacies registered per province by the end of 2019.

Categories of pharmacies	EC	FS	GP	KZN	LP	MP	NW	NC	WC	Total
Academic Institutions	3		3	1	1		1		1	10
Community	296	159	1164	563	219	281	181	67	488	3418
Consultant			6						2	8
Institutional private	24	17	112	58	10	15	19	7	47	309
Institutional public	102	50	75	100	39	47	38	35	133	619
Manufacturing	8	1	189	9		2	5		32	246
Wholesale (public and private)	19	6	97	21	6	4	2	3	32	190
Total	452	233	1646	752	275	349	246	112	735	4800

Table 24: Categories of pharmacies active on Council register by the end of 2019

Over the past five (5) years, Council has recorded around 500 pharmacies annually, yet the number of pharmacies only increased by 8% (from 4387 in 2014 to 4780 in 2019). This suggests that the majority of the licences recorded are for change of ownership and/or relocations. The other possibility is that while there are new pharmacies being recorded, there is almost an equal number of pharmacies closing annually.

Figure 7 below provides a summary of the distribution of pharmacies by province over the past 5 years. The table excludes the academic institutions and consultant pharmacies, both of which remained stable over the reporting period.

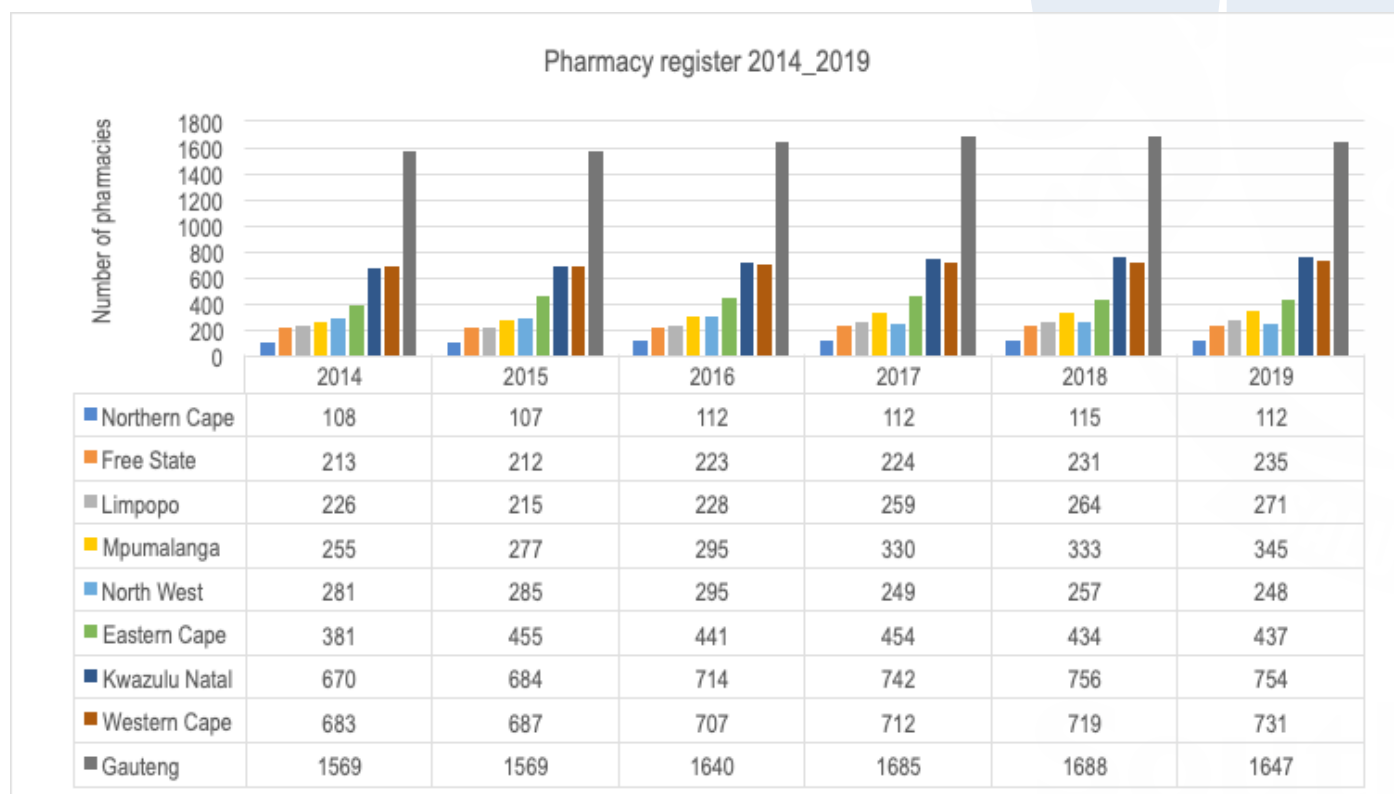


Figure 7: Distribution of pharmacies by province from 2014 to 2019

Figure 8 below provides the number of community pharmacies, pharmacies in institutional public and private health facilities on Council registers between 2014 and 2019.

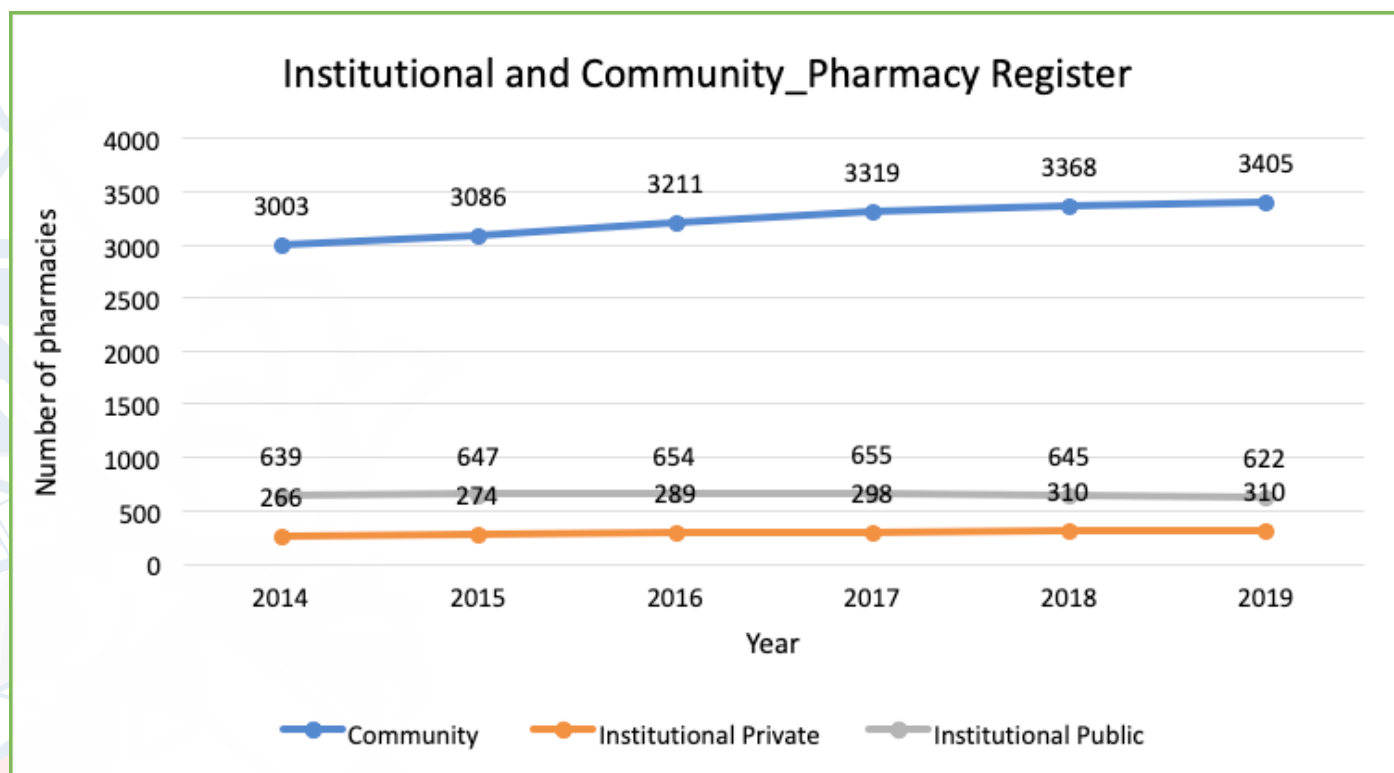


Figure 8: Number of community, institutional public and private health facility pharmacies from 2014 to 2019.

GPP recommendations: Issuing of Section 22A(15) permit

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

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

Council evaluates and makes recommendations on these applications for the Director-General to issue permits. A total of ninety-one (91) Section 22A(15) permits for PCDT pharmacists were recommended in 2019. The

Practice Committee supported no permits for other health professionals although they were evaluated by the Office of the Registrar.

The Practice Committee awaits feedback and a way forward from the task team appointed by the Executive Committee to advise the Practice Committee in dealing with Section 22A(15) of the Medicines and Related Substances Act, 101 of 1965 and Section 56(6) of the Nursing Act, 33 of 2005 on managing this matter.

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

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

“a nurse who is in the service of –

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

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

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

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

The Practice Committee received documents from the DoH: Directorate for Affordable Medicines regarding Council’s support to designate other organisations to render health-services in terms of Section 56(6)(d) of the Nursing Act, 33 of 2005. The applications were from:

- The Medical Society SA
- Helderberg Society for the Aged
- Life Healthcare Group (Mylife Primary Healthcare)
- Saheti School
- St Alban’s College Marsh Medical Centre
- St Mary’s Diocesan School for Girls (DSG)
- Woodridge College

The matter relating to the designation of establishments in terms of Section 56(6)(d) where such organisations are in the private sector was referred to the task team and the Practice Committee. EXCO is to advise the Practice Committee in dealing with Section 22A(15) of the Medicines and Related Substances Act, 101 of 1965 and Section 56(6) of the Nursing Act, 33 of 2005.

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

About 680 of the applications submitted to Council in 2019 for premises approval for training interns and pharmacy support personnel were approved. These brought the total number of premises approved in 2019 to 2 325 as per Table 25 below:

	Approved in 2019	Approved on Council register by end of 2019
Academic Institution	3	9
Community Pharmacy	475	1 627
Institutional Private	50	185
Institutional Public	123	408
Manufacturing Pharmacy	14	45
Wholesale Pharmacy (Public and Private)	15	51
Grand Total	680	2 325

Table 25: Premises approvals in 2019

Pharmacies without Responsible Pharmacists

Pharmacies without registered responsible pharmacists (RPs) has been a concern of Council for a long time. In 2018, the Office of the Registrar identified around 900 pharmacies which did not have a registered responsible pharmacist. In June 2019, the Office of the Registrar established an intensive task where owners were called to appoint RPs as soon as possible. As of July 2019, 385 pharmacies were without RPs. Since then, this number has fluctuated around the 400 mark. In November 2019, there were 447 pharmacies without RPs.

The task started with letters being sent to the owners, requesting that they appoint responsible pharmacists within 30 days. Follow-up letters were sent to owners who still did not comply after 30 days. After 90 days, owners who did not appoint RPs were referred to the Professional Conduct Unit for disciplinary action.

Meetings facilitated by the Practice Unit

The Professional Affairs: Practice Unit facilitated two Stakeholder Forum meetings. The purpose of these meetings was to communicate Council decisions and to engage with stakeholders on matters of professional interest. Members of different professional associations and heads of pharmaceutical services attended the meetings.

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

- S Buys (skills development provider)
- Department of Correctional Services (pharmaceutical services, responsible pharmacists and management)
- Alpha Pharm Group
- Black IQ Group
- Spar Group
- Limpopo Provincial Pharmaceutical Services – (responsible pharmacists and management)
- Mpumalanga Provincial Pharmaceutical Services – (responsible pharmacists and management)
- KwaZulu-Natal Provincial Pharmaceutical Services – (responsible pharmacists and management)
- eThekweni Metropolitan Municipality – (responsible pharmacists and management)
- Netcare Group

PROFESSIONAL AFFAIRS – CPD AND REGISTRATIONS

Strategic focus area

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

- uphold and safeguard the rights of the general public to universally acceptable standards of pharmacy practice in both the public and private sectors;
- establish, develop, maintain and control universally acceptable standards for the registration of a person who provides one or more or all of the services which form part of the scope of practice of the category in which such person is registered; and
- coordinate the activities of Council and its committees.

Committees

The CPD Committee and the Health Committee meetings were held in March, June, August and November 2019.

Continuing Professional Development (CPD) Committee

The CPD Committee, chaired by Mr Ayanda Soka, held four meetings in 2019. The main task for the committee during 2019 was to develop and implement the CPD Implementation Plan. This included approving the categories of registered persons who are required to record their CPD activities and publishing this information in a Board Notice; developing the CPD Guidance Document and publishing this for comment; as well as developing a CPD mobile application.

The committee also appointed a consultant for the development of competency standards for pharmacy support personnel.

The CPD Committee also developed the requirements and processes for the restoration of pharmacists who have been removed from the register. These were published for comment in Board Notice 202 of 2019 on 10 December 2019.

Health Committee

Chaired by Ms Mmapaseka Steve Letsike, the Health Committee managed 19 cases during 2019. Eleven (11) of these cases remain active and eight (8) were closed by the committee.

The Health Committee developed the guidelines to the appointment of a psychologist to the committee and a guidance document for Health Committee processes.



Ms Z Mfuku
(Senior Manager: Professional Affairs – CPD & Registrations)



Mr A Soka
(Chairperson: CPD Committee)



Ms MS Letsike
(Chairperson: Health Committee)

Registrations

The following categories of persons and organisations were registered during 2019:

Category of persons	Count
Assessors and moderators	13
Pharmacy students	1 045
Pharmacy interns	829
Community service pharmacists	776
Pharmacist's assistants (Basic and Post-Basic)	2 993
Pharmacist's assistant learners (Basic and Post-Basic)	3 505
Pharmacy Technician (Post-Basic)	75
Pharmacy Technician Trainees	78
Pharmacists after community service	953
Tutors	1 763
Responsible Pharmacists	922

Table 26: Number of persons registered in 2019

Most of these applications were submitted online which resulted in improved turnaround times and data integrity.

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

Fourth-year students' information sessions were conducted in the universities accredited by Council to provide the soon-to-be graduates with information on the requirements for pre-registration and pharmaceutical community service and the presentations delivered at these sessions are available on the SAPC website.

The Office of the Registrar implemented a details verification project in conjunction with the Department of Home Affairs to ensure the legitimacy and correctness of registered persons' identification information.

Meetings with the Heads of Pharmacy Schools and Heads of Pharmaceutical Services (public and private) were held in 2019 to improve turnaround times and relationships between Council and its stakeholders.

Development of competency standards for pharmacy support personnel in South Africa

The development of competency standards for pharmacy support personnel was initiated in 2019 with the appointment of an expert/consultant. The first draft of the competency standards will be reviewed during the third quarter of 2020.

CPD Workshops

The CPD Unit, together with the Practice and Education units, conducted workshops in eight of the nine provinces – with registered persons practising in both the private and public sectors participating. The objective of these workshops was to communicate the new CPD regulations and requirements to the profession, the revised inspection grading methodology and new pharmacy support personnel qualifications.

PROFESSIONAL AFFAIRS – PRE-REGISTRATIONS

Strategic focus area

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

- establish, develop, maintain and control universally acceptable standards in pharmaceutical education and training;
- establish, develop, maintain and control universally acceptable standards for the registration of a person who provides one or more or all of the services which form part of the scope of practice of the category in which such person is registered; and
- coordinate the activities of Council and its committees.

Committees

The Pre-registrations Committee meetings were held in March, June, August and November 2019.

Pre-registrations Committee

In 2019, the Pre-registrations Committee, chaired by Dr Moliehi Matlala, evaluated 37 applications for candidates with qualifications obtained outside South Africa; developed criteria for interns who have successfully completed all the internship requirements and are awaiting commencement or placement for community service; revised the format for the intern Continuing Professional Development (CPD) portfolio for implementation in 2020; revised the assessment criteria for the intern CPD portfolio for implementation in 2020; and developed the blueprint for professional examinations for implementation in 2020.

Pharmacy Internship

The Intern and Tutor Manual, which outlines all the pre-registration requirements, was updated with the 2019 pre-registration evaluation schedules and was published on the SAPC website together with the 2019 Intern/Tutor and pre-registration examination workshops presentations. Email and SMS notifications were sent to all interns, tutors, responsible pharmacists and heads of pharmaceutical services informing them of the availability of the manual and other internship information on the website.

Continuing Professional Development (CPD) portfolio for pharmacist interns

The guidelines for assessors and moderators of intern competency portfolios were reviewed in line with the Council schedule for 2019.

Assessors and moderators of intern competency portfolios were appointed and a training and feedback session was conducted in January 2019. The assessors and moderators assisted Council in facilitating Intern/Tutor Workshops in all nine provinces in February and March 2019 to prepare interns and tutors for the submission of CPD entries.

In 2019, there were 1 077 pharmacist interns on the Council register. Of the 1 077 interns, 829 (77%) were registered in 2019 and 635 (77%) of these submitted a minimum of eight (8) entries on the CPD system by the October 2019 submission deadline. Of those who submitted eight entries by October 2019, 561 (82%) were successful while 51 were not yet successful.



Ms A Lewis
(Senior Manager: Professional Affairs – Pre-Registrations)



Dr M Matlala
(Chairperson: Pre-Registrations Committee)

Year of registration	No. of interns	Submitted 8 entries	Successful	% Successful
2019	829	635	561	82%

Table 27: Intern portfolio performance in 2019

Council aligned the intern CPD portfolio with the new competency standards and revised the assessment criteria for implementation in 2020.

Pre-registration examinations for interns

Examiners and moderators were appointed to set the pre-registration examination papers for 2019. The task team appointed by Council to review and approve pre-registration examination questions met in April, June and September 2019 to approve examination papers for the three examinations that were conducted in 2019.

Pre-registration examinations were conducted online in March, July and October 2019, with a special examination being conducted in December 2019. The new format examination, which was developed by Council in 2018 based on the examination blueprint in line with the new competency standards, was implemented from the July 2019 examination. The mock examination paper was uploaded to the website for the interns to practice the new format questions. Council further conducted pre-registration examination workshops in all nine provinces in May 2019 to prepare interns for the pre-registration examinations.

Candidates with qualifications obtained outside South Africa

Applications for recognition of foreign qualifications

Council approved 37 applications for recognition of foreign qualifications in 2019. These applications were evaluated by the Pre-registration Committee before being submitted to Council for approval.

Professional examination

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

In 2019, Council appointed examiners and moderators from universities approved by Council to offer the Bachelor of Pharmacy programme for their expertise in pharmacology, pharmaceutics, pharmaceutical chemistry and pharmacy practice, law and ethics to set professional examination papers in their respective subjects. Professional examinations, which comprise four papers, were conducted in May and October 2019, with a special examination being conducted in April as well, for candidates with qualifications obtained outside South Africa who were approved by the Pre-registration Committee.

Council approved the professional examination blueprint in line with the exit level outcomes for the Bachelor of Pharmacy programme and the appropriate level of cognition as per the recommendation of the task team appointed by Council. The new examination format which consists of three papers, i.e. Applied Pharmacology and Toxicology, Applied Pharmacy Practice in a Legal Framework, and Applied Pharmaceutics and Pharmaceutical Chemistry, will be implemented in 2020.

PROFESSIONAL AFFAIRS – EDUCATION

Strategic focus area

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

- assist in the promotion of the health of the population of the Republic of South Africa;
- advise the Minister of Health or any other person on any matter relating to pharmacy;
- promote the provision of pharmaceutical care which complies with universal norms and values in both the public and private sectors with the goal of achieving definite therapeutic outcomes for the health and quality of life of a patient;
- establish, develop, maintain and control universally acceptable standards in pharmaceutical education and training; and
- coordinate the activities of Council and its committees.

Education Committee

The Education Committee had three meetings chaired by Professor Yahya Essop Choonara and one meeting chaired by Professor Sarel Malan in 2019.

The Pharmacy Support Personnel (PSP) task team was established and its terms of reference were approved during 2019. The task team reviewed the minimum number of contact hours required for knowledge-based modules for the part qualifications: pharmacist's assistant basic and pharmacists assistant post-basic, as well as for the last part of the Occupational Certificate: Pharmacy Technician (PT). The task team also determined the parameters that will be considered as contact hours (e.g. work-based learning).

It was decided that when an additional monitoring/accreditation visit is required, the cost of that visit will be paid by the relevant institution. It was also decided that when visiting institutions that use Problem-Based Learning (PBL) as a method of instruction for the Bachelor of Pharmacy programme, the visiting panel must include one member from an institution that uses PBL.

The Education Committee requested the Office of the Registrar to investigate the affordability and cost of acquiring the services of a consultant to assist with the development of the criteria for the accreditation of the Primary Care Drug Therapy (PCDT) learning programmes.

All Skills Development Providers (SDPs) were informed that the training of learners for the National Certificate and Further Education and Training (FET) Certificate: Registered pharmacist assistants are to continue as per the qualification registration end dates published on the website of the South African Qualifications Authority (SAQA). The Office of the Registrar is to arrange a meeting with the CEO of the Quality Council for Trades and Occupations (QCTO) and SAQA to follow up on the status of the registration of the various qualifications.

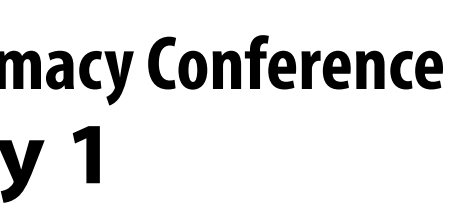
The Education Committee resolved that under Section 2.1.1 of the Good Pharmacy Education (GPE) standards: Higher Education and Training (HET), under the Minimum standards for qualifications and responsibilities of the Head of School, the sub-heading "Extra Qualifications" be amended to read "Minimum requirements". Furthermore, the GPE standards and the mechanism used for accreditation/monitoring visits were amended to include a list of policies required under each minimum standard.



*Ms H Masiza
(Senior Manager: Professional Affairs – Education)*



*Prof YE Choonara
(Chairperson: Education Committee)*



3rd National Pharmacy Conference Day 1





3rd National Pharmacy Conference Day 2 & Beach Party





3rd National Pharmacy Conference Day 3





2019 National Pioneer Pharmacy Awards



Good Education Standards

The Good Education Standards for Occupational Qualifications Sub-Framework was published for comment. The task team appointed by Council reviewed the comments and made recommendations to the Education Committee.

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

Qualifications

The Master of Pharmacy in Industrial Pharmacy was published in Board Notice 173 of 2019 on 27 September 2019 for comment. The task team appointed by Council will review the comments received and will make recommendations to the Education Committee in 2020.

The Bachelor of Pharmacy qualification is being reviewed and will be published for comment in 2020.

Criteria and Guidelines

The online accreditation/monitoring instrument for higher education institutions was developed in 2019 and will be piloted in 2020.

A workshop for work-based learning was held in order to develop a guidance document for work-based learning. A second workshop will be held in 2020.

Cooperation with other quality councils

The South African Pharmacy Council is an associate of the Sector Education and Training Authority (SETA) Quality Assurance Partner (QAP) for the current qualifications for pharmacy support personnel and has duly submitted the quarterly reports required by the QCTO.

Council attended three meetings of the National Learners' Records Database (NLRD) and made two successful NLRD submissions for learner achievements to SAQA. Council also attended two meetings of the Professional Body Forum with SAQA and made two successful NLRD submissions for designations to SAQA.

A meeting was held with the QCTO in which matters relating to a Service Level Agreement were discussed.

Council is currently reviewing the Bachelor of Pharmacy standard with the Council on Higher Education.

Accreditation/monitoring visits to Higher Education and Training providers

A new accreditation/monitoring visit mechanism was approved by Council in May 2017 and was piloted during the 2017 visits. Council reviewed this tool in 2018 and the Good Education Standards were aligned to this mechanism. However, the reviewed tool has not yet been implemented as the online process is still being developed. The online accreditation/monitoring visit instrument will be piloted in 2020.

The constitution of panel members was amended to include four pharmacists, i.e. one in academia, one with knowledge of the Occupational Qualifications Sub-framework, and two in practice with a minimum of five years' experience.

The mapping table for the allocation of modules from the accreditation/monitoring visit mechanism for Skills Development Providers was amended.

Monitoring visits were conducted at the following institutions:

- (a) Nelson Mandela University
- (b) North-West University
- (c) University of the Witwatersrand

The response to the report on the accreditation/monitoring visits to the following institutions were accepted and approved:

- (a) University of the Western Cape
- (b) Sefako Makgatho Health Sciences University
- (c) University of KwaZulu-Natal
- (d) Tshwane University of Technology

Sefako Makgatho Health Sciences University remains provisionally accredited and a second accreditation visit to assess progress made on rectifying the shortcomings identified, that was scheduled to be conducted in 2019, was postponed to 2020 at the request of the University.

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

Monitoring visits were conducted at:

- (a) Pharmacy Healthcare Academy
- (b) Abaluleki Professional Consulting – University of Fort Hare Consortium

Accreditation of courses

A Compounding and Dispensing course for Allied Health Professionals from the University of Johannesburg was accredited.

Student/Learner matters

Council conducted nine information sessions about the role of Council and the requirements for registration for first-year students at all pharmacy schools. The office staff conduct these onsite visits at the universities to assist students with completing their registration and to issue students with registration cards.

There were 1 181 first-year students, 1 159 second-year students, 1 100 third-year students and 993 fourth-year students registered in 2019.

There were 3 213 Learner Basic Pharmacist's Assistants and 2 234 Learner Post-Basic Pharmacist's Assistants registered as at 15 November 2019.

Heads of pharmacy schools meeting

The meeting of the Heads of Schools was held on 24 May 2019. Professor PH Demana was elected as the chairperson of the Heads of Schools Committee for the period 2019 to 2021. The terms of reference for the Committee were amended as the chairperson is no longer co-opted to the Education Committee. The chairperson will attend the meetings of the Education Committee to present the minutes of the Heads of Schools committee meetings when required.

The Heads of Schools were informed that registration of foreign exchange students with Council may not be longer than nine months and that foreign exchange students visiting the workplace are required to register with Council as students. The Heads of Schools were also requested to ensure that confirmation letters from the universities used by Council to release academic interns are only issued when academic interns have fulfilled all the requirements of a master's programme.

Other matters discussed by the Heads of Schools committee included:

- Pre-registration examination results;
- Human resource concerns at schools of pharmacy;
- Accreditation of providers offering Primary Care Drug Therapy (PCDT) courses;
- The requirement that the head of a pharmacy school be a pharmacist;
- Appointment of panel members for accreditation/monitoring visits to Higher Education Institutions;

- The review of the Bachelor of Pharmacy qualification;
- Training of pharmacy support personnel using the Higher Education Qualification Sub-Framework (HEQSF);
- Good Pharmacy Education standards for HEQSF;
- The schedule for accreditation/monitoring visits to Higher Education and Training (HET) providers in 2019; and
- The new pre-registration examination format for pharmacist interns and pharmaceutical community service pharmacists in Higher Education Institutions (HEIs).

Meeting of the skills development providers

A skills development providers meeting scheduled for 2019 was postponed to 2020 as Council is awaiting the registration of the part qualification for Basic Pharmacist's Assistants and the qualification for Post-Basic Pharmacist's Assistants with SAQA.

HUMAN RESOURCES

Strategic focus area

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

Remuneration Committee

The Remuneration Committee met in November 2019 to deal with the 2020 cost-of-living adjustment for management staff as well as matters relating to the reimbursement and remuneration of staff and councillors.

Bargaining Committee

The Bargaining Committee had four (4) meetings in 2019, including a special sitting in November. The Committee deliberated on several matters of mutual interest, including finalisation of the collective agreement, the cost-of-living adjustment for general staff members, and the constitution of the Bargaining Committee.

Employment Equity

The Employment Equity Committee had its meetings in May and December 2019. The employment equity plan intends to strive towards achieving a balance in the appointment of people from disadvantaged and under-represented communities, e.g. Coloured, Indian and African



Mr NJ Mashishi (Senior Manager: Human Resources)

males. The Committee produced a revised plan for 2019-2023 which was subsequently approved by the Executive Committee of Council in 2019.

Breakdown of the Council Workforce

The employment levels per population group and gender in the Office of the Registrar during 2019 were as follows:

African		Coloured		Indian/Asian		White	
Male	Female	Male	Female	Male	Female	Male	Female
31	62	0	2	0	2	0	6
93	2	2	6	82%	561	561	561

Table 28: Breakdown of SAPC workforce in 2019

Employee equity table showing Council's staff demographics as at December 2019:

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	2	0	0	0	0	0	0	0	1	0	3
Senior management	2	0	0	0	4	0	0	2	0	0	8
Professionally qualified and experience specialists and mid-management	6	0	0	0	7	0	1	1	0	0	15
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	5	0	0	0	15	0	0	3	0	0	23
Semi-skilled and discretionary decision making	11	0	0	0	31	2	1	0	0	0	45
Unskilled and defined decision making	4	0	0	0	5	0	0	0	0	0	9
TOTAL PERMANENT	30	0	0	0	62	2	2	6	1	0	103
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	30	0	0	0	62	2	2	6	1	0	103

Table 29: Employment equity showing Council's staff demographics 2019

Employee development and training

The workplace skills training for the year under review was carried out as follows:

Course description	Number of employees
Customer Service Training	56
Supervisor Training	23
Employment Equity Committee Training	10
Assessor & Evaluator Course	1
Presentation Skills	19

Table 30: Skills training offered in 2019

Professional development of staff continued in 2019 and the programmes outlined in the table below were partly funded by Council.

Under/Postgraduate	Number of employees
MPharm (Masters in Pharmacy)	1
BTech Public Relations	1
PhD (Pharmaceutical)	4
Bachelor of Commerce	1
Bachelor of Commerce (Honours)	1
Total	9

Table 31: Breakdown of study assistance offered in 2019

Employee recruitment and retention

The new staff structure was approved by Council in 2019 and the implementation of the structure will be carried out incrementally due to budgetary constraints.

Employee wellness

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

A wide-scale Wellness Day event was executed in October 2019. The event realised 100% attendance and participation in varied programmes was massive. The staff had the opportunity to participate in a financial education session, mental health sessions, health screenings and powered aerobics throughout the day.



SAPC staff taking part in aerobics as part of the Wellness Day initiative.

LEGAL SERVICES AND PROFESSIONAL CONDUCT

Strategic focus area

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

- advise the Minister of Health or any other person on any matter relating to pharmacy;
- establish, develop, maintain and control universally acceptable standards of:
 - o the practice of the various categories of persons required to be registered in terms of the Pharmacy Act,
 - o professional conduct required of persons required to be registered in terms of the Pharmacy Act,
 - o control over persons registered in terms of the Pharmacy Act by investigating, in accordance with the Act, complaints or accusations relating to the conduct of registered persons;
- promote transparency to the profession and the general public (corporate governance);
- maintain and enhance the dignity of the profession; and
- coordinate the activities of the disciplinary committees of Council.

Introduction

2019 saw the inauguration and orientation of the new Council, the election of a new President, Vice-President and Treasurer to serve a five-year term-of-office, the election for 2019 of the Chairpersons of the various committees, and the appointment of the new committees for 2019. LS&PC played a substantial role in the orientation of the new Council as well as the orientation and training of the new members appointed to the various disciplinary/professional conduct committees.

Despite the changes in Council and committee members, the processing of complaints against registered persons continues, with LS&PC being part of various initiatives and projects aimed at taking stringent measures against persons for misconduct or unprofessional conduct.

2019 was highlighted by the involvement of LS&PC in various matters with other law enforcement agencies, such as the South African Health Products Regulatory Authority and the South African Police Services, and the need to understand the legislation around cannabis, following the Constitutional Court case that declared that cannabis could be possessed and used for personal use. In addition, LS&PC welcomed the media attention given to the publication of the Committee of Formal Inquiry findings.

Professional Conduct

LS&PC conducted an orientation and training workshop for the newly-elected disciplinary committees. The workshop included an overview of the roles and functions of the disciplinary committees, the sharing of experience from Mr Sham Moodley, as a past Chairperson of the Committee of Informal Inquiries (CII), various case studies in breakaway groups, a mock CII hearing and a wrap-up with frequently asked questions that committee members answered through the course of the workshop.

Council received a total number of 507 complaints during the period 1 January 2019 to 31 December 2019. Complaints received in terms of Section 39 of the Pharmacy Act, 53 of 1974, were reviewed and addressed by the disciplinary committees of Council.



Ms DG Hoffmann
(Senior Manager: Legal Services & Professional Conduct)



Mr JS du Toit
(Chairperson: Committee of Preliminary Investigation)

Registrar's Complaints Review Panel

In terms of Regulation 3 of the Regulations relating to the conduct of inquiries held in terms of Chapter V of the Pharmacy Act (GNR.496 published on 8 June 2001), and in particular Regulation 3(3), should the Registrar, having investigated a complaint, be of the opinion that there is no prima facie evidence of misconduct or unprofessional conduct, may decide not to continue with any further action on the complaint.

In 2019, the Registrar convened one Registrar's Complaints Review Panel meeting, which meeting reviewed 176 matters where the Registrar believed such matters held no prima facie evidence of misconduct or unprofessional conduct. The reasons for the decisions were provided on a case by cases basis and often as a result of a lack of supporting evidence being given by the complainant or found during the investigation.

Committee of Preliminary Investigation

The Committee of Preliminary Investigation (CPI) was chaired by Mr Jan Du Toit. CPI reviewed a total of 390 matters over three meetings and recommended that a total of 95 cases be referred to the Committee of Informal Inquiry, and 45 cases be referred to the Committee of Formal Inquiry based on the severity of the misconduct.

The recommendations of the CPI meetings can be summarised as follows:

Meeting	Total number of cases	No further action	Held over or further investigation	Referred to CII	Referred to CFI	Referred to Health Committee
5/6 March 2019	90	47	11	18	10	4
29/30 July 2019	147	63	25	40	19	0
19/20 November 2019	171	95	23	37	16	0

Table 32: Recommendations of CPI

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

2013	2014	2015	2016	2017	2018	2019
239	224	299	407	269	373	390

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



Mr TD Moralo
(Chairperson: Committee of Informal Inquiries)

Committee of Informal Inquiries

The Committee of Informal Inquiries (CII) was chaired by Mr Tshegofatso Moralo for 2019. The CII reviewed a total of 55 matters with confirmed fines to the value of R351 500 and cost orders to the amount of R167 119, bringing a total of R518 619.

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

Meeting	Total number of cases	Appearances	Consent orders	CFI referrals	Amounts
16 July 2019	19	1	18	0	R149 000 R64 003 (co)
29 October 2019	36	3	29	4	R187 500 R103 116 (co)
Total	55	4	47	4	R396 000 R194 647 (co)

Table 34: Findings of CII

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

2013	2014	2015	2016	2017	2018	2019
134	83	87	95	63	71	55

Table 35: Year-on-year analysis of the total number of CII cases

The nature of the contraventions reviewed by the CII can be summarised as follows:

	Contraventions	Frequency of occurrence
(i)	Dispensing error	22
(ii)	Failure to supervise PSP	8
(iii)	Dispensing expired medicines	6
(iv)	Labelling errors	5
(v)	Dispensing without a valid prescription	4
(vi)	Bringing the profession into disrepute	3
(vii)	Failure to take the well-being of the patient into consideration	3
(viii)	Promotion of sale of medicine with abusive potential	2
(ix)	Advertising	2
(x)	Failure to furnish advice	1
(xi)	Pre-packing	1
(xii)	Failure to supervise	1

Table 36: Summary of contraventions in CII matters

Committee of Formal Inquiries

The Council completed 25 formal inquiries heard by the Committee of Formal Inquiries (CFI) during 2019, of which the Committee found twenty-one (21) respondents guilty, one (1) respondent not guilty, and in two (2) cases the charges were withdrawn against the respondents. In terms of the sanctions handed down by the CFI, one (1) person was removed from the register, one (1) person was suspended from registration with immediate effect, and eight (8) people were suspended from registration with a suspended sentence. The total value of the fines ordered by CFI amounted to R802 500 with corresponding cost orders of R242 917.

2013	2014	2015	2016	2017	2018	2019
1	10	11	6	11	10	25

Table 37: Year-on-year analysis of the total number of CFI cases

	Contraventions	Frequency of occurrence
(i)	Unregistered persons practising the scope of practice of a pharmacist	14
(ii)	No pharmacist on the premises	12
(iii)	GPP shortcomings	12
(iv)	Promotion of sale of medicine with abusive potential	8
(v)	No responsible pharmacist registered	6
(vi)	Pharmacies being conducted without licences or recording of licences	5
(vii)	Bringing the profession into disrepute	4
(viii)	Schedule 6 registers	2
(ix)	Another business within a pharmacy	1
(x)	Access to medicines	1
(xi)	Fronting by pharmacist as a responsible pharmacist	1
(xii)	Schedule 2 recording	1
(xiii)	Community pharmacy acting as a wholesaler	1
(xiv)	Dispensing expired medicine	1

Table 38: Summary of contraventions in CFI matters

Provision of legal services and legal administration

Legal Enquiries and Legal Opinions

In terms of providing legal support to the profession, the LS&PC Department provided legal services to the public, the profession and stakeholders by addressing legal enquiries emanating from email communication, Council's website, telephonic enquiries, or by means of any other form of communication, as well as attending the Heads of Pharmaceutical Services and Heads of Schools meetings. As per previous years, the topics covered in such enquiries varied, with enquiries related to scopes of practice and responsible pharmacists' duties and authorities being addressed. LS&PC formally addressed 75 legal-related enquiries during 2019.

LS&PC provided legal support to the Office of the Registrar and Council by way of six (6) formal legal opinions drafted as a result of the request of Council and/or the Office of the Registrar. These included issues relating to:

- (a) the use of telemedicine within a pharmacy and whether this amounts to another business in a pharmacy;
- (b) guidelines versus policies;
- (c) trading titles requested by pharmacy owners and the right to a trading title by a company registered with the same name;
- (d) the removal of pharmacies from the register of pharmacies;
- (e) Bachelor of Pharmacy graduates practising the scope of practice of a Pharmacist's Assistant (Post-Basic); and
- (f) the establishment of an Appeal Committee for CFI cases.

LS&PC facilitated obtaining two external legal opinions:

- (a) a follow-up legal opinion on 'another business in a pharmacy'; and
- (b) the legality of an email requesting participation in the NHI Bill public participation process.

Certificates of Good Standing

LS&PC provided 82 Certificates of Good Standing to applicants during 2019, this being approximately 20 certificates more than those issued in 2018.

Section 26 Certificates

LS&PC provided 169 Certificates of Registration/Non-registration issued in terms of Section 26 of the Pharmacy Act during 2019. The vast increase in the issuing of Section 26 certificates can be attributed to two factors:

- (a) The initiative by the Board of Health Care Funders where pharmacies that were registered before 1 May 2003 were required to provide proof of registration of the pharmacy; and
- (b) Joint initiatives between Council, SAHPRA and SAPS/Hawks in cases involving the large scale selling of cannabis as well as the illegal selling of medicines through the internet to countries outside of South Africa.

Contracts and Service Level Agreements

In ensuring that the Council is bound to as well as being sufficiently legally covered in terms of its contractual relationship with service providers, the Legal Services & Professional Conduct Department saw to the drafting/editing and/or updating of six (6) new and/or existing contracts. These were constituted by service level agreements and service provider contracts for the pre-registration online examination,

a Collaboration Agreement with North-West University in respect of four (4) research projects requested by Council, the services of Lifemed Ambulance Services in the case of an emergency at the offices of Council, and the drafting of Competency Standards for Pharmacy Support Personnel. Service Level Agreements for the online pre-registration examination, CPD assessors and moderators, examiners and moderators for professional and pre-registration examinations, and inspectors were also reviewed prior to signing by the appointed persons.

The responsibility of contract maintenance for the 3rd National Pharmacy Conference in 2019 fell under the Legal Services & Professional Conduct Department. The Department was responsible for the drafting and/or maintenance of various contracts relating to the Conference, including the contract agreement between Council and the professional conference organising company, the contract between Council and Sun City, 15 sponsorship contracts, 35 exhibitor contracts, and three (3) miscellaneous contracts.

Task Teams of Council

In 2019, LS&PC oversaw the task team for research projects appointed to oversee the management of the four (4) research projects that Council has contracted to North West University to complete on Council's behalf, as well as the National Health Insurance (NHI) task team appointed to oversee the drafting of Council's comments to the NHI Bill, 2019.

Corporate governance

LS&PC was involved in the Council inauguration and orientation, with the preparation and collation of all the relevant documents and references needed by Council members. LS&PC also assisted the Registrar in conducting the election of the President, the Vice-President and the Treasurer at the inaugural Council meeting in February 2019.

In addition, LS&PC had an internal audit review in September 2019, which highlighted minor shortcomings and the need to implement management controls in respect of monitoring the process of complaints, and the recommendation of policy changes in respect of Council and Committee meetings at the end of the term of Council.

In terms of the Promotion of Access to Information Act, 2000 (PAIA), the Registrar is the information officer of Council. In addition, the Registrar has delegated the responsibility of deputy information officer to the Senior Manager: LS&PC. In terms of Section 18(1) of PAIA read together with Regulation 6 of the PAIA Regulations, LS&PC have provided two (2) responses in terms of such applications, and in terms of Section 32 of PAIA, the Council has submitted its annual report in April 2019.

Legislation

South African Pharmacy Council Legislation

In consultation with the Department of Health, the Legal Services & Professional Conduct Department has continued to attend to the redrafting of the following regulations:

- (a) Education (pertaining to pharmacy support personnel);
- (b) Practice (pertaining to pharmacy support personnel);
- (c) Registration of persons (pertaining to pharmacy support personnel);
- (d) Payment of fees to Council; and
- (e) Specialist Pharmacists.

The Legal Services & Professional Conduct Department assisted in preparing for publication, and the collection of and collation of

comments of 12 Board Notices during 2019, including:

Education

- Board Notice 32/2019, published on 15 March 2019, Correction Notice to the Good Pharmacy Education Standards – HE
- Board Notice 34/2019, published on 29 March 2019, Good Pharmacy Education Standards – OQSF (for comment)
- Board Notice 173/2019, published on 27 September 2019, Qualification pertaining to the Specialist Pharmacist: Industrial Pharmacist (for comment)

Good Pharmacy Practice

- Board Notice 75/2019, published on 10 May 2019, GPP amendments pertaining to access to a pharmacy, locums and standard operating procedures (for comment)
- Board Notice 172/2019, published on 27 September 2019, GPP additional standard for Unit Dose Dispensing (for implementation)
- Board Notice 177/2019, published on 27 September 2019, GPP amendment to the requirements of a trading title of a pharmacy (for comment)
- Board Notice 205/2019, published on 13 December 2019, GPP amendment with regards to access to facilities, locums and standard operating procedures

Continuing Professional Development

- Board Notice 171/2019, published on 27 September 2019, CPD Guidance Document (for comment)
- Board Notice 174/2019, published on 27 September 2019,

Categories of registered persons who are required to comply with CPD

- Board Notice 201/2019, published on 10 December 2019, Categories of registered persons who are required to comply with CPD

Others

- Board Notice 35/2019, published on 29 March 2019, Services for which a pharmacist may levy a fee
- Board Notice 41/2019, published on 12 April, Additional fees payable to Council
- Board Notice 170/2019, published on 27 September 2019, Findings of the Committee of Formal Inquiry
- Board Notice 188/2019, published on 15 November 2019, Fees payable to Council for 2020
- Board Notice 196/2019, published on 29 November 2019, Guidelines for the removal of pharmacy recordings (for comment, due date for comments 29 January 2020)
- Board Notice 202/2019, published on 10 December 2019, Guidelines for the restoration of persons (for comment, due date for comments 10 February 2020)

Comments and contributions to proposed legislation published for comment

The Legal Services & Professional Conduct Department facilitated Council's detailed comments to both the National Health Insurance Bill, 2019, and the SAQA Policy and Guideline on the recognition of professional bodies and the registration of professional designation, 2019.

INFORMATION TECHNOLOGY

Strategic focus area

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

Operational matters

One of the key areas of focus for the IT Department during 2019 was fortifying the information systems security and bolstering the primary data centre. High performance and availability consistency of IT systems remain a priority for the department.

Data centre hardware refresh and warranties

The SAPC highly depends on IT enterprise systems for effective service operations delivered to both internal and external stakeholders. The efficiency in Council's business operations is supported by a resilient and high processing computing environment made up of a mix of software and hardware platforms. Providing the backbone to the enterprise systems is the data centre built on a Hewlett-Packard (HP) server platform which has been running smoothly for almost six (6) years.

Due to Council's business being heavily reliant on enterprise systems, failure of these units could result in disastrous effects on business operations. The IT Department assessed the data centre hardware and recommended warranty extension for both hardware units. This was done while there was a rolling plan to replace the entire hardware platform in the later part of the financial year.

An upgrade of old server hardware with the most recent generation of available technology was carried out towards the end of 2019 and the old infrastructure, with an extended support warranty, is being used at Council's Hatfield office for replication purposes.

Financial System Upgrade (SAGE 300)

Council uses AccPacc SAGE 300 for, amongst others, financial and accounting management functions. The last upgrade of this software was done in 2016 and since then there have been various system version upgrades that include new features and improvements. Working through AccTech, the SAPC embarked on a project to upgrade the system to Sage 300 v6.6 in 2019.

The Register and Dashboard

The Register and Dashboard applications continued to be enhanced during 2019 in order to provide our diverse stakeholders with a resourceful and satisfactory user experience.

Network firewall upgrade

Firewalls, just like any other security tools, are important in preventing unauthorised network access and protecting the technology environment of the organisation. Council took a decision in 2019 to upgrade the existing firewall by deploying a more advanced and secure tool.



*Mr C Manenzhe
(Senior Manager: Information Technology)*

FINANCIAL MANAGEMENT

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

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

Strategic focus area

Financial Management focuses on three strategic objectives of Council:

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

Coordination of standing committees of Council

Audit Committee

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

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

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

During the year, the committee held four meetings. The report of the committee is on page 57.

Pension Fund Board

Council has a post-employment defined contribution benefit plan, established on 1 July 1977, operated as a separate legal entity in terms of the Pension Funds Act, 24 of 1956, the South African Pharmacy Council Pension Fund (the Fund). The Pension Fund Board has oversight of the operations of the Fund.

The benefits payable by the Fund in the future, due to retirements and withdrawals from the Fund, are contributions by members to the Fund and investment returns net of operational expenses. Council's contribution to the plan is charged to the income statement when incurred.

The actuarial risk that benefits will be less than expected and the investment risk that assets invested will be insufficient to meet the expected benefits is borne by employees.

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

Employer representatives

Mr MD Phasha (Chairperson)
Ms NP Thipa



Mr V Himbotwe
(CFO)

Mr TA Masango
Ms MS Letsike (Alternate)

Employee representatives

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

Principal Officer

Mr V Himbotwe

Administrator

ACA Employee Benefits (Pty) Ltd

Valuator

Ms L Langner

Auditors

Geyser & du Plessis

Investment manager

Sanlam Holdings

Promotion of transparency to the profession and the general public

Council Leadership

The Council has a Charter for Councillors which, in addition to the Pharmacy Act, 53 of 1974, stipulates its terms of reference to ensure that it leads ethically and effectively. Council holds itself to high standards of good governance in terms of the charter. Council members meet four times annually and are responsible for setting overall policy, preparing financial statements, monitoring executive management, and exercising control over the organisation's activities. The roles of the president and the chief executive officer are separate in accordance with good practice. The president holds a non-executive office.

Ethics and Compliance

Council is committed to an exemplary standard of business ethics

and transparency in all its dealings with stakeholders. The Council is committed to govern in compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen. Both Council members and employees are bound by a code of conduct. Any conflict of interest during meetings is declared and managed. Gifts received, if accepted, are declared in line with good corporate governance. The Audit Committee provide oversight of the Council's governance of ethics.

Responsible Corporate Citizenship

The Council ensures that the organisation is and is seen to be a responsible corporate citizen. Council has embarked on a few initiatives to protect the environment, promote sustainability and ensure health and safety of employees and the public. To protect the environment, most agendas for meetings are produced in soft copy to reduce the use of paper. Council has also adopted a rural school, which Council sources corporate sponsorships for various needs of the school. The Council staff members also take time to do communal work at the school such as gardening, maintenance and painting.

Strategy, Performance and Reporting

The Council appreciates that the organisations core purpose, its risks and opportunities, strategy, business model, performance and sustainable development, are all inseparable elements of the value creation process. The Council has a five-year strategic plan and is constantly monitoring performance thereon. The budget for the year under review and the risk register were approved by Council. Budget performance and risk management reports were presented to Council and sub-committees as required.

The Audit Committee had oversight of financial and risk management reporting. The Audit Committee carried its oversight responsibilities by ensuring risk based internal audits were planned and carried out. The report of the Audit Committee is included on page 57.

Governing Structures and Delegation

The Council serves as the focal point and custodian of corporate governance in the organisation. All committees to which Council has delegated responsibilities have terms of reference and report quarterly to the Council. Delegation to management is through the Registrar and is governed by performance-based contract.

Composition of the Council

The Council is comprised of 25 members drawn from various pharmacy sectors across the country with the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and efficiently. Of the members, 9 are voted in by the profession and 16 are appointed by the Minister of Health. The Council is supported by additional expertise in the form of the Audit Committee and the Remuneration Committee which are composed of independent experts.

Committees of the Council

The Council ensures that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties. All committees to which Council has delegated responsibilities have terms of reference and

report quarterly to the Council. Council committee reports are included on pages 67 to 68.

Evaluations of the performance of the Council

The Council ensures that the evaluation of its own performance and that of its committees, its chair and its individual members, supports continued improvement in its performance and effectiveness. A self-evaluation of the performance of the Council and its committees is performed annually. The results of such evaluations are considered, and action taken where required.

Appointment and delegation to management

The policies of Council ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities. The Council has delegated to the Registrar the authority to run the day-to-day operations of the Council within the approved policy framework.

Risk Governance

The Council governs risk in a way that supports the organisation in setting and achieving its strategic objectives. In line with Council policy on risk management, risks are managed through the systematic analysis of actual and potential risks, and the development and implementation of measures to counter those risks. Risk management is essentially made up of three stages – risk identification, risk analysis and risk control.

The annual management of risk identification workshop was held on 29 January 2019. The draft Risk Register resulting from the workshop was presented to Council at the strategic session on 13 February 2019 for input and approval. The Audit Committee assists the Council in carrying out its risk governance responsibilities.

Information and Technology Governance

The Council governs information and technology (IT) in a way that supports the organisation setting and achieving its strategic objectives. The Audit Committee assists the Council in carrying out its oversight responsibilities on IT. The IT report is included on page 53.

Remuneration Governance

The Council ensures that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. The Council, through the Remuneration Committee, oversees the implementation and execution of the Remuneration Policy to ensure that it achieves the set objectives.

Assurance

The Council has adopted a combined assurance model that identifies the risk areas affecting the organisation and maps the level of assurance being provided by management, internal auditors and external auditors. Assurance services are overseen by the Audit Committee. Their report on assurance for the year under review is included on page 57

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

Financial performance indicators

Description	2015	2016	2017	2018	2019
Current assets (R)	42 201 431	54 125 905	40 022 342	45 104 401	55 931 930
Current liabilities (R)	42 598 178	43 320 980	40 834 459	44 894 886	49 557 509
Liquidity ratio	0.99	1.25	0.98	1.00	1.13
Income (R)	64 899 419	80 275 776	82 531 919	82 528 777	98 404 568
Expenditure (R)	61 747 959	71 277 271	74 168 392	78 558 277	93 466 007
Total comprehensive income for the year [Surplus/(deficit)](R)	3 151 460	8 998 505	8 363 527	3 970 500	4 938 561

Statement of Financial position

Assets grew by over 12.21% mainly because of an increase in current assets. Current assets were made of accounts receivable, cash on hand, and short-term deposits on the back of fees for the year 2020 received in advance.

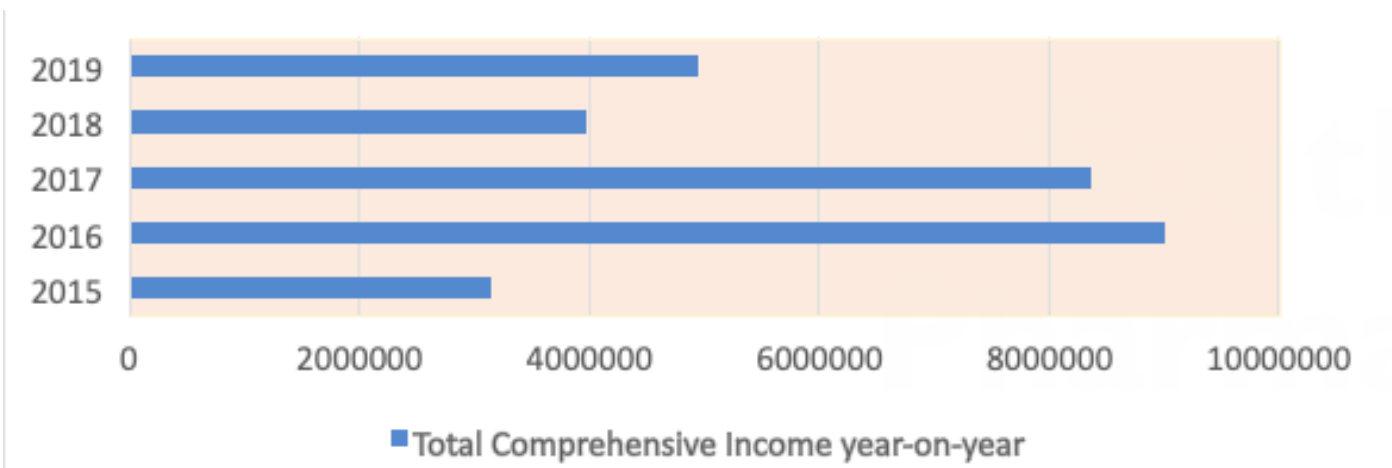
Total equity and liabilities grew in line with assets due to surplus for the year and income received in advance. The liquidity ratio increased by 12.34%, from 1.00 in the prior year to 1.13 at 31 December 2019.



Statement of Comprehensive income

Council is a not for profit organisation with the funding for its operations drawn mainly from membership fees and others, such as annual fees, registration fees and restoration fees. Other sources of income are sponsorships/donations for specific once-off projects, for instance the funding of the 3rd National Pharmacy Conference (3rd NPC) during the year.

During the year under review, expenditure grew by 18.98%, of which increase 9.79% related to the hosting of the 3rd NPC and same trend on related income. Total comprehensive income increased by 24.383%, from R3 970 500 to R4 938 561.



Planning and budgetary control

Council's budget is guided by the five-year strategic plan. The budget for the year under review was approved at the 10/11 October 2018 Council meeting. Budget performance reports were presented to management, the Executive Committee, the Audit Committee and Council. At various Council committee meetings respective budget performance reports formed part of the agenda.

Supply chain management

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

Risk management

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

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

- (a) Non-compliance with Education and other related legislation –
 - Engage SAQA to recognise SAPC as a statutory body;
 - The matter be referred to the forum of statutory bodies; and
 - Training of providers on requirements of the new qualification for pharmacy support personnel.
- (b) Inadequate number of providers offering PCDT –
 - Develop a criterion for accreditation for providers to offer PCDT learning programs; and
 - Accredite providers.
- (c) Litigation as a result of setting and enforcing professional standards –
 - Improve record keeping throughout the process of standard setting and version control;
 - Record the international benchmarking process; and
 - Develop and implement the filing index for the organisation.
- (d) Non-compliance with set turnaround times in processing customer requests/applications –
 - Review and revise the dashboard processes where applicable;
 - Review and automate remaining people/organisation registration processes; and
 - Internal Audit review of internal controls for service delivery.

(e) Vulnerability to cyber-attack –

- Penetration and vulnerability assessment; and
- Implement IT audit findings.

(f) Over reliance on third party IT service providers –

- Review terms of service level agreements on renewal.

Internal audit

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

A risk-based internal audit plan for three years ending 31 December 2021 was approved and audits carried out. Internal controls were considered adequate, with minor improvements recommended in some areas. Below is the list of audits performed:

(a) New Audits

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

(b) Follow-up Audits

- Human Resources Management
- Governance and Compliance
- Information and Communication Technology
- Communication and Stakeholder Relations
- External Audit Findings

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 December 2019.

Purpose of the annual report

This annual report captures in summary form the activities of the Audit Committee (the Committee) for the financial year 2019, accounting how the Committee has performed, met its terms of reference and key priorities.

Audit Committee members and attendance

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

During 2019, the Committee held four meetings. Attendance was satisfactory and all meetings were quorate. The Committee reported to Council after each meeting. The names of the members and attendance at meetings is recorded in the table below.

Name of member	Number of meetings attended
Mr Haroon Moolla (Chairperson)	4
Ms Anna Mirriam Mmanoko Badimo	1
Ms Masesi Enid Sikhosana	4
Mr Samuel Mashilo Kubushi	4
Mr Shadrack Shuping	3
Ms Christina Aletta Venter	3

Audit Committee responsibility

The responsibilities of the Committee are set out in its terms of reference. The Committee assists Council in fulfilling its oversight responsibility by serving as an independent and objective party to oversee the establishment and maintenance of an effective system of internal control within Council. The Committee monitors and strengthens the objectivity and credibility of Council's financial reporting process and internal control systems. It supports and appraises the audit efforts of the external auditors and the internal audit function. The Committee ensures there are effective internal arrangements in place, reviews the work and findings of internal and external audits, and reviews Council's corporate governance and risk management measures.

The Audit Committee reports that it has complied with its responsibility arising from the International Financial Reporting Standards appropriate to Council. Compliance with a number of the key responsibilities is evidenced by the following actions:

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

Internal and external auditors

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

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

Effectiveness of internal control

The internal control system is effective, as the reports from the internal auditors, and the Audit Report on the 2019 annual financial statements from the external auditors record no material non-compliance with prescribed policies and procedures. The unqualified/clean audit achieved for the year is evidence of the efficiency and effectiveness of internal controls.

Evaluation of financial statements

The Committee has:

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

Going concern basis of accounting

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

Risk management

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

Irregularities and supply chain management

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

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

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



Mr Haroon Moolla
Chairperson of the Audit Committee

**Financial Statements
for the year ended 31 December 2019**



These financial statements were prepared by:
Voster Himbotwe
Chief Financial Officer

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

Issued 09 June 2020

**South
Pharmac**

General Information

Country of Incorporation and Domicile	South Africa
Nature of Business and Principal Activities	Pharmacy industry regulator
Registered Office	591 Belvedere Street Arcadia Pretoria 0083
Business Address	591 Belvedere Street Arcadia Pretoria 0083
Postal Address	Private Bag X40040 Arcadia Pretoria 0007
Bankers	Standard Bank of South Africa Investec Bank Limited
Independent Auditors	Rakoma and Associates Incorporated Chartered Accountants (SA) Registered Auditor
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Pharmacy Act, 53 of 1974 and IFRS for SMEs.
Preparer	The financial statements were internally compiled by: Voster Himbotwe Chief Financial Officer

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

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South
Pharmac

Councillors' Responsibilities and Approval

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

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

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

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

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

The Councillors have reviewed the Council's cash flow forecast for the year to 31 December 2020 and, in the light of this review and the current financial position, they are satisfied that the Council has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Council's financial statements. The financial statements have been examined by the Council's external auditor whose report is presented on pages 64 to 66.

The financial statements set out on pages 60 to 84, which have been prepared on the going concern basis, were approved by the Councillors on 9 June 2020 and were signed on their behalf by:



Mr MD Phasha (President)



Mr TA Masango (Registrar)

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF THE SOUTH AFRICAN PHARMACY COUNCIL

We have audited the financial statements of South African Pharmacy Council set out on pages 7 to 22, which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the South African Pharmacy Council as at 31 December 2019, and its financial performance and cash flows for the year then ended in accordance with the International Reporting Standards for Small to Medium sized Entities and the requirements of the Pharmacy Act 53 of 1974.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the council in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board of Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2019) (together with IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The councillors are responsible for the other information. The other information comprises the information included in the document titled "South African Pharmacy Council Financial Statements for the year ended 31 December 2019", which includes the Councillors' Report as required by the Pharmacy Act 53 of 1974. The other information does not include the financial statements and our auditor's report thereon.

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

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

Chairman of the Board: EM Rakoma CA (SA)

*Registered name : Rakoma and Associates Incorporated

*A complete list of Directors and Partners is available upon request.

Head Office - Gauteng: (Primary domicile of the Council)
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178 Monte Casino Boulevard,
Magaliesburg, Sandton, 2196,
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www.linkedin.com/company/rakoma-and-associates-enc

www.facebook.com/RakomaInc

Email / General information:
info@rakoma.co.za

20-04-2020



Responsibilities of the councillors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of financial statements is included in the Appendix to this audit report. The description which is located in annexure 1, forms part of our audit report.

Rakoma & Associates Incorporated

Per: Collins Malunga
Chartered Accountant (SA)
Registered Auditor
Director
Fourways

Appendix 1

Auditors Responsibilities for the Audit of Financial Statements

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

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

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

Councillors' Report

The Council members have pleasure in submitting their report on the financial statements of the South African Pharmacy Council for the year ended 31 December 2019.

1. Nature of business

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

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

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

2. Review of financial results and activities

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

3. Councillors

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

Councillors	Office	Designation	Nationality
Mr Mogologolo David Phasha	President	Non-executive	South African
Ms Boitumelo Nelly Molongoana	Vice President	Non-executive	South African
Ms Nocawe Portia Thipa	Treasurer	Non-executive	South African
Ms Khadija Jamaloodien	Representative from DoH	Non-executive	South African
Prof Yahya Essop Choonara	Education Committee Chairperson	Non-executive	South African
Ms Mmapaseka Steve Letsike	Health Committee Chairperson	Non-executive	South African
Mr Johannes Stephanus Du Toit	CPI Chairperson	Non-executive	South African
Mr Tshegofatso Daniel Moralo	CII Chairperson	Non-executive	South African
Ms Jacqueline Ann Maimin	Practice Committee Chairperson	Non-executive	South African
Mr Ayanda Soka	CPD Committee Chairperson	Non-executive	South African
Dr Moliehi Matlala	Pre-Registration Committee Chairperson	Non-executive	South African
Ms Helen Catherine Hayes		Non-executive	South African
Adv Nazreen Shaik-Peremanov		Non-executive	South African
Ms Josephine Herbert		Non-executive	South African
Ms Pakama Dlwati		Non-executive	South African
Dr Margaritha Johanna Eksteen		Non-executive	South African
Mr Pieter Johannes Kilian		Non-executive	South African
Prof Sarel Francois Malan		Non-executive	South African
Ms Moitsoadi Sarah Mokgatlha		Non-executive	South African
Prof Natalie Schellack		Non-executive	South African
Ms Tlou Mavis Shivambu		Non-executive	South African
Mr Mosiuoa Shadrack Shuping		Non-executive	South African
Prof Ilse Truter		Non-executive	South African
Ms Christina Aletta Venter		Non-executive	South African
Dr Petrus de Wet Wolmarans		Non-executive	South African

4. Events after reporting date

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

5. Going concern

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

6. Independent Auditors

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

7. Audit committee

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

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

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

The committee members during the year were:

Name	Office	Designation	Nationality
Mr Haroon Moolla	Chairperson	Independent	South African
Ms Anna Mirriam Mmanoko Badimo		Independent	South African
Mr Samuel Mashilo Kubushi		Independent	South African
Ms Masesi Enid Sikhosana		Independent	South African
Mr Mosiuoa Shadrack Shuping		Council member	South African
Ms Christina Aletta Venter		Council member	South African

Statement of Financial Position as at 31 December 2019

	Note(s)	2019	2018
Assets			
Non-Current Assets			
Property, plant and equipment	2	25,502,048	26,221,764
Investment property	3	6,200,000	6,800,000
Intangible assets	4	484,634	404,910
		32,186,682	33,426,674
Current Assets			
Trade and other receivables	5	15,031,081	13,736,699
Cash and cash equivalents	6	40,900,849	31,367,702
		55,931,930	45,104,401
Total Assets		88,118,612	78,531,075
Equity and Liabilities			
Equity			
Retained earnings		38,560,871	33,622,310
Non-Current Liabilities			
Finance lease liabilities	7	232	13,887
Current Liabilities			
Trade and other payables	8	49,541,837	44,871,491
Finance lease liabilities	7	15,672	23,387
		49,557,509	44,894,878
Total liabilities		49,557,741	44,908,765
Total Equity and Liabilities		88,118,612	78,531,075

Statement of Comprehensive Income

	Note(s)	2019	2018
Revenue	9	86,825,052	79,034,732
Other income	10	8,631,245	1,134,564
Operating expenses		(93,466,007)	(78,549,097)
Surplus for the year from continuing operations	11	1,990,290	1,620,199
Investment revenue	12	2,954,351	2,359,481
Finance costs	13	(6,080)	(9,180)
Surplus for the year		4,938,561	3,970,500
Other comprehensive income		-	-
Net surplus/(deficit) for the year		4,938,561	3,970,500

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Statement of Changes in Equity

	Note(s)	Retained income	Total equity
Balance at 1 January 2018		29,651,810	29,651,810
Net surplus/(deficit) for the year		3,970,500	3,970,500
Other comprehensive income		-	-
Net surplus/(deficit) for the year		3,970,500	3,970,500
Balance at 1 January 2019		33,622,310	33,622,310
Surplus/(deficit) for the year		4,938,561	4,938,561
Other comprehensive income		-	-
Net surplus/(deficit) for the year		4,938,561	4,938,561
Balance at 31 December 2019	-	38,560,871	38,560,871

Statement of Cash Flows

	Note(s)	2019	2018
Cash flows from operating activities			
Cash receipts from customers		86,825,052	79,034,732
Cash payments to suppliers and employees		(77,886,366)	(71,103,722)
Cash generated from operations	15	8,938,686	7,931,010
Investment income		2,954,351	2,359,481
Finance costs		(6,080)	(9,180)
Net cash flows from operating activities		11,886,957	10,281,311
Cash flows used in investing activities			
Property, plant and equipment acquired	2	(2,179,408)	(5,362,982)
Intangible assets acquired	4	(196,930)	(35,480)
Proceeds on disposals of property, plant and equipment		55,403	160,506
Net cash flows used in investing activities		(2,320,935)	(5,237,956)
Cash flows used in financing activities			
Finance lease payments		(32,875)	(23,131)
Net cash flows used in financing activities		(32,875)	(23,131)
Net increase in cash and cash equivalents		9,533,147	5,020,224
Cash and cash equivalents at beginning of the year		31,367,702	26,347,478
Cash and cash equivalents at end of the year	6	40,900,849	31,367,702

Accounting Policies

1. Presentation of financial statements

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

These accounting policies are consistent with the previous period.

1.1. Significant judgements and sources of estimation uncertainty

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

Critical judgements in applying accounting policies

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

Lease classification

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

Key sources of estimation uncertainty

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

Useful lives of property, plant and equipment

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

Impairment testing

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

Investment property valuation

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

Provisions

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

Other estimates made

The Council makes estimates for:

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

Trade receivables, Held to maturity investments and Loans and receivables

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

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

1.2 Property, plant and equipment

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

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

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

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

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

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

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

1.3 Investment property

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

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

1.4 Intangible assets

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

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

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date if there are indicators present

that there is a change from the previous estimate. Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

Item	Useful life
Computer software	2 to 5 years

1.5 Financial instruments

Initial measurement

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

Financial instruments at amortised cost

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

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

Cash and cash equivalents

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

1.6 Leases

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

Finance leases – lessee

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

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

Operating leases – lessee

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

1.7 Impairment of assets

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

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

1.8 Employee benefits

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

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

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

1.9 Provisions and contingencies

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

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

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

Contingent assets and contingent liabilities are not recognised.

1.10 Revenue

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

Interest

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

Rental Income

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

1.11 Equity

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

Notes to the Annual Financial Statements

	2019	2018
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2. Property, plant and equipment

	2019			2018		
	Cost	Accumulated Depreciation	2019 Carrying Value	Cost	Accumulated Depreciation	2018 Carrying Value
Land	8,600,000	-	8,600,000	8,600,000	-	8,600,000
Buildings	18,898,050	(8,195,397)	10,702,653	18,859,264	(7,447,313)	11,411,951
Motor vehicles	752,893	(612,646)	140,247	752,893	(572,820)	180,073
Furniture and fittings	4,019,416	(2,176,567)	1,842,849	3,967,941	(1,885,580)	2,082,361
Office equipment	2,933,751	(1,844,922)	1,088,829	2,994,696	(1,544,003)	1,450,693
IT equipment	7,172,848	(4,045,378)	3,127,470	5,433,159	(2,936,473)	2,496,686
Total	42,376,958	(16,874,910)	25,502,048	40,607,953	(14,386,189)	26,221,764

Reconciliation of property, plant and equipment – 2019

	Opening Balance	Additions	Disposals	Depreciation	Total
Land	8,600,000	-	-	-	8,600,000
Buildings	11,411,951	38,785	-	(748,084)	10,702,652
Motor vehicles	180,073	-	-	(39,826)	140,247
Furniture and fittings	2,082,361	51,475	-	(290,987)	1,842,849
Office equipment	1,450,693	49,298	(1,350)	(409,811)	1,088,829
IT equipment	2,496,686	2,039,850	(55,208)	(1,353,858)	3,127,470
Total	26,221,764	2,179,408	(56,558)	(2,842,566)	25,502,048

Reconciliation of property, plant and equipment – 2018

	Opening balance	Additions	Disposals	Depreciation	Total
Land	8,600,000	-	-	-	8,600,000
Buildings	9,692,093	2,364,393	-	(644,535)	11,411,951
Motor vehicles	317,738	(1)	-	(137,664)	180,073
Furniture and fittings	1,382,204	1,016,382	(640)	(315,584)	2,082,362
Office equipment	974,572	803,456	-	(327,335)	1,450,693
IT equipment	2,004,600	1,178,752	(2,596)	(684,070)	2,496,686
Total	22,971,207	5,362,982	(3,236)	(2,109,188)	26,221,765

Net carrying amounts of leased assets

Office equipment	34,836	37,112
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Details of properties

Land and buildings, Erf 1470, situated at 591 Belvedere Street, Arcadia, Pretoria in the extent of 1 708 (one thousand seven hundred and eight) square meters.

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

Notes to the Annual Financial Statements

	2019	2018
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3. Investment property

	2019			2018		
	Cost	Decrease in Value	2019 Fair Value	Cost	Decrease in Value	2018 Fair Value
Investment properties	6,833,322	(633,322)	6,200,000	6,833,322	(33,322)	6,800,000

Reconciliation of investment property – 2019

	Opening Balance	Additions	Fair Value Adjustment	Total
Investment properties	6,800,000	-	(600,000)	6,200,000

Reconciliation of investment property – 2018

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

Details of investment property

Land and buildings, Portion 1 of Erf 35, situated at 1020 Arcadia Street, Hatfield, Pretoria in the extent of 1 931 (one thousand nine hundred and thirty one) square meters. The property is used as communal for students and is earmarked in the long term for office development.

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

4. Intangible assets

	2019			2018		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
Computer software	5,700,904	(5,216,270)	484,634	5,503,974	(5,099,064)	404,910

Reconciliation of intangible assets – 2019

	Opening Balance	Additions	Depreciation	Carrying Value
Computer software	404,910	196,930	(117,206)	484,634

Reconciliation of intangible assets – 2018

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

Notes to the Annual Financial Statements

	2019	2018
5. Trade and other receivables		
Trade receivables	14,603,587	12,183,762
Deposits	18,529	13,535
Prepayments	-	581,368
Value Added Tax (VAT)	-	629,890
Other receivables	408,965	328,144
	15,031,081	13,736,699

Included in the trade receivables amount is a provision for doubtful debts amounting to R11 634 051 (2018: R13 231 651).

6. Cash and cash equivalents

Cash and cash equivalents consist of:		
Cash on hand	2,030	3,287
Bank balances	14,122,678	11,081,954
Short-term deposits	26,776,141	20,282,461
	40,900,849	31,367,702

Details of bank facilities held by the Council are presented below and have an expiry date of 18 September 2020 -

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

7. Finance lease liabilities

Minimum lease payment which fall due		
Within one year	15,672	23,387
In second to fifth year inclusive	232	13,887
	15,904	37,274
Present value of minimum lease payments	15,904	37,274
Non-current liabilities	232	13,887
Current liabilities	15,672	23,387
	15,904	37,274

8. Trade and other payables

Trade payables	1,836,367	1,034,255
Value Added Tax	39,157	-
Income received in advance	45,232,815	40,186,761
Employee leave days	2,132,983	1,640,742
Other payables	300,515	2,009,733
	49,541,837	44,871,491

9. Revenue

Annual fees	57,060,479	54,054,823
Evaluation, re-inspection and fines	11,207,040	8,839,277
Examination fees	380,956	298,011
Registration fees	18,176,577	15,842,621
	86,825,052	79,034,732

Notes to the Annual Financial Statements

	2019	2018
10. Other Income		
Insurance claim received	79,947	90,938
Other income	232,095	926,096
Profit and loss on sale of assets and liabilities	-	106,130
Sponsorship	8,319,203	11,400
	8,631,245	1,134,564

The increase in sponsorship relates to hosting of the 3rd National Pharmacy Conference.

11. Surplus for the year from continuing operations

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

Profit/(loss) on sale of assets	(14,373)	106,130
Amortisation of intangible assets	117,206	289,960
Depreciation on property, plant and equipment	2,842,566	2,109,188
Employee costs	56,124,390	47,585,099
Research and development	34,548	370,330

12. Investment income

Interest revenue

Bank	2,954,351	2,359,481
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13. Finance costs

Bank	6,080	9,180
	6,080	9,180

14. Auditors' remuneration

Fees	147,718	139,719
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15. Cash generated from operations

Profit before taxation	4,938,561	3,970,500
Adjustments for:		
Depreciation and amortisation	2,959,772	2,399,148
(Profit)/loss on sale of assets	14,373	(106,130)
Interest received	(2,954,351)	(2,359,481)
Finance costs	6,080	9,180
Impairment of Investment property	600,000	33,322
Movement in security deposits	(1,713)	(1,713)
Changes in working capital:		
Increase in trade and other receivables	(1,294,382)	(61,835)
Decrease in trade and other payables	4,670,346	4,048,019
	8,938,686	7,931,010

Notes to the Annual Financial Statements

	2019	2018
16. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
Not yet contracted for and authorised by Council	3,835,500	2,339,000
	3,835,500	2,339,000

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

Operating leases – as lessee (expenses)		
- within one year	15,672	23,387
- in second to fifth year inclusive	232	13,887
	15,904	37,274

17. Related parties

Relationships

Key management personnel are those members having authority and responsibility for planning, directing and controlling the activities of the Council. Key management personnel include Councillors, committee members and executive management. Executive management includes the Registrar, Chief Operation Officer and Chief Financial Officer.

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

Council and sub-committee members, in relation to attendance of meetings -

Allowances	74,756	53,330
Meeting expenses – accommodation	1,418,157	1,434,467
Meeting expenses – member fees	467,972	337,856
Meeting expenses – locum expenses	13,067	121,319
Meeting expenses – preparation fees	171,450	132,282
Transport	750,154	750,428
Compensation of executive management	5,187,942	4,920,833

18. Going Concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

19. Events after reporting period

There were no adjusting events after the reporting period.

20. Financial risk management

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

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

Liquidity risk

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

Interest rate risk

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

Credit risk

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

As at 31 December 2018, the carrying values of trade payables, cash and accrued expenses are assumed to approximate their fair values due to the short-term maturities of these financial statements.

Detailed Income Statement

	Note(s)	2019	2018
Revenue			
Annual fees		57,060,479	54,054,823
Evaluation, re-inspection and fines		11,207,040	8,839,277
Examination fees		380,956	298,011
Registration fees		18,176,577	15,842,621
	9	86,825,052	79,034,732
Other Income			
Insurance claim received		79,947	90,938
Other income		232,095	926,096
Profit on sale of fixed assets		-	106,130
Sponsorship		8,319,203	11,400
	10	8,631,245	1,134,564
Investment income			
Interest received		2,954,351	2,359,481
	12	2,954,351	2,359,481
Expenses (refer to page X)		(93,466,007)	(78,549,097)
Surplus for the year	11	4,944,641	3,979,680
Finance costs	13	(6,080)	(9,180)
Net surplus/(deficit) for the year		4,938,561	3,970,500

Detailed Income Statement

	Note(s)	2019	2018
Operating expenses			
Allowances		(74,756)	(53,330)
Auditors' remuneration		(147,718)	(139,719)
Bad debts and provision for doubtful debts		(668,563)	(2,464,457)
Bank charges		(934,252)	(860,022)
Cleaning, health and safety		(432,219)	(619,773)
Consumables		(173,064)	(177,211)
Council elections		-	(1,621,386)
Depreciation		(2,959,772)	(2,399,148)
Employee costs		(56,124,390)	(47,585,099)
Impairment – Investment property		(600,000)	(33,322)
Information technology expenses		(4,113,465)	(3,823,611)
Insurance		(531,001)	(445,467)
Internal audit and consultancy		(347,755)	(455,190)
Lease rental on operating lease		(441,883)	(450,746)
Legal expenses		(41,159)	(214,986)
Loss on sale of fixed assets		(14,373)	-
Meeting expenses – accommodation		(1,418,157)	(1,434,467)
Meeting expenses – catering		(491,640)	(459,741)
Meeting expenses – locum expenses		(13,067)	(121,319)
Meeting expenses – member fees		(467,972)	(337,856)
Meeting expenses – preparation fees		(171,450)	(132,282)
Meeting expenses – transport and travelling		(750,154)	(750,428)
Office expenses		(643,116)	(635,020)
Office transport		(94,375)	(96,440)
Pharmacy conference		(7,944,532)	(251,947)
Pharmacy education and training		(2,312,485)	(2,104,408)
Pharmacy inspections		(3,663,451)	(3,240,997)
Postage and courier		(1,287,342)	(897,853)
Printing and stationery		(1,550,760)	(897,853)
Public relations and promotions		(474,111)	(325,748)
Repairs and maintenance		(458,247)	(965,294)
Research and development costs		(34,548)	(370,330)
Security		(487,909)	(542,943)
Social responsibility		(24,426)	(40,131)
Telephone and fax		(2,297,660)	(1,603,000)
Travel – overseas		(265,985)	(701,263)
Utilities		(1,010,250)	(1,161,246)
		(93,466,007)	(78,549,097)

GLOSSARY OF TERMINOLOGY

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



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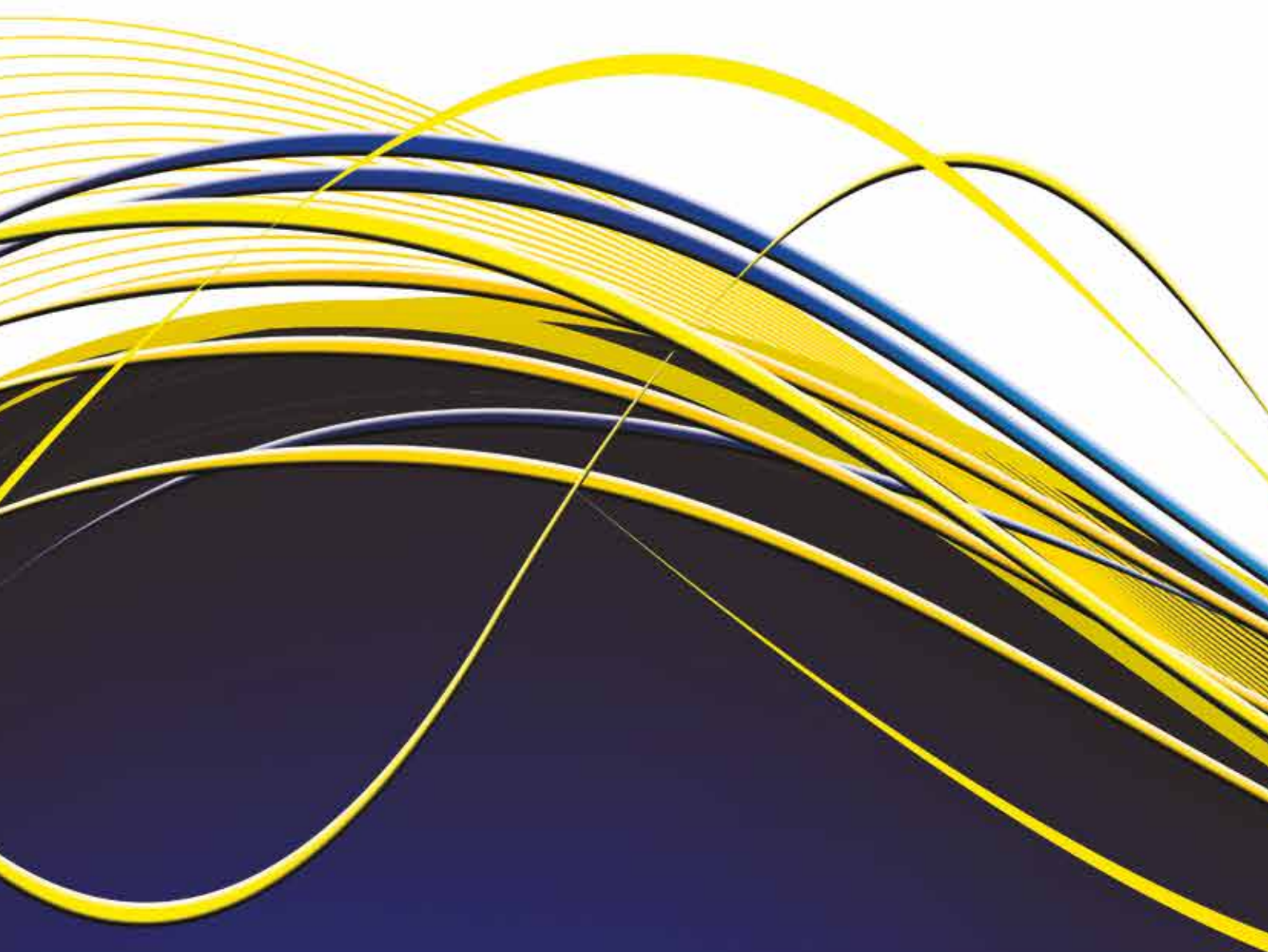
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