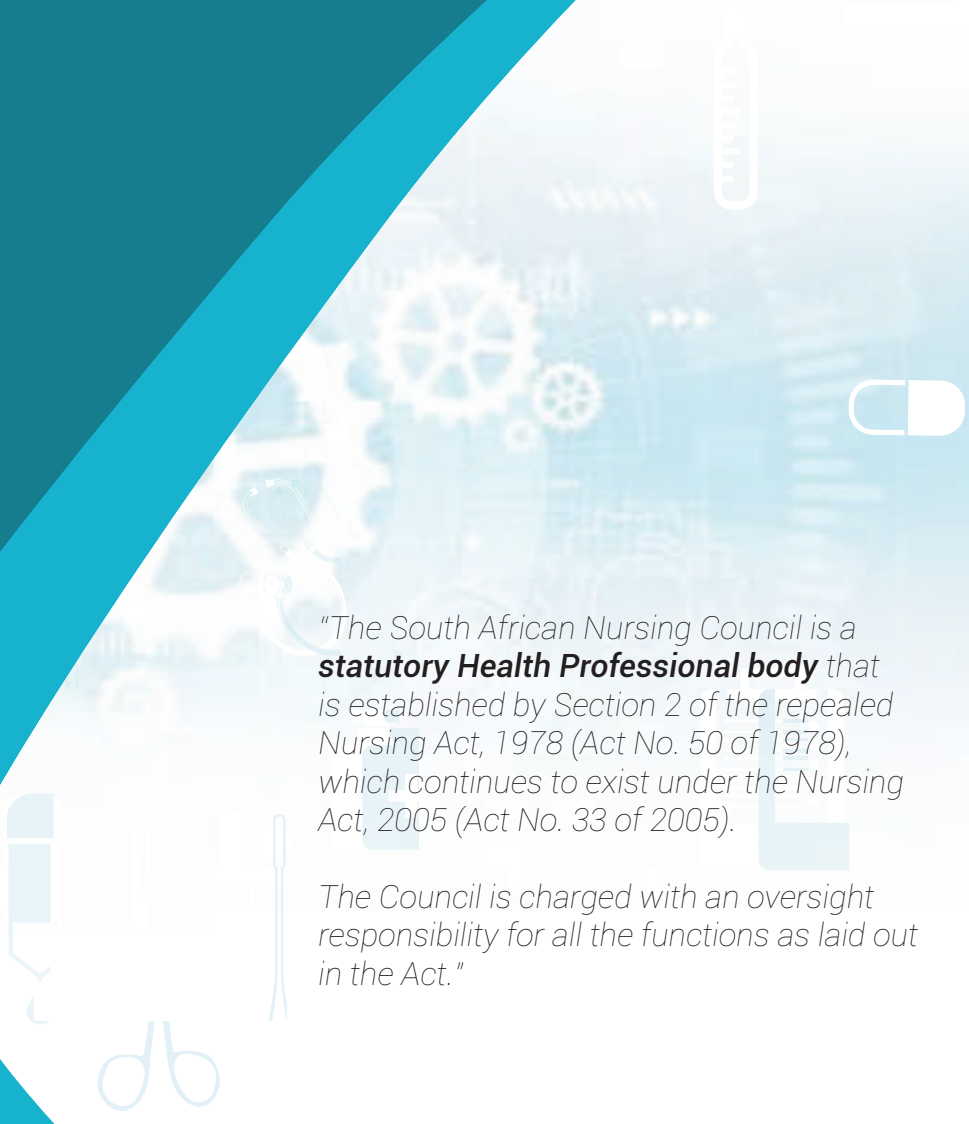


ANNUAL  
REPORT  
2019/2020



**South African Nursing Council**  
*Regulating nursing, advocating for the public*



*"The South African Nursing Council is a **statutory Health Professional body** that is established by Section 2 of the repealed Nursing Act, 1978 (Act No. 50 of 1978), which continues to exist under the Nursing Act, 2005 (Act No. 33 of 2005).*

*The Council is charged with an oversight responsibility for all the functions as laid out in the Act."*

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# Message by the SANC Chairperson

*Dr Matlou Molepo*



The financial period under review has been characterised by improved and effective governance as per the Council's 2018-2023 approved Strategic Plan. A Corporate Governance as well as an Annual Strategic Review and Planning Workshop were conducted for Council and Senior Management in support of Council's commitment to effective governance.

Organizational risk management and strategic risk assessment are key components within the Council's strategy, and as such a Risk Management Training and Strategic Risk Assessment workshop has been conducted, emphasising strategic risk management and enhancing assessment capabilities with both Council members and South African Nursing Council (SANC) Management. A Council-wide Risk Management Policy Framework was duly submitted to the Audit and Risk Committee during this period.

Considerable emphasis has also been placed on strengthening and sustaining the Council's financial position, with the research on the revenue generation strategy that was undertaken as well as the analysis of the collated information for this strategy. Financial Management remains a key focus area with additional measures that have been introduced for financial control and effectiveness.

We are pleased to report that the Council has approved the appointment of a service provider to implement the SANC's Membership Management System (MMS). This system will enhance, modernise and integrate the Council's business systems.

Service delivery remains a main focus with several initiatives in procurement to strengthen service delivery to the SANC's clients. The introduction of the MMS will work hand-in-hand with these initiatives to ensure that the new business systems and service

delivery are interlinked, almost automatically.

The Covid-19 pandemic is a global reality with all indications that it will be overwhelming South Africa soon. The burden on the country's healthcare to respond thereto will be astronomical and will emphasise areas of lack within healthcare and for us, in the nursing profession specifically. As the regulator of the nursing profession, the Council should be taking the lead in ensuring adequate resources are available in the event of an outbreak thus we will be liaising closely with the National Department of Health regarding measures to be put into place.

I would like to thank the Council members, the SANC Management and all employees for their constant engagement, commitment, support and guidance.

May you and your loved ones remain safe during the difficult period ahead.

Dr Matlou Molepo  
Chairperson



## Message by the SANC Registrar and CEO

*Ms Sizeni Mchunu*

The financial year 2019/2020 has been a significant one for the South African Nursing Council (SANC) as it celebrated 75 years of self-regulation since 1944.

### Changing the landscape of nurse education and training

There have been evident transformation milestones with regards to nursing education and training of nurses and midwives, in line with the country's changing landscape in respect of higher education. In addition, a number of legislations were passed in order to strengthen the mandate of the SANC as a statutory body as prescribed by the Nursing Act, 2005 (Act No. 33 of 2005).

The year under review has been a productive period in terms of implementation of the new basic/undergraduate nursing qualifications wherein most Nursing Education Institutions (NEIs) which applied for accreditation, were approved in preparation for the offering of the new under-graduate programmes. This is a move that effectively confirms the phasing out of legacy programmes. This was facilitated by the promulgation of relevant legislation. Our gratitude goes to the Ministry of Health for their support in this regard. Although there has been no accreditation of post-graduate nursing programmes, promulgation of enabling regulations is imminent.

### Investing in technology

In its quest to improving service delivery and introducing modern communication channels, the SANC has made progress in procurement of the new Member Management System (MMS) which will improve the Council's service turnaround strategy. The redesign of the new SANC website is also being undertaken in the next few months, which will ultimately have functionalities that will enable online business transacting for the SANC's clients.

### The yields of partnership with Government

To further improve service delivery, the SANC initiated and entered into an agreement with the Government which enabled the latter to deduct money for the SANC annual fees from Nurse practitioners through the Personnel and Salaries Management System (PERSAL) allowing the employer to deposit it directly to the SANC through National Treasury. This partnership assisted both the SANC and Government employees to comply with the statutory requirements in terms of payment of statutory fees, efficient delivery of annual practicing certificates to provinces as well as elimination of the queues that have been characteristic of the payment cycle for years.

### Protecting the public and caring for the carer

While the SANC received one hundred and fifty-three (153) complaints of alleged unprofessional conduct by nurse practitioners. The number of practitioners who are referred to the SANC as a result of physical or mental impairment, has increased. The SANC contributes towards the rehabilitation of these practitioners, including payment for rehabilitation services if a practitioner is unemployed.

### Advancing transparency

In line with the provisions of the Nursing Act, 2005 (Act No. 33 of 2005), the SANC welcomes due appeals against its processes and decisions. During the year under review, there were five appeals lodged in terms of Section 57 of the Act out of which only one was upheld.

### Upholding the image of the profession

The SANC has embarked on a marketing campaign called *#bethatnurse* that targets nurses, with the main purpose of reaffirming their passion of nursing and reminding them that what they do on a daily basis, has a lot of value and influence. The campaign has received support from a number of health establishments that have identified exemplary nurses and shared their good stories with the SANC.

Service delivery remains a key focus area of the SANC office with a number of initiatives currently in procurement to assist both service delivery and management thereof.

I would like to thank the Chairperson of Council, Council Members, Management and staff for their continued support and contribution in making this year the success that it was. The constructive discussions and views from our stakeholders that were received from the Stakeholders' Forum, meetings, correspondence as well as via social media platforms, are also greatly appreciated.

May you and your loved ones be safe during the pandemic.

Sizeni Mchunu  
Registrar and CEO

# VISION

Excellence in professionalism and  
advocacy for health care users

# MISSION

We serve and protect health care  
users by regulating nursing  
and midwifery professions

# VALUES

Advocacy • Caring • Quality • Professionalism • Innovation • Relevance

## South African Nursing Council **MANDATE**

The SANC is a statutory professional Council, mandated to regulate the nursing profession by establishing and maintaining nursing education and training as well as practice standards, while advocating on behalf of the public in matters concerning nursing.



# Governance Structures

## THE COUNCIL OF THE SOUTH AFRICAN NURSING COUNCIL (SANC)

### COMPOSITION OF COUNCIL

The Council consists of 25 members, of whom 14 must be registered in terms of Section 31(1)(a) and (b) of the Nursing Act, 2005, appointed by the Minister of Health taking into account their expertise in nursing education, nursing, community health, primary health care, occupational health and mental health.

Following from a process of nomination by fellow practitioners, qualifying members are appointed by the Minister of Health in terms of Section 5 of the Nursing Act, 2005 (Act No. 33 of 2005) as follows:

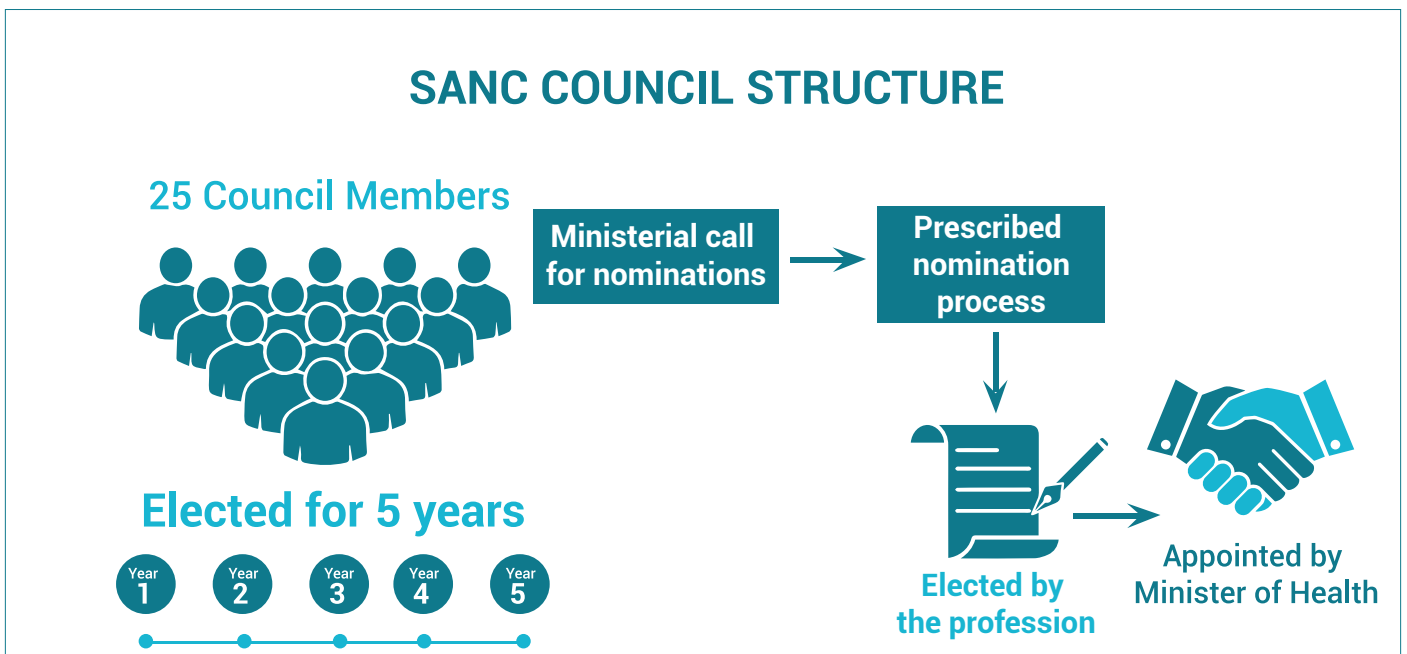
#### Section 5 (1) (a)

Fourteen members who are registered in terms of Section 31(1)(a) and (b).

#### Section 5 (1) (b)

- (i) One person must be an officer of the National Department of Health;
- (ii) One person must have special knowledge of the law;
- (iii) One person must have special knowledge of financial matters;
- (iv) One person must have special knowledge of pharmacy;
- (v) One person must have special knowledge of education;
- (vi) One person must have knowledge of consumer affairs,
- (vii) Three persons must represent communities; and
- (viii) One person must be registered in terms of Section 31 (1) (c) and 31 (1) (d).

The Chairperson is appointed by the Minister of Health after consultation with the Council. At the first meeting of the Council the members must elect a Vice-Chairperson from the categories mentioned in Section 31(1)(a) and (b). The term of office for the Council is five years.





## THE 16<sup>th</sup> COUNCIL OF THE SANC: 2018 - 2023

The 16<sup>th</sup> Council has a five-year tenure which started in 2018 and ends in 2023. The members of Council during this year under review were:

### 16<sup>th</sup> Council Members

Dr MC Molepo (Chairperson)  
 Dr SM Zuma (Vice-Chairperson)  
 Prof A Makhene  
 Dr SZ Mthembu  
 Dr HC De Swardt  
 Dr LL Nkondo-Mtembu  
 Dr MR Digamela (resigned on the 25 June 2019)  
 Prof DI Gihwala  
 Mr JT Ntshabele  
 Ms TM Magoro  
 Dr Nelouise-Marie Geyer  
 Dr PM Orton  
 Prof SE Duma  
 Ms TA Kaseke  
 Mr MS Choma  
 Mr LL Rabotapi  
 Ms DQ Ngidi  
 Mr MJ Matsomela  
 Ms SF Molokoane-Machika  
 Ms ZM Ramaila  
 Ms F Newton  
 Dr E Kaye-Petersen (appointed on 23 January 2020)  
 Dr H Ally  
 Ms P Mapotse (appointed on 16 April 2019)  
 Mr R Tshimomola (appointed on 16 April 2019)  
 Ms V Taschl (appointed on 16 April 2019)  
 Ms NR Gumede (Replaced on 16 April 2019)

The members of Council signed a Charter of Good Conduct for Councillors, that binds them to fulfil their fiduciary responsibility to act only in the interest of the Council. To ensure decorum, members of Council also have to adhere to the approved Rules of Conduct of Business during the course of running their meetings.

### COUNCIL EXECUTIVE COMMITTEE (EXCO)

The Council Executive Committee is established in terms of Section 14 of the Nursing Act, 2005 (Act No. 33 of 2005). The membership of the Executive Committee during the year under review consisted of:

Dr M C Molepo (Chairperson)  
 Dr S M Zuma (Vice-Chairperson)  
 Dr E Kaye-Petersen  
 Mr M J Matsomela  
 Mr J T Ntshabele  
 Dr P M Orton  
 Ms V Taschl  
 Mr R Tshimomola.

### OTHER COMMITTEES OF COUNCIL

- **Executive Committee** : Chairperson: Dr M C Molepo
- **Audit and Risk Committee** : Chairperson: Ms E M Sikhosana
- **Communication and Marketing Committee** : Chairperson: Ms Z M Ramaila
- **Education Committee** : Chairperson: Prof S E Duma
- **Finance Committee** : Chairperson: Mr R Tshimomola
- **Human Resources and Remuneration Committee** : Chairperson: Ms T M Magoro
- **ICT Governance Committee** : Chairperson: Mr M J Matsomela
- **Impairment Committee** : Chairperson: Mr J T Ntshabele
- **Laws, Practice and Standards Committee** : Chairperson: Ms T A Kaseke
- **Preliminary Investigating Committee** : Chairperson: Dr S M Zuma
- **Professional Conduct Committee** : Chairperson: Prof A Makhene.

### COUNCIL YEAR-TO-DATE ATTENDANCE SCHEDULE FOR PERIOD 1 APRIL 2019 TO 31 MARCH 2020

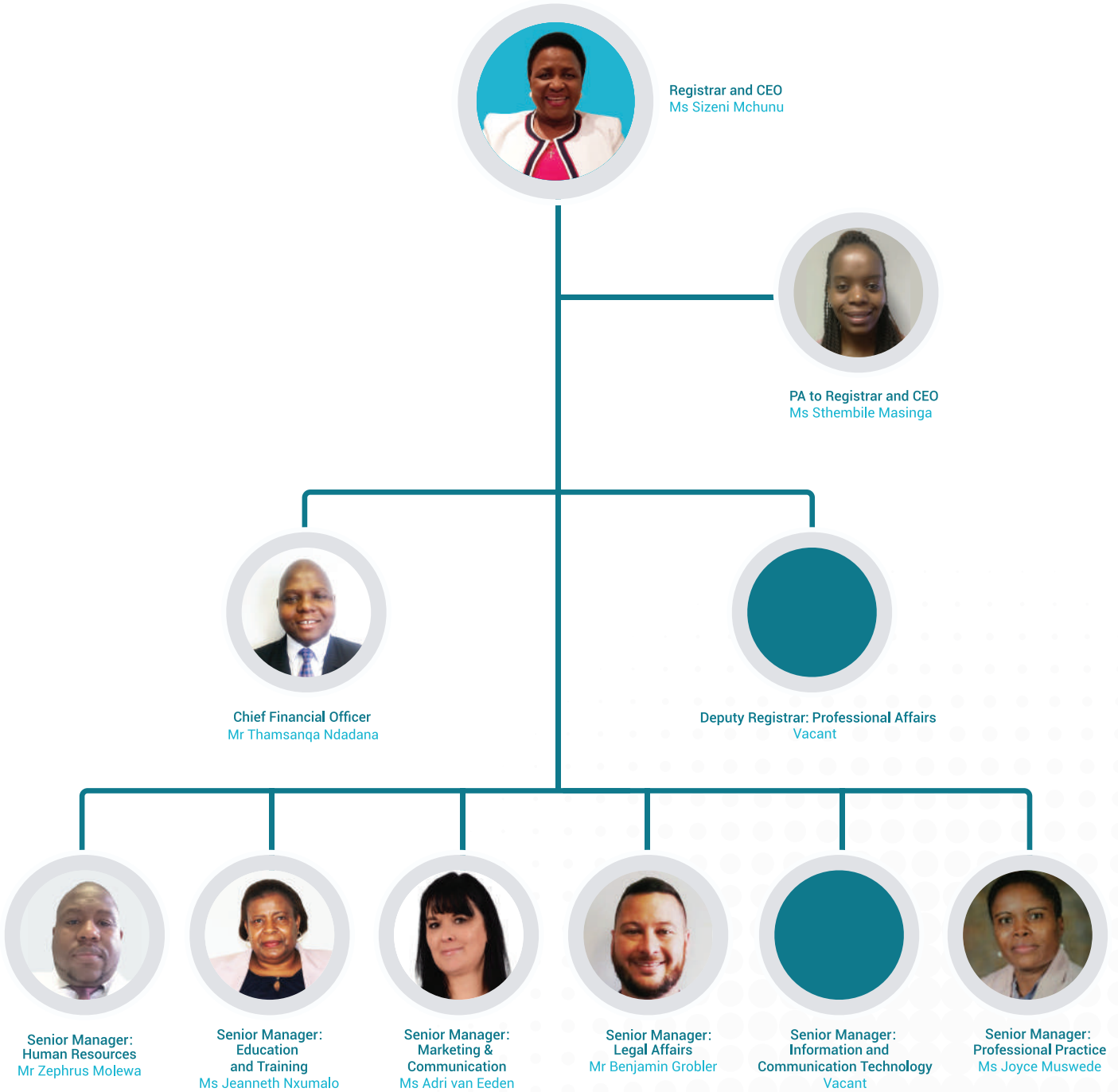
		19/06/2019	20/06/2019	26/09/2019	27/09/2019	05/11/2019	27/11/2019	28/11/2019	18/12/2019	31/01/2020	26/03/2020	TOTAL
Council Members	Dr M C Molepo (Chairperson)	√	√	√	√	√	√	√	⊖	√	√	9
	Dr S M Zuma (Vice-Chairperson)	√	√	√	√	√	√	√	√	√	⊖	9
	Dr H Ally	√	√	√	√	⊖	√	√	√	√	⊖	8
	Mr M S Choma	√	√	⊖	⊖	√	√	√	⊖	⊖	⊖	5
	Prof S E Duma	√	√	√	√	√	√	√	√	√	√	10
	Dr N M Geyer	√	√	√	√	√	√	√	⊖	√	√	9
	Prof D I Gihwala	√	√	√	√	√	√	√	√	√	√	10
	Ms T A Kaseke	√	√	⊖	⊖	√	√	√	√	√	⊖	7
	Dr E Kaye-Petersen	√	√	√	√	√	√	√	√	√	√	10
	Ms T M Magoro	√	√	√	√	√	√	√	√	√	√	10
	Prof A Makhene	√	√	⊖	⊖	√	√	√	√	√	√	8
	Ms P Mapotse	√	√	√	√	√	√	√	⊖	√	√	9
	Mr M J Matsomela	⊖	⊖	√	√	√	⊖	√	⊖	√	⊖	5
	Ms S F Molokoane-Machika	⊖	⊖	⊖	⊖	⊖	⊖	⊖	⊖	⊖	√	1
	Dr S Z Mthembu	√	√	√	√	√	√	√	√	√	⊖	9
	Ms F Newton	√	√	√	√	√	√	√	√	√	√	10
	Ms D Q Ngidi	√	√	√	√	√	⊖	√	⊖	√	⊖	7
	Dr L L Nkonzo-Mtembu	√	√	√	√	√	√	√	√	√	√	10
	Mr J T Ntshabele	√	√	√	√	⊖	√	⊖	√	√	⊖	7
	Dr P M Orton	√	√	√	√	⊖	√	√	⊖	⊖	√	7
Mr L L Rabotapi	⊖	⊖	√	√	√	√	√	√	√	√	8	
Ms Z M Ramaila	√	√	√	√	√	√	√	√	⊖	√	9	
Dr H C de Swardt	√	√	√	√	√	√	⊖	√	√	√	9	
Ms V Taschl	√	√	√	√	√	⊖	⊖	√	⊖	⊖	6	
Mr R Tshimomola	√	√	√	√	√	√	⊖	√	√	⊖	8	

**Legend**

- In attendance
- Not a member
- Did not attend
- Apology

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## THE SANC MANAGEMENT



## The SANC Council: 2018 - 2023



Dr Matlou Molepo  
Chairperson



Dr Sibusiso Zuma  
Vice-Chairperson:  
Chairperson of Preliminary  
Investigating Committee



Ms Sizeni Mchunu  
Registrar & CEO



Dr Hafisa Ally



Dr Hester De Swardt



Mr Molefe Matsomela  
Chairperson of Information and  
Communication Technology  
Governance Committee (ICT)



Dr Lulama Nkonzo-Mtembu



Dr Nelouise Geyer



Ms Thukane Magoro  
Chairperson of Human Resources  
and Remuneration Committee



Ms Florrie Newton



Prof Dherendra Gihwala



Ms Ziphora Ramaila  
Chairperson of Communication  
and Marketing Committee



Mr Tshidiso Ntshabele  
Chairperson of Impairment  
Committee (IC)



Prof Agnes Makhene  
Chairperson of Professional  
Conduct Committee (PCC)



Ms Trudy Kaseke  
Chairperson of Laws,  
Practice and Standards Committee.



Dr Sindisiwe Mthembu



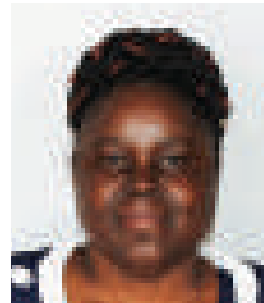
Dr Penelope Orton



Ms Duduzile Ngidi



Mr Simon Choma



Ms Sophy Molokoane-Machika



Prof Sinegugu Duma  
Chairperson of Education  
Committee (EDCO)



Ms Veronica Taschl



Mr Lehlohonolo Rabotapi



Ms Paulinah Mapotse



Dr Elizabeth Kaye-Petersen

ABSENT:  
Mr Rabelani Tshimomola  
Chairperson of Finance Committee



# Organisational Performance

## ORGANISATIONAL PERFORMANCE WITH REGARDS TO THE ANNUAL OPERATIONAL PLAN: 2019-2020




### 1. INTRODUCTION

This report provides an analysis on the overall performance of the SANC in respect of the Annual Operational Plan ending in March 2020, as well as a narrative for partial and non-performance.

### 2. DISCUSSION

#### 2.1. Standard: 2019/2020 Assessment Report

The SANC has used the following standards, approved by the Council, to assess the extent of the achievement against the set targets:

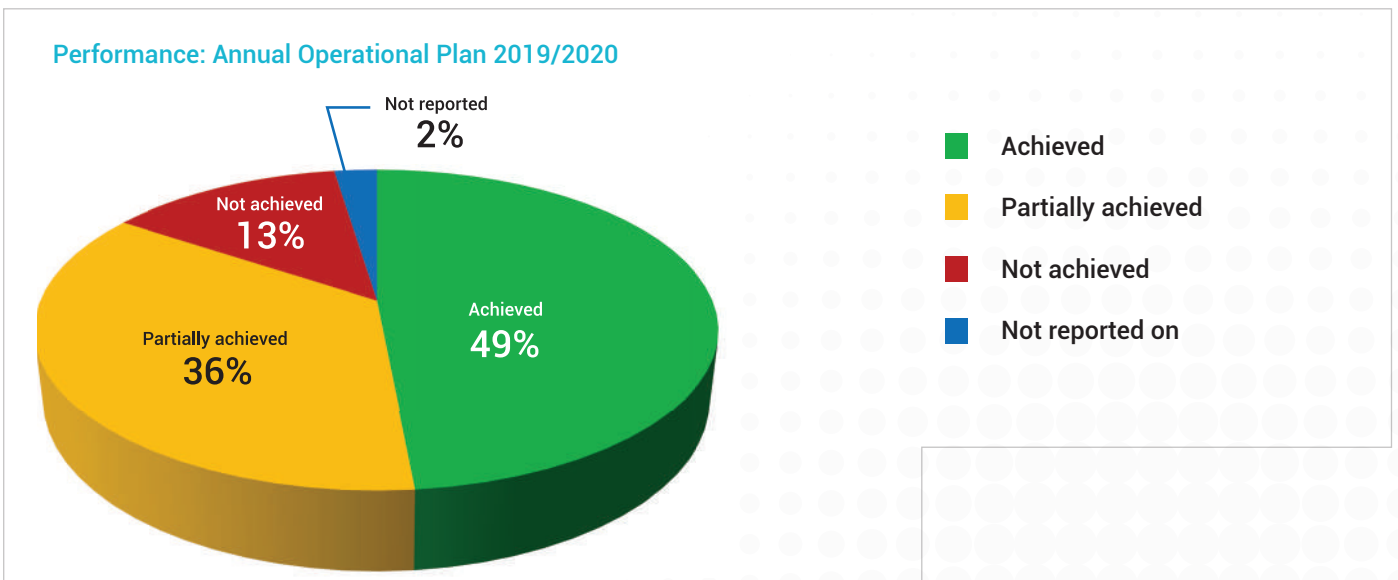
a)	Achieved targets	Green	
b)	Partially achieved	Amber	
c)	Not achieved	Red	

### 3. OVERALL PERFORMANCE

3.1. Overall, the SANC had a total number of **333** planned targets for the 2019/20 Financial Year.

3.2. Out of **333** planned targets, **162** (49%) targets were achieved; **119** (36%) targets were partially achieved; **44** (13%) targets were not achieved and **8** (2%) targets were not reported on during the applicable quarter (See Figure 1 below).

Figure 1: Overall performance percentage: SANC 2019/2020 Annual Operational Plan (AOP)



## 4. PERFORMANCE PER PROGRAMME

### 4.1. Programme 1: Governance and Corporate Services

Programme 1 carries out its mandate through seven (07) sub-programmes, namely:

- Leadership Management;
- Risk Management;
- Human Resources;
- Finance and Administration;
- Information and Communication Technology (ICT);
- Legal Affairs; and
- Communications and Marketing.

#### 4.1.1. Overall: Performance Programme 1

- Overall, the SANC had a total number of **254** planned targets under **Programme 1**.
- Out of **254** planned targets, **121** targets were achieved (48%); **99** targets (39%) were partially achieved, **30** targets (12%) were not achieved and **4** targets were not reported on (1%) (See Table 1 below).

Table 1: Overall performance of the SANC with regards to the Annual Operational Plan 2019/2020

Planned targets	Achieved targets	Partially achieved	Not achieved	Targets not reported on
254	121	99	30	4
100%	48%	39%	12%	1%

#### 4.1.2. Overall performance per sub-programme

The overall performance per programme is reflected in (Table 2 below).

Table 2: Overall performance per sub-programme with regards to the Annual Operational Plan 2019/2020

Planned targets	Achieved targets	Partially achieved	Not achieved	Targets not reported on
<b>Sub-programme 1.1: Leadership Management</b>				
28	13	4	8	3
100%	46%	14%	29%	11%
<b>Sub-programme 1.2: Risk Management</b>				
30	11	8	10	1
100%	37%	27%	33%	3%
<b>Sub-programme 1.3: Human Resources</b>				
54	17	34	3	-
100%	31%	63%	6%	-
<b>Sub-programme 1.4 Finance and Administration</b>				
33	11	17	5	-
100%	33%	52%	15%	-



Planned targets	Achieved targets	Partially achieved	Not achieved	Targets not reported on
<b>Sub-programme 1.5: Information and Communication Technology (ICT)</b>				
39	25	12	2	-
100%	64%	31%	5%	-
<b>Sub-Programme 1.6: Legal Affairs</b>				
32	22	9	1	-
100%	69%	28%	3%	-
<b>Sub-Programme 1.7: Communication and Marketing</b>				
38	22	15	1	-
100%	58%	39%	3%	-

## 5. DEFERRED TARGETS

**5.1.** The Council resolved at its virtual Strategic Planning Review held in September 2019 to defer the following Key Performance Indicators (KPI) to the 2020/21 Financial Year under Programme 1: Governance and Corporate Services:

### 5.1.1. Leadership and Management

- Ensure Statutory Compliance.

### 5.1.2. Risk Management

- Integrated Assurance Model through the development and implementation of an Integrated Assurance Framework and Assurance Plan; and
- Completed Compliance reports aligned to the Compliance Framework format for all divisions/departments.

## 5.2. Programme 2: Education and Training

- Overall, the SANC had a total number of 47 planned targets under Programme 2; and
- Out of 47 planned targets, 17 targets (36%) were achieved; 17 targets (36%) were partially achieved; 10 (21%) targets were not achieved and 3 targets (7%) were no reported on. (See Table 3 below).

**Table 3: Overall performance: Programme 2 – Education and Training with regards to the Annual Operational Plan 2019/2020**

Planned targets	Achieved targets	Partially achieved	Not achieved	Targets not reported on
47	17	17	10	3
100%	36%	36%	21%	7%



### 5.3. Programme 3: Professional Practice

- Overall, the SANC had a total number of 32 planned targets under Programme 3.
- Out of 32 planned targets, 24 targets (75%) were achieved; 3 targets (9%) were partially achieved, 4 (13%) targets were not achieved, and 1 target (3%) was not reported on (See Table 4 below).

**Table 4: Overall performance: Programme 3 - Professional Practice with regards to the Annual Operational Plan 2019/2020**

Planned targets	Achieved targets	Partially achieved	Not achieved	Targets not reported on
32	24	3	4	1
100%	75%	9%	13%	3%

## 6. DEFERRED TARGETS

6.1. The Council resolved at its Strategic Planning Review held in September 2019 to defer the following Key Performance Indicators (KPI) to the 2020/21 Financial Year under Programme 2 and Programme 3 respectively:

### 6.1.1. Programme 2: Education and Training

- Established Monitoring and Evaluation (M&E) Systems; and

### 6.1.2. Programme 3: Professional Practice

- Nursing Standards approved; and
- Developed inspectorate system.



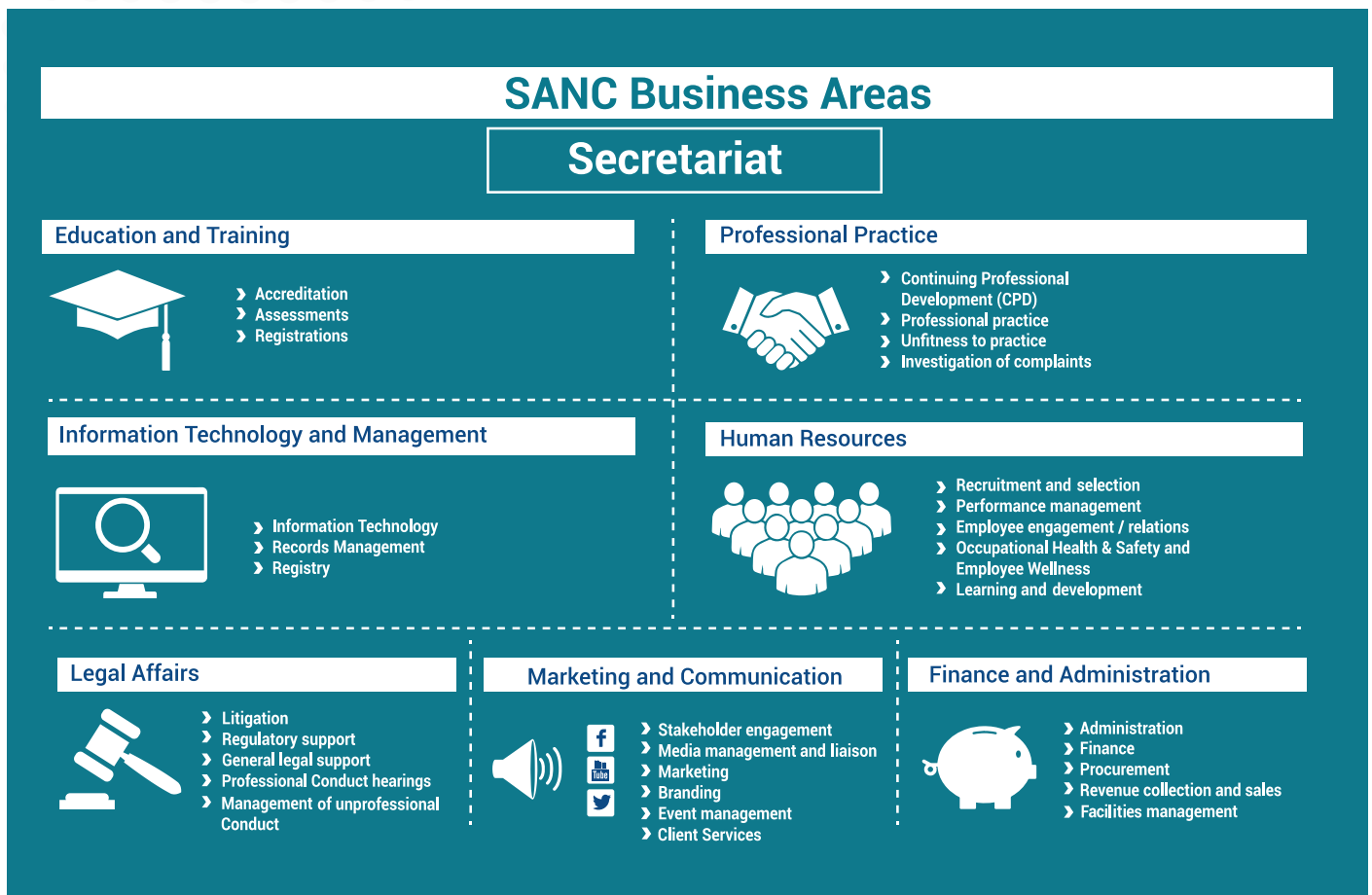


# Executive Overview

## THE SANC BUSINESS AREAS

The SANC business comprises of the following areas:

- Secretariat;
- Education and Training;
- Professional Practice;
- Information Technology and Management;
- Human Resources;
- Legal Affairs;
- Marketing and Communication; and
- Finance and Administration.





# Education and Training

*By: Ms Jeanneth Nxumalo - Senior Manager: Education and Training*

## 1. Overview

The Department of Education and Training within the South African Nursing Council (SANC) supports the Education Committee of the SANC Council.

The Education Committee is established by the Council in terms of Section 15 of the Nursing Act, 2005 (Act No. 33 of 2005). Its main functions include the determination, development and review of the nursing education and training regulatory framework, standards, systems for accreditation, assessment and registration. Deriving from its work, it makes recommendations to the Council on matters of nursing education and training. It also considers complaints regarding Nursing Education Institutions, on the basis of which it can conduct investigations and inspections.

The Committee had four regular meetings during the financial year under review. During the period under review it considered the following matters, among others:

- Programmes submitted by Nursing Education Institutions (NEIs) to offer new nursing qualifications (see the number of accredited NEIs under Table 1);
- Education and training guidelines for the postgraduate diploma programmes;
- Reviews of qualifications framework for postgraduate diploma programmes in nursing;
- Reports of conducted audit visits and inspections in loco;
- Applications by NEIs for late registration of learners;
- Applications for late registration of learners for SANC-conducted examination;
- Reports of statutory registrations (see Tables 2-6);
- Reports on inspections conducted on examination venues;
- Reports on examinations conducted on legacy qualifications (See Table 7);
- Reports on examination irregularities; and
- Reports on benchmark exercise conducted on the Licensure examination.

## 2. Accreditation matters

Table 1. Accreditation activities handled during the period April 2019 - March 2020

TYPE OF	Higher Education Qualifications Sub-Framework Aligned Nursing Qualifications	TOTAL
Evaluated programmes	Higher Certificate in Nursing (Government Notice No. R. 169 of 8 March 2013)	8
	Diploma in Nursing (Government Notice No. R. 171 of 8 March 2013)	6
	Bachelor of Nursing (Government Notice No. R. 174 of 8 March 2013)	6
	Advanced Diploma in Midwifery (Government Notice No. R. 1497 of 22 November 2019)	0
Accredited Nursing Education Institutions to offer the new nursing qualifications	Higher certificate in Nursing (Government Notice No. R. 169 of 8 March 2013)	13
	Diploma in Nursing (Government Notice No. R. 171 of 8 March 2013)	21
	Bachelor of Nursing (Government Notice No. R. 174 of 8 March 2013)	13
	Advanced Diploma in Midwifery (Government Notice No. R. 1497 of 22 November 2019)	0
Accreditation visits to Nursing Education Institutions		3
Accreditation visits to clinical facilities		67
Number of clinical facilities analysed		1209
Requests for information to open private Nursing Education Institutions (NEIs)		16

### 3. Registration matters

**Table 2: Registered learners in 2019**

The table below depicts the number of learners who were registered during the period January-December 2019 for both basic and additional qualifications:

Learners registered	Total count per year
Four-year Diploma/Degree program	3224
Diploma in Midwifery for registration as a Midwife	1458
Bridging course for Enrolled Nurses leading to registration as a General Nurse/Psychiatric Nurse	5671
Diploma in Psychiatric Nursing for registration as a Psychiatric Nurse	149
Clinical Nursing Science, Health Assessment, Treatment and Care	1048
Course in Clinical Nursing Science leading to registration of an additional qualification	2064
<b>Total</b>	<b>13614</b>

**Table 3: Basic qualifications registered in 2019**

The table below depicts the number of Nurses who were registered during the period January-December 2019 after completion of the basic qualifications:

Basic qualifications	Total count per year
Enrolled Nurses	135
Enrolled Nursing Auxiliaries	392
Bridging course for Enrolled Nurses leading to registration as a General Nurse	6127
Diploma in Psychiatric Nursing for registration as a Psychiatric Nurse	1008
Diploma in Midwifery for registration as a Midwife	1412
Community Service Practitioner	5303
Registered Nurses post community service	4486
<b>Total</b>	<b>18 863</b>

**Table 4: Assessors and Moderators registered in 2019**

The table below depicts the number of Assessors and Moderators who were registered during January-December 2019:

Assessors and Moderators	Total count per year
Assessors	300
Moderators	272

**Table 5: Replacement certificates issued in 2019**

The table below depicts the number of replacement certificates which were issued during January-December 2019:

Replacement certificates	Total count per year
Enrolled Nurses	77
Enrolled Nursing Auxiliaries	78
Bridging course for Enrolled Nurses leading to registration as a General Nurse	110
Diploma in Psychiatric Nursing for registration as a Psychiatric Nurse	6
Diploma in Midwifery for registration as a Midwife	43
Community Service Practitioner	8
Registered Nurses post community service	138
Additional qualifications	70
<b>TOTAL</b>	<b>530</b>

**Table 6: Additional qualifications registered in 2019**

The table below depicts the number of Nurses who were registered for additional qualifications during the period January-December 2019:

Additional qualifications	Total count per year
Nursing Administration	1177
Nursing Education	797
Clinical Nursing Science, Health Assessment, Treatment and Care	1081
Child Nursing Science	155
Community Health Nursing	109
Midwifery and Neonatal Nursing Science	420
Occupational Nursing	441
Psychiatric Nursing	75
Operating Theatre Nursing	166
Orthopaedic Nursing	28
Ophthalmic Nursing	26
Oncology Nursing	60
Critical Care – General Nursing	301
Critical Care – Trauma and Emergency Nursing	139
Nephrology Nursing	69
<b>TOTAL</b>	<b>5044</b>



**Table 7: Verification and Transcript Statistics – Calendar Year 2019**

Country	Jan	Feb	Marc	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	Year Total
Australia	11	6	4	5	7	5	6	4	6	6	9	4	73
Canada	1	4	2	3	1	1	2	1	1	2	2	1	21
Dubai	2	-	1	3	1	3	3	-	1	2	2	-	18
Namibia	1	1	2	3	3	1	3	-	8	1	2	2	27
New Zealand	4	4	4	5	9	5	11	2	8	9	3	2	66
Ireland	1	3	2	3	-	-	3	-	-	2	4	-	18
United Arab Emirates	4	-	3	-	3	2	4	-	-	4	-	-	20
United Kingdom	13	10	8	17	25	10	15	11	5	21	8	14	157
United States of America	11	12	7	10	8	4	17	7	8	16	29	18	147
Agencies	8	9	10	9	7	4	7	2	4	12	8	2	82
Other countries	2	2	2	7	6	2	5	3	8	3	8	6	54
Month Total	58	51	45	65	70	37	76	30	49	78	75	49	683

**Note:** The above figures indicate the number of persons who have requested that verifications of qualifications and/or transcripts of training be sent to the countries indicated only and **nothing else**. It is specifically stated that Nurses are not required to notify the Council if they do leave the country. The fact that a Nurse has requested a verification be sent to them does not necessarily mean that she/he has taken up the offer of a position in another country.

#### 4. Assessment matters

The Assessment section is still conducting assessments for the legacy qualifications. The South African Nursing Council is still in the process of developing the licensure examination system which would be written by students who have undergone and completed the new nursing qualifications before they are entered into the SANC register.

**Table 8: Examinations statistics for the year 2019**

The table below depicts the number of learners who wrote the SANC examination during May and November 2019:

Examination Statistics 2019			
Type of Examination	Number wrote	Number passed	%
Final year examination for Enrolment as a Nurse-General elective R.2175	1	1	100%
First year examination for the Bridging Course leading to registration as a General Nurse R.683	5299	3068	57.9%
Final year examination for the Bridging Course leading to registration as a General Nurse R.683	6201	4346	70%
Final examination for the Diploma in Psychiatric Nursing R.880	77	31	40.2%
Final examination for the Diploma in Midwifery	1435	860	59.9%
Examination in Clinical Nursing Science, Health Assessment, Treatment and Care R.48	287	279	97.2%
Admission examination for foreign applicants leading to registration as a Nurse	161	67	41.6%



# Professional Practice

**By: Ms Joyce Muswede - Senior Manager: Professional Practice**

## 1. Overview

The Professional Practice Department of the SANC is responsible for all Professional/Nursing Practice matters of Nurse Practitioners who are registered in terms of Section 31 (1) of the Nursing Act, 2005 (Act No. 33 of 2005). The department consists of the following sections: Inspectorate, Impairment, Preliminary Investigations and Continuing Professional Development. The department supports three Committees of Council, i.e. The Laws, Practice and Standards Committee, Impairment Committee (IC) and the Preliminary Investigating Committee (PIC).

## 2. The Inspectorate

During the year under review, the department initiated the establishment of the SANC inspectorate system. This is in terms of Section 4 (1) (d) of the Nursing Act, 2005 (Act No. 33 of 2005), which mandates the SANC to conduct inspections and investigations of health establishments in order to ensure compliance with the Act as well as the rules and standards determined by the Council in terms of this Act. This project is in process. Important milestones include a concluded desktop research, benchmarking exercise conducted with the Office of Health Standards Compliance (OHSC) was conducted as well as development of inspection policy guidelines which are yet to be approved by Council. A fit-for purpose structure for this section and important function has been determined by the Council and a process of recruiting the Manager: Inspectorate is underway.

## 3. Nursing Practice Standards

As the custodian of the Nursing profession and in terms of the Nursing Act, 2005 (Act No. 33 of 2005) the SANC is charged with developing Nursing Practice Standards and maintaining professional conduct for nurse practitioners. The department coordinated a Standard Development workshop conducted in collaboration with the Office of Health Standards Compliance (OHSC) in September 2019. From the guidance provided and lessons learnt from this workshop, the Council took a decision at a Strategic Review workshop to defer the target from the current financial year to the next financial year (2020/2021). This was informed by the nature and extent of development and consultative processes to be embarked on.

## 4. Regulating Private Practitioners

Regulations relating to conditions under which a registered person may practice as a private practitioner were developed. The Professional Practice Department coordinated a Socio-Economic Impact Analysis System (SEIAS) workshop for relevant Managers and Senior Managers at the South African Nursing Council. The SEIAS for the regulations was completed for compliance with the Department of Monitoring and Evaluation (DPME). The SEIAS approval was granted to the SANC and the regulations were submitted to the National Department of Health (NDoH) for further processing, however the database for private practitioners is not yet developed as this is dependent on the new online system - the Membership Management System (MMS).

## 5. Conducted Preliminary Investigations

The Preliminary Investigating Committee (PIC) is responsible for receiving and investigating complaints of alleged unprofessional conduct in terms of the Nursing Act, 2005 (Act No. 33 of 2005). The media, members of the public, and managers in both private and public healthcare establishments and other institutions are welcome to report cases. Only cases relating to nurses whose names are in the SANC Nurses Register are investigated. Preliminary Investigation Committee meetings were conducted as scheduled quarterly, reports were compiled and served at PIC and the Council. The tables below reflect a statistical summary of cases that were received and processed by the SANC during the year under review:

**Table 1: Cases received**

FYR 2019-20	Q1	Q2	Q3	Q4	TOTAL
COMPLAINTS ATTENDED TO	6	29	10	12	57
PROSPECTIVE	11	22	8	7	48
OUTSIDE JURISDICTION	22	7	9	10	48
<b>TOTAL CASES</b>	<b>39</b>	<b>58</b>	<b>27</b>	<b>29</b>	<b>153</b>

**NB:** Complaints outside the jurisdiction of the SANC are referred to the relevant authorities, including other statutory health councils.

**Table 2: Cases presented to the Committee**

CASES	Q1	Q2	Q3	Q4	TOTAL
MIDWIFERY	3	3	4	1	11
GENERAL	8	9	9	8	34
UNPROFESSIONAL CONDUCT	1	3	5	4	13
EDUCATION AND TRAINING	-	-	-	3	3
<b>TOTAL CASES</b>	<b>12</b>	<b>15</b>	<b>18</b>	<b>16</b>	<b>61</b>

**Table 3: Committee decisions**

	Q1	Q2	Q3	Q4	TOTAL
NO OF CASES OF UNPROFESSIONAL CONDUCT	2	10	4	5	21
REFERRED TO PCC	6	4	7	5	22
IN PROCESS	4	1	7	6	18
<b>TOTAL</b>	<b>12</b>	<b>15</b>	<b>18</b>	<b>16</b>	<b>61</b>

Table 4: Persons who reported cases

CASES REPORTED BY:	NO.	NO.	NO.	NO.	TOTAL
MEMBERS OF THE PUBLIC	8	10	10	10	38
NURSING MANAGERS/OTHER	3	4	7	5	19
MEDIA	1	1	1	1	4
<b>TOTAL</b>	<b>12</b>	<b>15</b>	<b>18</b>	<b>16</b>	<b>61</b>

Table 5: Place of incidence

REPORTED FROM:	NO.	NO.	NO.	NO.	TOTAL
PRIVATE INSTITUTION	4	4	6	7	21
PUBLIC INSTITUTION	8	11	12	9	40

Table 6: Number of nurses referred to the Professional Conduct Committee

PROFESSIONAL NURSES	ENROLLED NURSES	ENROLLED AUXILIARY NURSES	TOTAL
33	8	6	47

INSPECTION IN LOCO CONDUCTED = 7.

## 6. Constitutional/Policy matters

The following guidelines and Standard Operating Procedures were developed and approved by Council:

1. Standard Operating Procedure: Preparation of inspections; and
2. Standard Operating Procedure for conduction of inspections.

## 7. Conducted "Unfitness to Practice" inquiries

The inquiries into alleged unfitness to practice are conducted by the Impairment Committee, as mandated by Section 51 of the Nursing Act, 2005 (Act No. 33 of 2005). Employers, colleagues, and the public report cases of unfitness to practice to the Council. The SANC balances the interest of the public and the wellness of the nurse practitioners by ensuring that practitioners with physical or mental health challenges or any other such condition which renders them impaired, are assisted and rehabilitated. Impairment inquiries were conducted as scheduled, reports on managed cases were compiled and served at the Impairment Committee (IC) and the Council.

The tables below outline the annual statistical report of the managed cases:

Table 1: Cases received

CASES RECEIVED	NUMBER OF RESPONDENTS			
	Q1	Q2	Q3	Q4
CASES IN PROGRESS (SUBMITTING QUARTERLY AND SIX-MONTHLY REPORTS)	9	11	5	7
NEW CASES	3	-	3	-
LIMITATION TO PRACTICE	1	-	2	-
ADMINISTRATIVE REMOVAL/SUSPENSION	2	5	6	10
RESTORED	-	-	1	4
DISCHARGED/CLOSED	3	-	-	1
INQUIRIES	2	-	3	1
REFERRED TO PIC	-	2	-	-
TOTAL	19	18	20	23

Table 2: Categories of nurses who are under impairment review

CATEGORY OF NURSES	GENDER	Q1	Q2	Q3	Q4
REGISTERED NURSES	F	7	8	14	13
	M	5	4	2	-
ENROLLED NURSES	F	4	2	2	3
	M	1	2	2	1
ENROLLED NURSING AUXILIARIES	F	-	-	-	-
	M	-	-	-	-
LEARNER	-	-	-	-	-
TOTAL		17	16	20	17

Table 3: Removal from the register due to non-compliance with rehabilitative programme

CATEGORY	GENDER	Q1	Q2	Q3	Q4
REGISTERED NURSE	F	4	4	3	-
	M	4	4	1	4
ENROLLED NURSE	F	3	3	-	1
	M	-	-	1	1
ENROLLED NURSING AUXILIARY	F	-	-	-	-
	M	-	-	-	-
TOTAL		11	11	5	6

## 8. Constitutional / Policy Matters

The Council, having observed that some Nurse Practitioners were unable to attend and pay for their rehabilitative requirements, approved a Respondents' Financial Assistance Policy. The intent was aimed at financially assisting practitioners who are unemployed by paying for their rehabilitative assessment as determined by the Impairment Committee.

## 9. Continuing Professional Development (CPD)

The CPD Sub-Committee of the Laws, Practice and Standards Committee was appointed by the Council to fast-track the CPD processes. The process to initiate the appointment of CPD providers was developed. The CPD processes and procedures tools were developed and awaiting finalisation and recommendation by the Laws, Practice and Standards Committee and for approval by the Council. However, a database of CPD providers has not yet been developed as this is dependent on the new online system - the Membership Management System (MMS).



# Legal Affairs

By: Mr. Benjamin Grobler - Senior Manager: Legal Affairs

## 1. Core Functions

The core functions of the Legal Affairs Department are to:

- 1 Provide corporate legal support services to the SANC;
- 2 Institute and defend all litigation matters on behalf of and against the SANC;
- 3 Assist with the drafting of all relevant legislation;
- 4 Conduct inspections and investigations of accredited and illegal Nursing Education Institutions;
- 5 Conduct any other inspection or investigation ordered by the Registrar;
- 6 Lead the prosecution in an inquiry into any complaint of unprofessional conduct or misconduct against any practitioner in terms of the Nursing Act, 2005 (Act No. 33 of 2005);
- 7 Render legal support to all standing or working Committees of the Council or the Administration;
- 8 Facilitate all appeals in terms of Section 15(4) of the Nursing Act, 2005 (Act No. 33 of 2005); and
- 9 Attend to all appeals in terms of Section 57 of the Nursing Act, 2005 (Act No. 33 of 2005).

## 2. Overview

The Legal Affairs Department of the South African Nursing Council consists of a staff complement of seven employees. The Professional Conduct hearings forms a large part of the Legal Affairs Department's work; however, it is by no means all that the section is responsible for as can be seen from the table above.

## 3. Litigation Matters

During the period under review the SANC had various legal matters most of which the SANC successfully defended. These matters range from urgent applications to action proceedings, mainly by Nursing Education Institutions and bodies representing same brought against the Nursing Council. Very few matters were brought against the Nursing Council by the individuals and usually if an individual is the applicant, they are represented by either a trade union or another organization.

The Nursing Council wins most of the cases with costs and proceeds to take same, however recouping such costs is usually a very difficult if not impossible task. One matter that warrants noting is an aging labour matter that was heard in the Labour Court. This matter is referred back to the CCMA for full arbitration which commenced this year and is ongoing.

## 4. Critical Milestones:

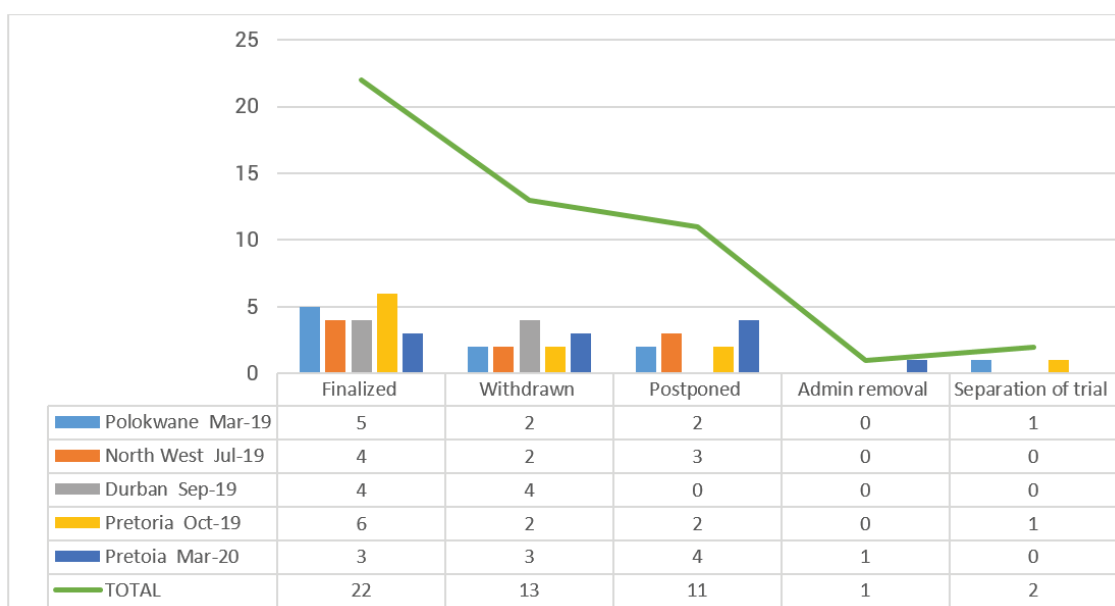
In adhering to its functions in terms of the Nursing Act, 2005 (Act No. 33 of 2005), the Legal Affairs Department also rendered services to the following Committees of Council:

### 4.1. Professional Conduct Committee

The function of the Committee is to conduct inquiries or formal hearings into any complaint or allegation of unprofessional conduct or misconduct, referred to it by the Preliminary Investigation Committee in terms of Section 46 of the Nursing Act. The Committee will then make a finding and decide on an appropriate sanction based on the evidence before the Committee in terms of Section 47(1) of the Act.

During the period under review, the Committee had five (5) sittings, first in Polokwane where ten (10) cases were considered, five (5) were finalized, one (1) case was separated, two (2) withdrawn and two (2) postponed. Secondly in North West, where there were nine (9) cases, four (4) were finalized, two (2) withdrawn; three (3) postponed. Thirdly in Durban where there were eight (8) cases, four (04) finalized and four (4) withdrawn. Fourthly in Pretoria, where there were 11 cases, six (6) finalized, two (2) withdrawn, two (2) postponed and one (1) case separated. Lastly in Pretoria, where there were eleven (11) cases, three (3) finalized, four (4) postponed, three (3) withdrawn (3) and one (1) administratively removed.

### PCC Cases 2019-2020

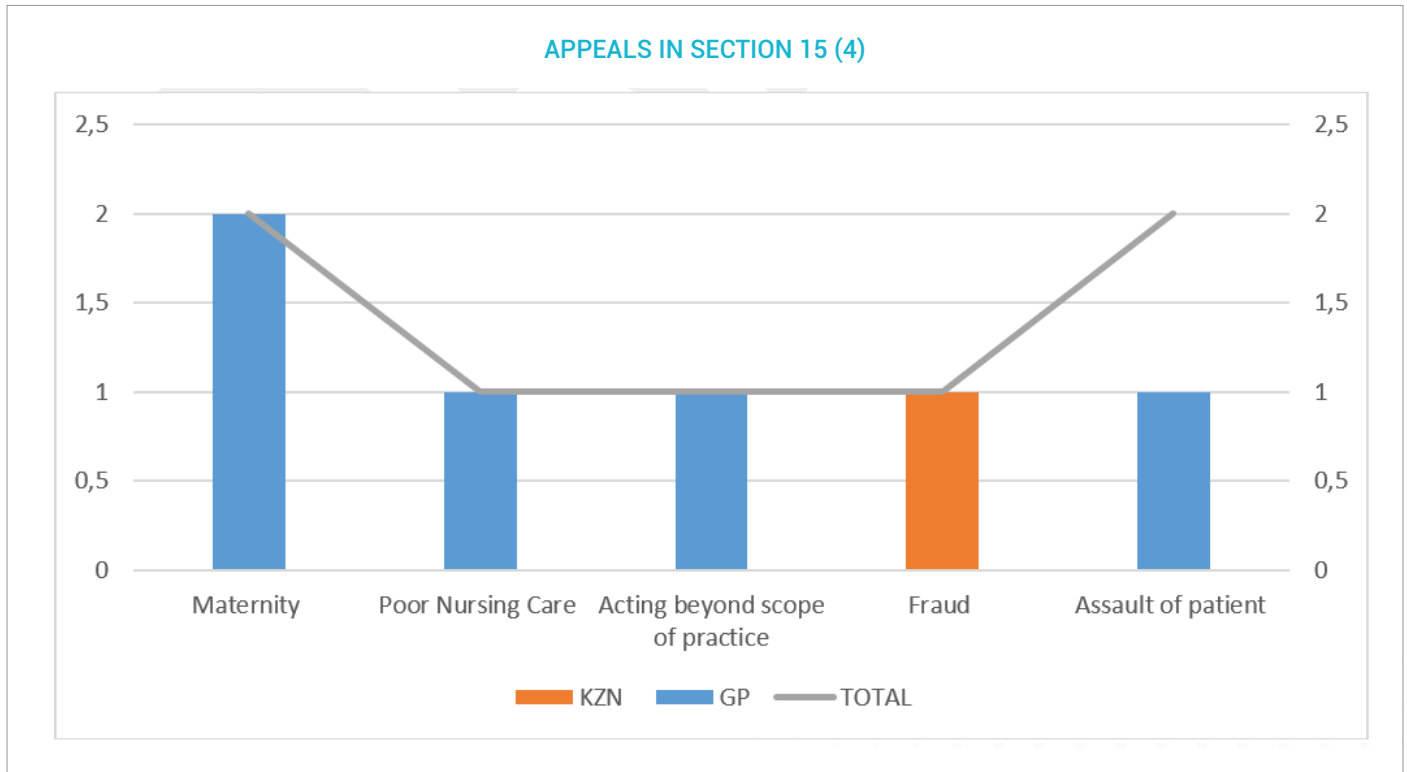




## 5. Appeals

### 5.1. Appeals in terms of Section 15 (4) Appeals of the Nursing Act, 2005 (Act No. 33 of 2005)

The SANC had received very few appeals in terms of Section 15 (4) of the Nursing Act, 2005 (Act No. 33 of 2005) against the decision of the Professional Conduct Committee; some of these appeals were heard and finalized. In Gauteng the SANC had five (5) cases, two (2) maternity-related, one (1) poor nursing care and one (1) acting beyond scope of practice. There were two cases in KwaZulu-Natal, one (1) for fraud and one (1) for assault of patient.



### 5.2. Appeals in terms of Section 57 of the Nursing Act, 2005 (Act No. 33 of 2005)

The South African Nursing Council received several appeals in terms of Section 57 of the Nursing Act, 2005 (Act No. 33 of 2005) which are appeals to the Appeals Committee appointed by the Minister of Health in terms of Section 57 of the Nursing Act, 2005 against decisions of the Council.

The first three (03) appeals were successfully defended by the South African Nursing Council, two (02) of the appeals were dismissed and the other one was settled. In the fourth appeal it was found that the appeal was upheld, however the South African Nursing Council brought a review application against such a decision; the review was unsuccessful. The remainder of the appeals are ongoing.



# Information and Communication Technology (ICT)

*Senior Manager position was vacant.  
Department was reporting to the Chief Financial Officer for 2019/2020.*

## 1. Introduction

This report provides an overview of the ICT department for the 2019/2020 financial year under review.

## 2. Overview

The ICT department is responsible for provisioning, maintaining and supporting all ICT services within the SANC. Services include:

- Infrastructure Services;
- Application Management;
- Policy;
- Planning and Strategy;
- End-User Support; and
- Information Management.

## 3. Distribution of Employees

The ICT Department consists of three (3) sections, namely:

- Information and Communication Technology;
- Project Management Office; and
- Records Management and Registry.

The Project Management Office and Information and Communication Technology sections reported to the Chief Financial Officer during the financial year under review. The Records Management section reported to the Registrar and CEO.

### 3.1. Categories of Employees

**Full-time employees during 2019/2020:**

- 5 in ICT
- 11 in the Records Management and Registry section(s).

**Contractors:**

- 2 in the Project Management Office; and
- 3 in Records Management and Registry.

**4. ICT Infrastructure****4.1. Nurse Register System**

The ICT Department ensured optimal system availability of the Nurse Register system within the SANC environment during the 2019/20 financial year. The agreed and accepted Operational Level Agreement with the business is 98% availability (system available online period).

**4.2. Other onsite business systems**

System availability describes the availability of the other business systems within the SANC environment. The agreed and accepted Operational Level Agreement is 95% uptime.

**Onsite Business Systems:**

- Finance systems;
- Human Resource systems;
- Email services;
- Authentication systems;
- Database systems;
- Document Management system and file storage;
- Intranet;
- Website;
- Internet and Wide Area Network connected;
- Internal hosting environment (physical and virtual server infrastructure);
- Local Area Network; and
- Printing.

**5. Disaster Recovery (DR)**

With regards to the Nursing Register, an agreement was entered into with an external contractor to ensure business continuity in the event of a disaster.

**6. Member Management System (MMS)**

The procurement process for the MMS system has progressed well. This system will provide new capabilities for the SANC in order to improve both service delivery and operational efficiencies.





# Marketing and Communication

**Ms A Van Eeden - Senior Manager: Marketing & Communication; Acting Senior Manager: Client Services and Facilities Management**

## 1. Overview

In terms of Section 15(1) of the Nursing Act, 2005 (Act No 33 of 2005), the Council of the South African Nursing Council (SANC) may establish "...such committees as it may think necessary to investigate and report to the Council on any matter falling within the scope of its functions".

The Council of the South African Nursing Council (SANC) must establish a Marketing and Communication Committee as its Sub-Committee. The Committee must operate in terms of written Terms of Reference, which deals adequately with its membership, authority and responsibilities as well as the requirements for its composition and meeting procedures.

The purpose of the Marketing and Communication Committee is to ensure effective and timeous communication with all the relevant SANC stakeholders, and to promote a positive image of SANC.

The Marketing and Communication department is responsible for:

- Stakeholder engagement;
- Marketing;
- Public relations;
- Media and social media engagement and management;
- Event management; and
- Brand management.

During the period under review the Senior Manager: Marketing and Communication also managed the Client Services department and Facilities Management section.

## 2. Stakeholder Engagement

During the past financial year, the SANC through its stakeholder engagement strategy, has made a concerted effort to improve communication and the regularity of communication to its stakeholders. The Stakeholder Forums have again been hosted with valuable feedback from clients. The SANC electronic newsletter, #SANCnews was distributed monthly via email and social media. In sync with our market, the SANC has also focussed on utilising more videos to communicate e.g. Nursing as a career and #bethatnurse campaign.

### 3. SANC website and intranet

The SANC website is in the process of being overhauled with a much more user-friendly look and system. The website will have at its basis a secured log-in section for Nurses integrating the Council's enhanced and modernised business systems. The SANC also designed and launched its intranet for staff, SANC Pulse. SANC Pulse is the heartbeat of operations at the SANC displaying key information like policies, procedures, standard operating procedures, strategies, etc.

### 4. SANC 75<sup>th</sup> Anniversary

The Council celebrated its 75<sup>th</sup> anniversary on 8 November 2019 with a special edition corporate profile, a newsletter dedicated to the 75th anniversary, a video and a plaque that was unveiled by the SANC Council members.

### 5. #bethatnurse campaign

The #bethatnurse campaign was launched during 2019. The nursing profession is regarded as the backbone of healthcare, with Nurses at the forefront of healthcare delivery and often the unsung heroes in citizens' healthcare. The #bethatnurse campaign's key focus is to remind Nurses that what they do, matters and to re-instil their passion for nursing. The campaign will run for the next two years at least and is being rolled out on a number of different platforms e.g. advertisements, posters, videos, social media, promotional material, etc.

### 6. Media

The SANC is consistently raising the SANC's profile in the media as an industry leader in the nursing industry and regulator of the nursing profession by establishing the Registrar as key spokesperson for the SANC on healthcare and regulatory matters, forming opinions on key issues and also by being proactive in its media and social media approach. The Registrar has been interviewed on a number of occasions during this period on matters relating to nursing education and training, nursing practice, etc.

### 7. Client Services

The Client Services Department of the SANC is undergoing a major transformation with the procurement of a new Call Centre system and Customer Service Rating System. In addition, the SANC has created service-orientated emails for its respective Departments and continues to market these consistently. The Reception area of the SANC building is also undergoing a transformation to improve the service experience of walk-in clients. The Council has committed to the drafting of a Service Standards Charter, which is in circulation for input prior to finalisation and distribution.





# Human Resources

By: *Mr Zephrus Molewa - Senior Manager: Human Resources*

## 1. Overview

The Human Resources (HR) Department is the custodian of the overall human capital function at the SANC with its main responsibilities being to attract, retain, engage and develop talent with a quest to ensure that the SANC has a high performance culture and is a high performing organisation.

The Human Resources Department has evolved from a transaction-orientated function to a strategic function, enabling business to achieve its strategic objectives.

The HR Department is mandated with a responsibility to ensure that the institution is well capacitated with human capital resources required to deliver strategic objectives of the institution.

It is through an organisation's staff that an excellent employee experience will be delivered. To succeed, therefore, an organisation requires the right people with the right skills and values, in the right job. The SANC requires exceptional leaders who champion its culture, live its values and facilitate high performance. In addition, the SANC needs a highly talented, diverse, skilled and motivated workforce who are empowered and engaged through working in a developmental, collaborative, inclusive and supportive working environment.

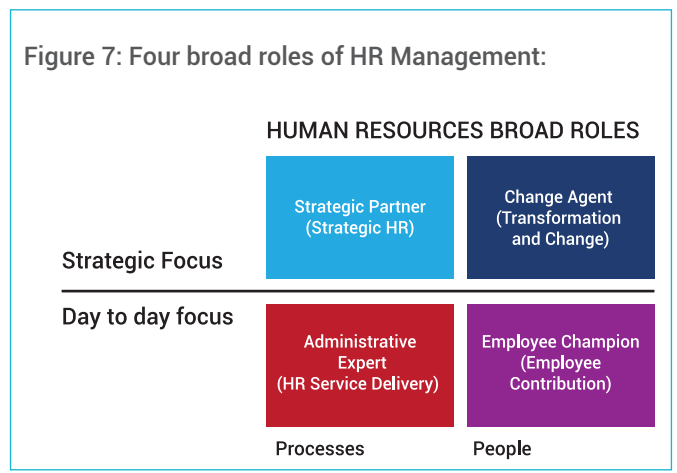
The Human Resources Department supports the Human Resources and Remuneration Committee (HRRC) of the Council:

- The HRRC committee is appointed by the Council in terms of Section 15 of the Nursing Act, 2005 (Act No. 33 of 2005);
- It makes recommendations to the Council on matters of Human Resources and Remuneration; and
- The Committee meets at least four times per annum.

## 2. Strategic Roles of the Human Resources Department

The HR function at the SANC will undertake the four (4) broad roles as shown in Figure 7.

Figure 7: Four broad roles of HR Management:



### 3. Critical milestones/achievements

#### 3.1. Organisational Instability

The overall staff vacancy rate is above the 10% threshold. The increase in the vacancy rate is due to a combination of factors:

- New organisational structure reconfiguration processes in progress;
- Limited HR capacity and limited office space for new appointments and management of HR administration from an audit point of view; and
- Vacancies at the level of Executive Management (EXCO):
  - o The Chief Financial Officer was appointed as an interim CFO until the permanent appointment of the Chief Financial Officer; and
  - o The position of Deputy Registrar: Professional Affairs was vacant since 2015.
- There was no resignation at the Executive Management Level.

#### 3.2. Organisational Design

The SANC embarked on a process to review the organisational structure to ensure that it is aligned to the strategic objectives and the legislative mandate of the SANC. A macro level (Executive to Manager level) organisational structure was prioritised for completion. It furthermore embarked on a process to review the remuneration and pay scale design.

#### 3.3. Occupational Health and Safety (OHS)

In terms of Section 8 of the Nursing Act, 2005 every employer shall provide and maintain as far as reasonably practicable, a working environment that is safe and without risk to the health of its employees.

The established OHS committee consists of OHS representatives who are assigned with duties of responsibility as outlined in Section 17 and 18 of the OHS Act. The SANC complied to the provisions of the Occupational Health and Safety Act to ensure health and safety in the workplace.

#### 3.4. Employment Equity

The SANC complied to the provisions of the Employment Equity Act to facilitate transformation in the workplace.

#### 3.5. HR Risk Assessment

The SANC developed and continuously reviews the strategic and operational risk register and mitigating controls. The HR Department provided progress on mitigation controls against the strategic and operational risk register to Management, the Human Resources and Remuneration Committee as well as to the Council.

## 4. HR Oversight Statistics

### 4.1. Learning and Development

Short-term courses: A number of planned training interventions were implemented to improve employee competence and capability for purposes of improving service delivery:

Training program	Employee Positions	Department
Legal Drafting	Senior Manager: Legal Affairs	Legal Affairs
MS Excel	Admin Clerk: SCM	Supply Chain Management
MS Excel	Admin Clerk: Finance	Finance
South African Board of People Practice HR Standards	HR Practitioner: HR	Human Resources
South African Board of People Practice (SABPP) HR Standards	HR Practitioner: Benefits	Human Resources
South African Board of People Practice HR Standards	HR Specialist: Employee Relations	Human Resources
South African Board of People Practice HR Standards	Admin Clerk: HR	Human Resources

### 4.2. Leave pay-out to date

The SANC utilised SAGE Employee Self Service (ESS) for leave and payroll module as HR information System.

2018/19 FY			
Reason	Total amount	Number of employees	Average payment
Leave pay-out on termination of services	R 437 262	18	R 24 292
2019/20 FY			
Reason	Total amount	Number of employees	Average payment
Leave pay-out on termination of services	R595 338	19	R31 334

The two financial periods in the leave pay-out table above reflect an increase of R158 076 on leave pay-out for 2019/20 when compared to the 2018/19 financial year. This increase is a direct result of the number of leave days paid, Leave Policy (recent approval) and the termination of services of the following employees during the year under review.

- Chief Financial Officer;
- Senior Manager: Information and Communication Technology;
- Manager: SCM;
- Professional Officer: Education and Training x 2;
- Professional Officer: Practice;
- Senior Committee Officer;
- Driver;
- Maintenance Officer; and
- Admin Clerks (Cash Management x 6).





# Internal Audit and Risk Management Department

*Senior Manager Internal Audit post was vacant.  
Department was reporting to the Registrar and Chief Executive Officer for 2019/2020.*

## 1. Overview

The Internal Audit and Risk Management Department consists of two functions, Internal Audit and Risk Management. The Risk Management function is responsible for rendering risk management support to all internal stakeholders to ensure that key risks of the SANC are identified, assessed and mitigated. It is further responsible for the implementation of the fraud management strategy within the SANC. The Internal Audit function is responsible for providing an independent and objective assurance and consulting services to the SANC and make recommendations to management on the improvement of governance, risk management and internal control processes. The Internal Audit and Risk Department reports administratively to the Registrar and CEO and functionally to the Audit and Risk Committee.

## 2. Risk Management

The Risk Management function conducted annual strategic and operational risk assessments during this financial period and the annual Risk Management Implementation Plan was developed. The emerging risks were also identified throughout the financial year and mitigation measures for managing such risks were developed and implemented by Management. The Audit and Risk Committee monitored the implementation of the approved Risk Management Implementation Plan through reports submitted by the Internal Audit and Risk Management department on a quarterly basis.

## 3. Fraud and Corruption

The SANC encourages all its employees and stakeholders to report any suspected activities of fraud and corruption, and for this purpose has an established fraud hotline that is managed by an external service provider. The SANC fraud hotline number is **0800 20 12 16**. The Risk Management function reviewed all 27 cases reported through the hotline and allocated them to the various departments for investigation. The progress on all fraud and corruption cases was reported to the Audit and Risk Committee on a quarterly basis.

## 4. Internal Audit

The SANC outsourced the Internal Audit function by appointing an external service provider, *BDO PS Advisory (PTY) LTD*, to provide internal audit services. Internal Audit developed a risk-based Internal Audit Plan that was approved by the Audit and Risk Committee. The risk based Internal Audit plan was executed during the financial year under review and audit reports, which included recommendations to management to strengthen and improve internal controls, were presented to management. Internal Audit function also developed the audit findings tracking tool to follow-up on the implementation of action plans for findings raised in the previous financial year. The progress on the execution of the internal audit plan and the implementation of action plans were reported to the Audit and Risk Committees on a quarterly basis.



# Finance

**By: Thamsanqa Ndadana - Interim Chief Financial Officer**

## 1. Overview

The South African Nursing Council is funded mainly by revenue generated from the statutory annual fees payable by Nurse practitioners as well as services rendered to Nursing Education Institutions (NEIs). This is complemented by the sale of distinguishing devices to the Nurse practitioners. The Council executed its role to manage its finances effectively and efficiently during the financial year under review. The organisation reported a surplus of R70.6 million (2019: R60.4 million) during the year. This represents a 17% improvement over last year.

## 2. Revenue

Total revenue earned amounted to R153.4 million (2018: R151.5 million), this was an increase of 1.3% year on year. The annual fees from Nurse practitioners of R119.2 million (2019: R114.9 million) remain the core funding for the Council, contributing 78% (2019: 76%) of total revenue. The other major revenue categories are restoration fees, examination fees and registration fees. These fees contributed R27.7 million (2019: R30.9 million). The contribution from these fees declined by 12% year on year mainly as a result of the decrease in restoration fees. The decrease in restoration fees is influenced by the payment of annual fees through Persal deductions in partnership with the National Department of Health which was introduced for the first time in the 2020 annual fee collection period. These fees are expected to decrease in the medium to long term. The downward pressure on restoration fees is likely to continue as the payment of annual fees through Persal deductions ensures timely payment of annual fees on behalf of the Nurse practitioners. However, this process also identified a number of unregistered individuals that practise without a licence. The Nurse practitioners that practise without a licence will lead to the increase of restoration fees as and when these Nurse practitioners pay their restoration fees.

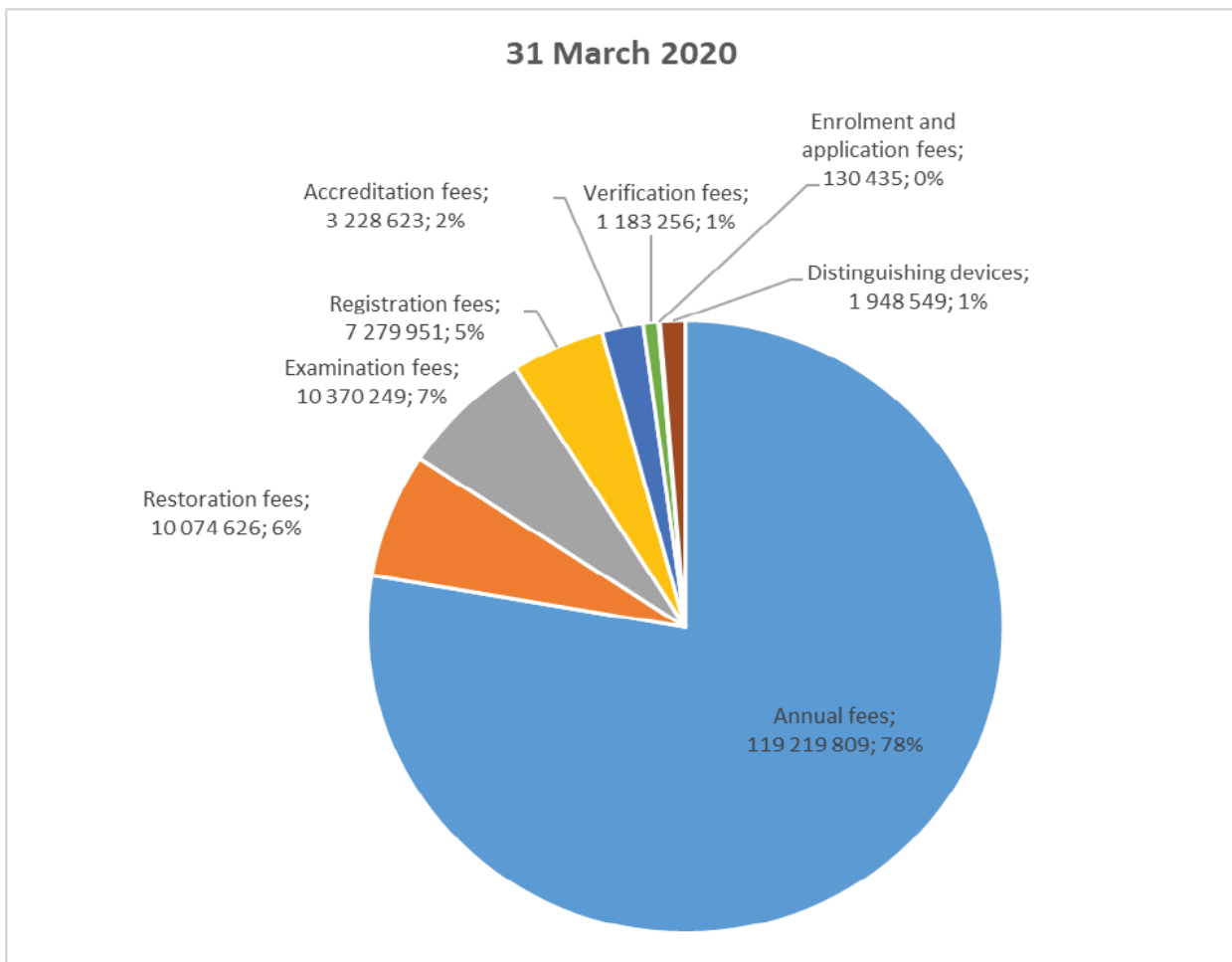
The Council has put efforts towards encouraging the Nurse practitioners to settle their annual fees on or before the closing date. This is communicated through the SANC website and its social media pages, amongst others. This is done in order to decrease the number of Nurse practitioners who pay their fees late and thus trigger the payment of the restoration fees. The numbers have decreased over the two comparative periods, however, there is still a large number of Nurse practitioners who fail to pay their fees on time. The Council will continue with the initiatives that it has implemented in this regard, to promote timeous payment.

The other remaining revenue categories include accreditation fees, verification fees, enrolment fees, application fees and sale of distinguishing devices. The contribution from accreditation fees, verification fees, enrolment fees and application fees was R4.5 million (2019: R2.4 million). These fees increased by 90% year on year. The increase was driven mainly by the increase in accreditation fees which was a result of the phasing out of the legacy qualifications. These fees are expected to increase in the short to medium term as the Nursing Education Institutions (NEIs) phase out the legacy qualifications.

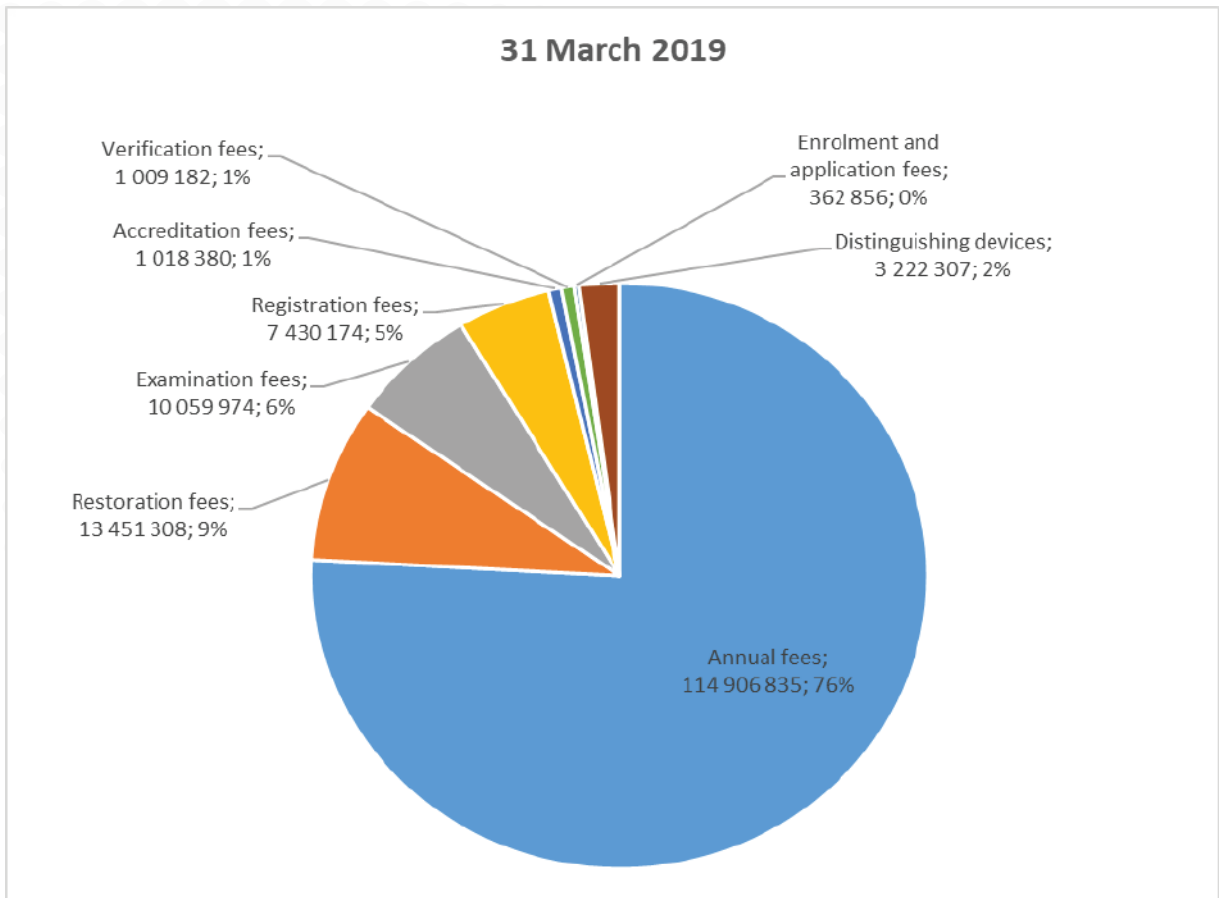
The revenue generated from the sale of distinguishing devices declined sharply during the period under review to R1.9 million (2019: R3.2 million). The main driver behind this decline was the discontinuation of the outreach programmes due to the introduction of the Persal deductions. The Nurse practitioners had utilised the outreach programmes to pay their fees and to also purchase the distinguishing devices. The main goal behind the outreach programmes was mainly to assist the Nurse practitioners to avoid travelling to the SANC premises to pay for their annual practising certificates. Furthermore, this also had assisted the SANC to address the challenge of the annual practising certificates that were returned undelivered as well as the long meandering queues around the SANC premises.

The Council will continue to put measures in place to improve revenue generation and its ultimate collection.

**Revenue Pie Chart for 31 March 2020**

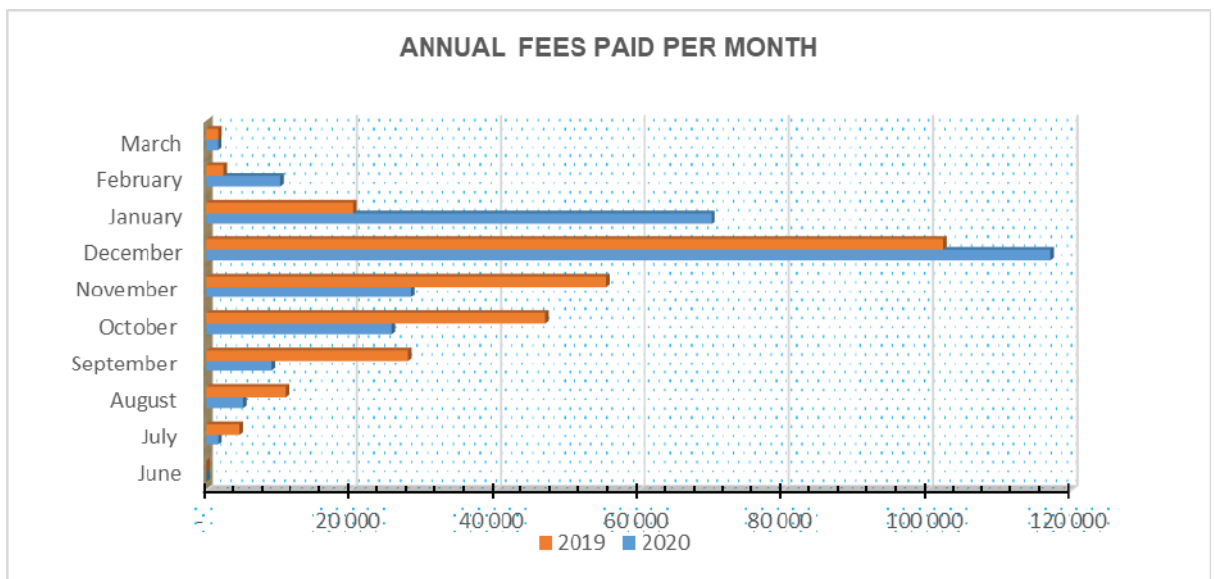


Revenue Pie Chart for 31 March 2019



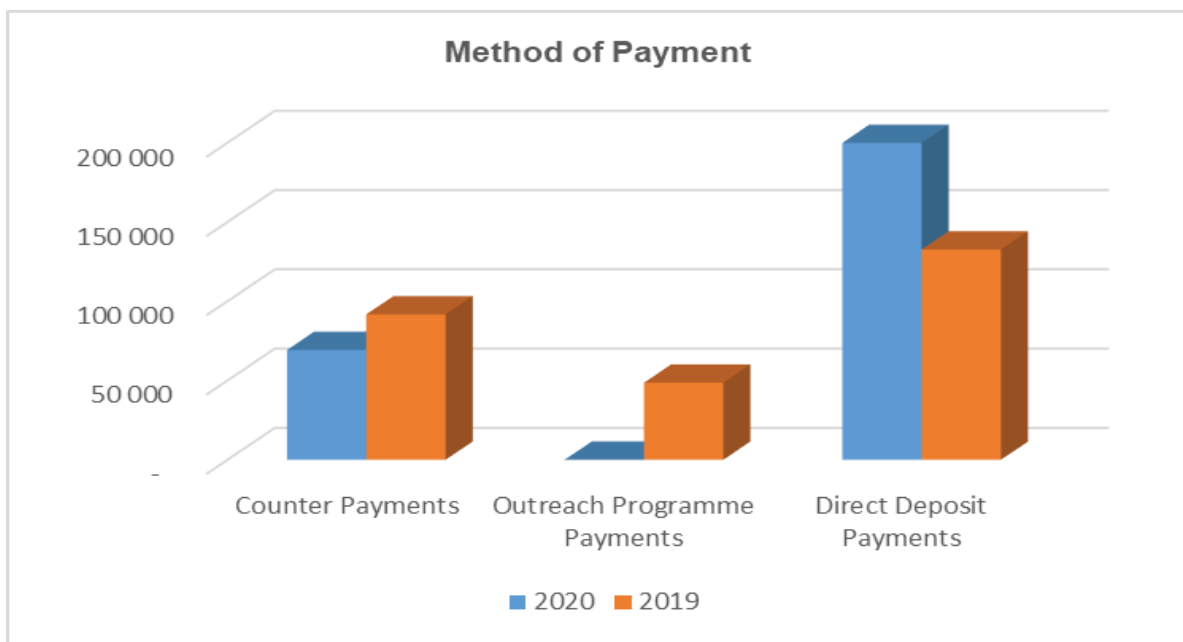
3. Annual Fees

The annual fee payment period opens on the 01st of July of each year and it runs until the 31st December of each year. The chart below depicts the number of annual fees paid from June to March of each comparative year.



The Nurse practitioners traditionally settle annual fees towards the end of the year. The Persal deductions are also settled on behalf of the Nurse practitioners towards the end of the financial year. Therefore, the peak in the months of November and December as depicted in the graph above is part of the expected seasonality. The introduction of the Persal deductions for the first time during the 2020 financial year also resulted in some transactions being processed in January 2020 even though the actual payments were received in December. The delay in the processing of the annual practising certificates (APCs) was due to the outstanding supporting documents that were submitted in January.

A total of 269 172 (2019:273 001) payments of annuals fees were made in 2020. The direct deposit payment method, which includes payments through Persal deductions for State employed Nurse practitioners as well as payments by private institutions, was the most preferred method of payment. Private institutions have always utilised the direct method of payment to pay for annual fees on behalf of their Nurse practitioners. Different Government departments utilised the direct method of payment to pay for the State employed Nurse practitioners for the first time during the 2020 financial year. Previously, the Nurse practitioners working for these Government departments made their individual payments utilising the methods of payment that suited them the best, this included making trips to the premises of the Council. The table below summarises the methods of payment used by the Nurse practitioners during 2020 and 2019 financial years.



The number of total payments made through all the methods of payment decreased by 3,829 in 2020 compared to 2019, this depicts a marginal decrease of 1% over the two reporting periods. A total of 69,247 Nurse practitioners (2019: 91,737) made payments at the counter. This represents 25,7% of the total payments made and this figure is still quite high, the intention of the Council is to reduce this method of payment to a bare minimum.

The Nurse practitioners still prefer to travel to the Council's offices to pay and collect their Annual Practising Certificates (APCs) immediately after effecting the payment despite the introduction of the Persal deductions and electronic funds transfer (EFT) payments method. This challenge of travelling to the Council offices is exacerbated by the non-reliability of postal services as well as the incorrect and outdated personal information of the Nurse practitioners in the register. This information can only be updated once the Nurse practitioners have informed the Council accordingly. In terms of the Nursing Act, the Nurse practitioners are required to inform the Council when there are any changes to their personal details, however, the adherence to this requirement is quite low.

There was no outreach service in the 2019/2020 financial year as a result of the introduction of the payment for APCs by Persal deduction in partnership with the National Department of Health for State employed Nurse practitioners.

#### 4. Expenditure

Expenditure decreased by 5% year on year. This decrease was mainly driven by the decrease in examination material courier costs following the awarding of a contract to a new service provider that charged significantly lower fees than the temporary service that had been contracted before the tender was finalised and awarded. The employee costs still remain the highest cost element within the South African Nursing Council, management has put measures in place to ensure that these costs remain under control. The employee costs increased year on year mainly due to the annual cost of living adjustment and filling of some vacant positions and newly created positions. The Council still has a high vacancy rate on critical positions, furthermore, the Council has approved a new organisational structure to address this challenge. The other notable decreases in expenditure include the decrease in postage costs, bank charges and travel costs. The decrease in postage costs and bank charges were mainly as a result of the introduction of the Persal deductions. The decrease in travel costs was mainly due to the discontinuation of the outreach programmes.

The 16<sup>th</sup> Council is well on its way in executing its 5-year strategy.

#### 5. Finance Income

The finance income increased by 6.1% in 2020 as a result of investing available funds on a short-term basis in interest-bearing investments. New investment accounts were also opened with various financial institutions and this gave the Council access to competitive rates.

#### 6. Working Capital

The Council has managed to maintain a healthy cash balance during the financial year under review. The Council is also able to settle its financial obligations as they fall due. The creditors balances are settled as and when they fall due in line with the provisions of the Nursing Act. The legacy balances were settled and this has led to a significant improvement in the working relationship between the Council and its service providers. The Council is well on its way to modernise the organisation, the Council has approved a number of projects that would ensure that the needs of the nursing fraternity and other stakeholders are addressed. To this end, major projects such as the development of the Membership Management System (MMS) and the Enterprise Resource Planning (ERP) System were approved by the Council. The cash balances increased by R78.3 million during the year under review.

#### 7. Capital Investments

The South African Nursing Council invested in new laptops and desktops, printers and office furniture to the value of R1,5 million. During the financial year, the Council also approved the purchase of the Membership Management System (MMS). The Membership Management System is expected to greatly improve the service delivery to the Nurse practitioners and stakeholders of the South African Nursing Council at large.





# Annual Financial Statements

for the year ended 31 March 2020

## South African Nursing Council General Information

for the year ended 31 March 2020

<b>Country of incorporation and domicile</b>	Republic of South Africa
<b>Nature of business and principal activities</b>	Regulatory body that sets, maintains and regulates standards of nursing education and nursing practice in the Republic of South Africa.
<b>Councillors</b>	Refer to Councillors' report for this information
<b>Registered office</b>	602 Pretorius Street Arcadia Pretoria 0083
<b>Postal address</b>	P. O. Box X132 Pretoria 0001
<b>Auditors</b>	Nexia SAB&T Incorporated
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Nursing Act, 2005 (Act No. 33 of 2005).
<b>Preparer/Compiler</b>	The annual financial statements were internally compiled by the Financial Accountant, Mr Thulani Shabane.
<b>Supervised by</b>	The annual financial statements were prepared under the direction and supervision of the Chief Financial Officer, Mr Thamsanqa Ndadana



# Table of Contents

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

	<b>Pages</b>
Councillors' Statement of Responsibility	<b>50</b>
Councillors' Report	<b>51 - 52</b>
Audit and Risk Committee Report	<b>53 - 55</b>
Independent Auditor's Report	<b>56 - 58</b>
Statement of Financial Position	<b>59</b>
Statement of Profit or Loss and Other Comprehensive Income	<b>60</b>
Statement of Changes in Equity	<b>61</b>
Statement of Cash Flows	<b>62</b>
Accounting Policies	<b>63 - 71</b>
Notes to the Annual Financial Statements	<b>72 - 87</b>
<p>The following supplementary information does not form part of the annual financial statements and is unaudited:</p>	
Detailed Income Statement	<b>88 - 89</b>

The Councillors are responsible for the preparation and fair presentation of the financial statements comprising the statement of financial position as at 31 March 2020, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, and the report of the South African Nursing Council, in accordance with International Financial Reporting Standards.

The Councillors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for maintaining adequate accounting records and an effective system of risk management as well as the preparation of supplementary schedules included in these financial statements.

The Councillors have reviewed the Council's cash flow forecast for the year to 31 March 2021 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 annual financial statements in the course of executing their statutory duties.

The annual financial statements set out on pages 59 to 89, which have been prepared on the going concern basis, were approved by the Council on 31 March 2021 and were signed on its behalf by:



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Dr MC Molepo (Chairperson)



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Dr SM Zuma (Vice-Chairperson)

The Councillors submit their report for the year ended 31 March 2020:

### 1. Nature of business

The South African Nursing Council (Council) is engaged in setting, maintaining and regulating standards of nursing education and nursing practice in the Republic of South Africa. The Council was established by Section 2 of the Nursing Act, 1978 (Act No. 50 of 1978) and continues to exist as a juristic person, notwithstanding the repeal of that Act by the current Nursing Act, 2005 (Act No. 33 of 2005).

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 annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Nursing Act, 2005 (Act No. 33 of 2005). The accounting policies have been applied consistently compared to the prior year, except for the adoption of new standards, amendments to IAS 1 and IAS 8.

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

### 3. Councillors

The 16th Council in office at the date of this report are as follows:

#### 16<sup>th</sup> Council Members

Dr MC Molepo (Chairperson)  
Dr SM Zuma (Vice-Chairperson)  
Prof A Makhene  
Dr SZ Mthembu  
Dr HC De Swardt  
Dr LL Nkondo-Mtembu  
Dr MR Digamela (resigned on the 25 June 2019)  
Prof DI Gihwala  
Mr JT Ntshabele  
Ms TM Magoro  
Dr Nelouise-Marie Geyer  
Dr PM Orton  
Prof SE Duma  
Ms TA Kaseke  
Mr MS Choma  
Mr LL Rabotapi  
Ms DQ Ngidi  
Mr MJ Matsomela  
Ms SF Molokoane-Machika  
Ms ZM Ramaila  
Ms F Newton  
Dr E Kaye-Petersen (appointed on 23 January 2020)  
Dr H Ally  
Ms P Mapotse (appointed on 16 April 2019)  
Mr R Tshimomola (appointed on 16 April 2019)  
Ms V Taschl (appointed on 16 April 2019)  
Ms NR Gumede (Replaced on 16 April 2019)

### 4. Non-compliance with legal and regulatory requirements

The external auditors reported on non-compliance with the following provisions of the Nursing Act 2005, (Act No. 33 of 2005):

- Section 29(2)(j): The audited financial statements were not submitted to the Council within four months.

Processes are being put in place to fully implement the recommendations and comply with all provisions of the Nursing Act.

### 5. Impact of Covid-19 on Annual Financial Statements

Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. However, the SANC members are at the forefront of the battle against COVID-19, therefore the operations of the Council have not been significantly disrupted. At such a time, the Council continues to provide support to its members in any way possible. Immediate declines in revenue streams and/or other financial statement areas have not been identified for immediate periods after the financial year ended 31 March 2020.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government measures remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Council for future periods. Furthermore, management is not aware of any circumstances which exist that would impede the Council's ability to continue as a going concern.

### 6. Events after the reporting period

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

### 7. Going concern

The annual 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.

### 8. External auditors

Nexia SAB&T have been appointed for a five-year term beginning in the 2019 financial year.

We are pleased to present our report for the financial year ended 31 March 2020:

The Audit and Risk Committee is an independent committee appointed by Council. The committee operates in terms of an approved Terms of Reference to discharge its delegated duties.

### COMPOSITION AND ATTENDANCE OF COMMITTEE MEETINGS

The Audit and Risk Committee comprises of four independent non-Council members and two Council members appointed in terms of the Nursing Act, 2005 Act No.33 of 2005.

The Audit and Risk Committee meetings are attended by the Chief Executive Officer and Registrar, the Chief Financial Officer, the Risk Officer and management representatives of the various departments of the SANC. The internal auditors and external auditors attend the Audit and Risk Committee meetings by invitation, and may independently meet with the Audit and Risk Committee as and when required.

The terms of reference provide for the committee to meet at least four times per annum.

The table below outlines the Audit and Risk Committee members and the number of meetings attended by each member during the year ended 31 March 2020:

<b>NAME OF MEMBER</b>	<b>MEMBERSHIP</b>	<b>NUMBER OF MEETINGS ATTENDED</b>	<b>TERM OF OFFICE EXPIRY</b>
<b>1. Ms TA Kaseke</b>	Council member	2	31 August 2023
<b>2. Mr LL Rabotapi</b>	Council member	4	31 August 2023
<b>3. Ms ME Sikhosana</b>	Independent member (Chairperson)	4	31 March 2022
<b>4. Mr KJ Sello</b>	Independent member	4	31 March 2022
<b>5. Mr R Adam</b>	Independent member	0	31 March 2020
<b>6. Ms N Gevers</b>	Independent member	4	31 March 2020

**Note:** Mr R Adam resigned as committee member on the 21st February 2020.

### RESPONSIBILITIES OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee supports the Council of the South African Nursing Council in fulfilling its oversight responsibility relating to internal controls, risk management, financial management and compliance with laws and regulations.

The Terms of Reference outlines the following governance responsibilities of the committee:

- Council-wide risk management governance;
- Efficacy of the Internal Audit function;
- External audit governance responsibilities;
- Efficacy of the financial management and financial reporting systems, particularly relating to internal and/or external audit responsibilities; and
- Oversight over the efficacy of the ethics and compliance management of the organisation.

### EXTERNAL AUDIT

Nexia SAB&T is the external audit firm responsible for performing the external Regulatory audit function for the 2020 financial year. The Audit and Risk Committee has satisfied itself that the audit firm and the designated auditor are in good standing with the Independent Regulatory Board for Auditors.

The Audit and Risk Committee is satisfied with the independence and objectivity of the external auditor, including the consideration of the auditor's previous appointments, the extent of other work undertaken, and compliance with criteria relating to independence or conflict of interest as prescribed by the Independent Regulatory Board for Auditors.

The external auditor did not undertake any other work except external audit work during the current financial year.

### INTERNAL AUDIT

The Audit and Risk Committee is responsible for ensuring that the Internal Audit function is independent and has the necessary resources, standing and authority within the organisation to enable it to fulfil its duties. The internal audit function has been outsourced to *BDO PS Advisory (Pty) Ltd* as the designated internal auditor of the SANC.

Internal audit implemented its annual risk-based audit plan for 2019/2020 financial year as part of the three-year rolling plan approved by the Audit and Risk Committee.

The Audit and Risk Committee has assessed the effectiveness of the internal audit function. The committee is satisfied that the internal audit function discharged its functions and responsibilities, in terms of prevailing internal audit standards, the Internal Audit Charter and the Internal Audit Plan, during the year under review.

### COUNCIL-WIDE RISK MANAGEMENT

The Audit and Risk Committee supports the Council with its governance responsibility for the effective implementation of risk management within the organisation. Management is accountable to the Audit and Risk Committee for designing, implementing and monitoring the Council-wide risk management process and for integrating it into the day-to-day activities of the SANC.

The SANC has adopted an enterprise-wide approach to manage risk, which is defined in its Enterprise Risk Management Framework (ERM). The framework provides a consistent approach to which risks are identified, evaluated, managed and reported in the organisation.

Management have committed to continuous improvement of the organisations risk maturity through the implementation of various strategies to manage the risk exposure of the SANC. The effectiveness of such strategies will be monitored and reported.

### THE EFFECTIVENESS OF INTERNAL CONTROLS

The Audit and Risk Committee has reviewed the external auditors' reports on the audited annual financial statements and the internal auditors' reports on the adequacy and effectiveness of internal controls. The Committee noted the control deficiencies arising from both the internal and external reports, and has considered the appropriateness of management's responses.

Management is taking the necessary measures to address the control weaknesses identified by both the internal and external auditors. The implementation of the management action plans are monitored on a regular basis and reported as such to Council.

### EVALUATION OF AUDITED ANNUAL FINANCIAL STATEMENTS

The Audit and Risk Committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report, with the external auditors and the accounting officer;
- Reviewed the external auditor's management letter and management's response thereto; and
- Reviewed significant adjustments resulting from the audit.

The Audit and Risk Committee accepts the external auditors' conclusions on the annual financial statements as well as the audit opinion and that the audited annual financial statements be read together with the report of the external auditors.



Ms EM Sikhosana  
Chairperson of the Audit and Risk Committee

31 March 2021

.....  
Date



## INDEPENDENT AUDITOR'S REPORT

To the Members of the South African Nursing Council

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of the South African Nursing Council set out on pages 59 to 87, which comprise the statement of financial position as at 31 March 2020, and the statement of profit or loss and other 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 Nursing Council as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Nursing Act, 2005 (Act No.33 of 2005).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 group 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 for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes 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 Nursing Council Annual Financial Statements for the year ended 31 March 2020", which includes the Councillors' Report as required by the Nursing Act, 2005 (Act No.33 of 2005). 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.

### 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 and the requirements of the Nursing Act, 2005 (Act No.33 of 2005), 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 ISAs 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.

As part of an audit in accordance with ISAs, we exercise professional judgement 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 councillors' 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 the councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on Other Legal and Regulatory Requirements

In accordance with our responsibilities in terms of Sections 44(2) and 44(3) of the Auditing Profession Act, we report that we have identified a reportable irregularity in terms of the Auditing Profession Act. We have reported such matters to the Independent Regulatory Board for Auditors. The matters pertaining to the reportable irregularity have been described below:

- The audited financial statements were not submitted to the Council within four months as required by Section 29(2) (j) of the Nursing Act 2005, (Act No. 33 of 2005).

Management have taken adequate steps by implementing processes to address the matter raised above, however, at the date of this report, these processes were not yet finalised.

*Nexia SAB&T*

.....  
Nexia SAB&T  
Per Caroline Chigora  
Director  
Registered Auditor  
Date  
Centurion



		2020	2019	2018
		R	R	R
	Note(s)		Restated	Restated
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	2	57 548 114	59 475 497	59 475 523
Intangible assets	3	1 333 225	700 629	810 802
Other financial assets	4	813 073	1 254 362	1 390 129
		<b>59 694 412</b>	<b>61 430 488</b>	<b>61 676 454</b>
<b>Current Assets</b>				
Inventories	5	1 368 472	635 269	1 169 532
Trade and other receivables	6	2 854 382	4 187 908	3 004 830
Cash and cash equivalents	7	601 972 509	523 652 034	458 871 683
		<b>606 195 363</b>	<b>528 475 211</b>	<b>463 046 045</b>
<b>Total Assets</b>		<b>665 889 775</b>	<b>589 905 699</b>	<b>524 722 499</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Reserves	9	72 185 791	72 627 082	72 762 848
Retained income		468 902 307	400 837 321	338 244 436
		<b>541 088 098</b>	<b>473 464 403</b>	<b>411 007 284</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Employee benefit obligations	10	22 934 000	21 518 310	24 507 986
<b>Current Liabilities</b>				
Trade and other payables	11	8 393 713	16 190 610	14 094 780
Deferred income	12	92 706 623	78 108 334	74 533 791
Employee benefit obligation	13	767 341	624 042	578 658
		<b>101 867 677</b>	<b>94 922 986</b>	<b>89 207 229</b>
<b>Total Liabilities</b>		<b>124 801 677</b>	<b>116 441 296</b>	<b>113 715 215</b>
<b>Total Equity and Liabilities</b>		<b>665 889 775</b>	<b>589 905 699</b>	<b>524 722 499</b>

## Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2020

	Note(s)	2020 R	2019 R
Revenue	14	153 435 498	151 461 016
Other income	15	217 266	150 853
Operating and administrative expenses		(117 094 764)	(123 062 130)
<b>Net surplus from operations</b>	16	<b>36 558 000</b>	<b>28 549 739</b>
Investment income	17	35 715 350	33 666 674
Interest paid	18	(1 709 852)	(1 800 733)
<b>Net surplus for the period</b>		<b>70 563 498</b>	<b>60 415 680</b>
<b>Other comprehensive income:</b>			
Remeasurement of net defined benefit liability/asset	10	(2 498 512)	2 069 873
<b>Total items that will not be reclassified to profit or loss</b>		<b>(2 498 512)</b>	<b>2 069 873</b>
<b>Items that may be reclassified to profit or loss:</b>			
Fair Value Through Other Comprehensive Income (FVTOCI) financial assets adjustments	9	(441 291)	(135 766)
<b>Other comprehensive income for the year</b>		<b>(441 291)</b>	<b>(135 766)</b>
<b>Total comprehensive income for the year</b>		<b>67 623 695</b>	<b>62 349 787</b>



**Statement of Changes in Equity** for the year ended 31 March 2020

	Revaluation Reserve	Fair value Adjustment Through Other Comprehensive Income (FVTOCI)	Total Reserves	Retained Income	Total Equity
	R	R	R	R	R
<b>Balance as at 31 March 2018</b>	71 703 889	1 058 959	72 762 848	338 244 436	411 007 284
Net Surplus for the year	-	-	-	59 455 610	59 455 610
Other comprehensive income for the year	-	(135 766)	(135 766)	2 069 873	1 934 107
<b>Total comprehensive income for the year</b>	-	(135 766)	(135 766)	61 525 483	61 389 717
<b>Balance as previously reported at 31 March 2019</b>	71 703 889	923 193	72 627 082	399 769 919	472 397 001
Prior period errors for 2019	-	-	-	960 070	960 070
Prior period errors before 2019	-	-	-	107 332	107 332
<b>Balance at 31 March 2019 restated</b>	71 703 889	923 193	72 627 082	400 837 321	473 464 403
Net Surplus for the year	-	-	-	70 563 498	70 563 498
Other comprehensive income for the year	-	(441 291)	(441 291)	(2 498 512)	(2 939 803)
<b>Total comprehensive income for the year</b>	-	(441 291)	(441 291)	68 064 986	67 623 695
<b>Balance as at 31 March 2020</b>	71 703 889	481 902	72 185 791	468 902 307	541 088 098
Note(s)	9	9	9		

## Statement of Cash Flows for the year ended 31 March 2020

	Note(s)	2020 R	2019 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		154 769 024	150 277 938
Cash paid to suppliers and employees		(109 805 624)	(115 990 178)
Cash generated from operations	19	44 963 400	34 287 760
Interest income		35 706 632	33 586 391
Dividend income		8 718	80 283
<b>Net cash generated from operating activities</b>		<b>80 678 750</b>	<b>67 954 434</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	2	(1 504 973)	(3 174 083)
Acquisition of intangible assets	3	(862 330)	-
Proceeds on sale of property, plant and equipment		9 028	-
<b>Net cash utilised in investing activities</b>		<b>(2 358 275)</b>	<b>(3 174 083)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS FOR THE YEAR</b>			
Cash and cash equivalents at the beginning of the year		523 652 034	458 871 683
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	7	<b>601 972 509</b>	<b>523 652 034</b>



## 1. Statement of compliance

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB).

### 1.1. Basis of preparation

The annual financial statements have been prepared on the historical cost basis, except for certain balances and financial instruments measured at revalued amounts or fair values or amortised. They are presented in South African Rand as a functional currency, rounded to the nearest rand.

Except for Amendments to IAS 1 and IAS 8 adopted for the first time for periods effective from 1 January 2020 all the other accounting policies have been applied consistently to all periods presented in these annual financial statements.

### 1.2. Significant judgements and key sources of estimation uncertainty

In preparing the annual financial statements in accordance with IFRS, management is required to make judgements, estimates and assumptions that affect the application of policies and the reported amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates which could be material to the annual financial statements.

The estimates and underlying assumptions are reviewed on an on-going basis and where applicable, adjustments are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods. Significant judgements and assumptions include:

#### Prior year comparatives

When there is an amendment to the classification and presentation of items in the Annual Financial Statement, prior year comparatives are also reclassified and restated in line with the amendment. The nature and reason for reclassification and amendment are also disclosed.

Where there has been a change in accounting policy in the current year, a retrospective adjustment is made as far as practicable and the prior year comparatives are restated accordingly. Similarly, when accounting errors have been identified in the current year which relate to the prior year, the correction is made retrospectively as far as practicable and the prior year comparatives are restated accordingly.

#### 1.2.1. Calculation of expected credit loss (ECL)

When measuring expected credit loss (ECL), the Council uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

### **1.2.2. Defined benefit obligations**

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in note 10.

## **1.3 IFRS 9 Financial Instruments**

### **1.3.1. Initial recognition and measurement**

Financial instruments are recognised initially when the Council becomes a party to the contractual provisions of the instruments.

Financial instruments are measured initially at fair value.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument. Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

### **1.3.2. Subsequent measurement**

Trade receivables that meet the following conditions have been subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortised cost is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Interest income is recognised in profit or loss using the effective interest method for debt instruments measured subsequently at amortised cost.

The Council has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application. These are subsequently measured at FVTOCI.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity. These remain in equity even after the asset is disposed of. Dividends received on FVTOCI equity instruments are recognised in profit or loss as part of other income when the Council's right to receive payment is established.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

### **1.3.3. Fair value determination**

The fair value of listed equity instruments is determined by reference to published prices quoted in an active market.



#### **1.3.4. Impairment of financial assets**

At each reporting date the Council recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Lifetime ECL are always recognised for trade receivables. The expected credit losses on these financial assets are estimated using a loss rate approach based on the Council's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

The Council assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

The Council considers that default has occurred when a financial asset is more than 90 days past due unless the Council has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### **1.3.5. Derecognition of financial instruments**

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Council has transferred substantially all risks and rewards of ownership.

Financial liabilities at amortised cost are derecognised when the obligation under the liability is discharged, cancelled or has expired.

#### **1.3.6. Financial instruments designated as fair value through other comprehensive income (FVTOCI)**

At initial recognition, the Council may elect to irrevocably designate investments in equity instruments that they intend to hold in the long term as fair value through other comprehensive income. These are measured in accordance with 1.4.2.

#### **1.3.7. Trade and other receivables**

Trade receivables are measured at initial recognition at fair value. They are classified as measured at amortised cost and are subsequently measured at amortised cost using the effective interest rate method.

Expected credit losses are measured for trade receivables as described in 1.3.4.

When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

#### **1.3.8. Financial liabilities and equity**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Council are recorded at the proceeds received, net of direct issue costs. Financial liabilities are classified as either financial liabilities at fair value through profit or loss (FVTPL) or other financial liabilities.

### **1.3.9. Other financial liabilities**

Other financial liabilities, including trade and other payables and borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

### **1.3.10. Derecognition of financial liabilities**

The Council derecognises financial liabilities when, and only when, the Council's obligations are discharged, cancelled or they expire.

### **1.3.11. 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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

### **1.3.12. Offsetting**

Financial assets and financial liabilities are not offset unless the Council has a legally enforceable right to offset the amounts recognised and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## **1.4. Revenue from contracts with customers**

Revenue comprises the consideration received or receivable on contracts entered into with customers in the ordinary course of the Council's activities. Revenue is shown net of taxes and discounts. Revenue is recognised at the amount of the transaction price that is allocated to each performance obligation and this is determined at an amount that depicts the consideration to which the Council expects to be entitled in exchange for transferring the good and services promised to the customer. The transaction prices recognised by the Council are published in the Government Gazette in terms of the Nursing Act (Act No. 33 of 2005)

Revenue is recognised when control is transferred to the customer. The appropriate time when control is transferred has been determined as follows:

Revenue	Point in time when revenue is recognised
Annual fees	When the Annual Practising Certificate (APC) is issued
Restoration fees	When the relevant nurse practitioner has been reinstated into the register of nurses
Registration fees	When registration has been confirmed to the nurse practitioner
Examination fees	When the results of the examination have been released
Distinguishing devices	When the devices are delivered to / collected by the nurse practitioner

### 1.5. New Standards and Interpretations

#### 1.5.1 Standards and interpretations effective and adopted in the current year

In the current year, the Council has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

##### Definition of materiality (Amendments to IAS 1 and IAS 8)

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of financial statements make on the basis of those financial statements, which provide financial information about the specific reporting entity.

Effective for annual periods beginning on or after 1 January 2020.

##### Revised Conceptual Framework for Financial Reporting

The main changes include:

- Measurement - concepts on measurement, including factors to be considered when selecting a measurement basis
- Presentation and disclosure - concepts on presentation and disclosure, including when to classify income and expenses in other comprehensive income
- Derecognition - guidance on when assets and liabilities are removed from financial statements.

Definitions of an asset and a liability have been updated as well as recognition criteria for including assets and liabilities in financial statements.

The amendments are effective for annual periods beginning on or after 1 January 2020.

#### 1.5.2 Standards and interpretations not yet effective

The Council has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Council's accounting periods beginning on or after 01 April 2020 or later periods.

IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows. The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and are to be applied retrospectively.

IAS 16 – Property, Plant and Equipment IAS 16 "Property, Plant and Equipment" outlines the accounting treatment for most types of property, plant and equipment. Property, plant and equipment is initially measured at its cost, subsequently measured either using a cost or revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life. Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2022.

IAS 37 – Provisions, Contingent Liabilities and Contingent Assets IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" outlines the accounting for provisions (liabilities of uncertain timing or amount), together with contingent assets (possible assets) and contingent liabilities (possible obligations and present obligations that are not probable or not reliably measurable). Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2022.

IFRS 9 – Financial Instruments The final version of IFRS 9 "Financial Instruments" issued in July 2014 is the IASB's replacement of IAS 39 "Financial Instruments: Recognition and Measurement". The Standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2022.

### Other New Standards and Interpretations

The Council has not listed new standards and interpretations or amendments which are not yet effective and whose effect of adoption has been reviewed and regarded as being inapplicable to the Council's financial statements.

#### 1.6 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Council; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Costs 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.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for land and buildings which are carried at revalued amounts.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Land and buildings are carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in the carrying amount of land and buildings, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation surplus in equity. The increase is recognised in profit to the extent that it reverses a revaluation decrease of the same asset previously recognised in losses.

Any decrease in the carrying amount of land and buildings, as a result of a revaluation, is recognised in losses in the current period. The decrease is debited in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of land and buildings is transferred directly to retained earnings when the asset is derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

<b>Item</b>	<b>Average useful life</b>
Land	Indefinite
Buildings	50 years
Motor vehicles	5 years
Office equipment	5 - 6 years
IT equipment	3 years

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

### **1.7 Intangible assets**

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the Council; and
- the cost of the asset can be measured reliably.

Intangible assets comprise of computer software and are initially recognised at cost. Intangible assets are subsequently carried at cost less any accumulated amortisation and any impairment losses.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end. Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values.

The useful lives of items of intangible assets have been assessed as follows:

<b>Item</b>	<b>Useful life</b>
Computer software	10 years

## **1.8. Leases**

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

### **1.8.1. Operating leases – lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted. Any contingent rents are expensed in the period they are incurred.

## **1.9. Inventories**

Inventories comprise distinguishing devices and are valued at the lower of cost and net realisable value. Cost is determined using the first-in-first out basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

## **1.10. Impairment of non-financial assets**

The Council assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Council estimates the recoverable amount of the asset.

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.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

The Council assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

An impairment loss of an asset or reversal of an impairment loss of an asset is recognised immediately in profit or loss except in a case of revalued assets where any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

## 1.11. Employee benefits

### 1.11.1. Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The cost of employee entitlements to salaries, annual leave etc., which the Council has a present obligation to pay as a result of employees' services provided to the reporting date is recognised as a liability.

### 1.11.2. Defined contribution plans

Payments to the defined contribution plans are recognised as an expense when employees have rendered the service entitling them to the contributions.

### 1.11.3. Defined benefit plans

The Council provides post-employment medical aid benefits to some of their retirees. The total value of the contractual liability is recognised at year end.

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method. Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

Actuarial gains and losses are recognised in the year in which they arise, in other comprehensive income. Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the Council is demonstrably committed to curtailment or settlement.

The amount recognised in the Statement of Financial Position represents the present value of defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

The Council recognises all actuarial gains and losses arising from the defined medical aid benefit plan and defined pension plan in other comprehensive income and profit or loss respectively.

2. Property, plant and equipment

The fair value of land and buildings is a level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balance is provided below.

Amounts in Rands (R)	Land	Buildings	Motor Vehicles	Office Equipment	Computer Equipment	Total
<b>COST OR VALUATION</b>						
Balance as at 31 March 2018 (level 3 recurring fair values)	18 325 000	37 275 000	-	15 671 274	4 512 259	75 783 533
Additions	396 390	-	268 561	354 806	2 154 326	3 174 083
Balance as at 31 March 2019 (level 3 recurring fair values)	18 721 390	37 275 000	268 561	16 026 080	6 666 585	78 957 616
Additions	-	-	-	988 689	516 284	1 504 973
Disposals	-	-	-	(12 263)	-	(12 263)
Balance as at 31 March 2020 (level 3 recurring fair values)	18 721 390	37 275 000	268 561	17 002 506	7 182 869	80 450 326
<b>ACCUMULATED DEPRECIATION</b>						
Balance as at 31 March 2018	-	-	-	13 527 957	2 780 053	16 308 010
Depreciation for the year	-	1 862 473	20 013	570 650	720 973	3 174 109
Balance as at 31 March 2019	-	1 862 473	20 013	14 098 607	3 501 026	19 482 119
Depreciation for the year	-	1 865 027	53 712	326 402	1 180 152	3 425 293
Disposals	-	-	-	(5 200)	-	(5 200)
Balance as at 31 March 2020	-	3 727 500	73 725	14 419 809	4 681 178	22 902 212
<b>Carrying amounts</b>						
At 31 March 2019 (level 3 recurring fair values)	18 721 390	35 412 527	248 548	1 927 473	3 165 559	59 475 497
At 31 March 2020 (level 3 recurring fair values)	18 721 390	33 547 500	194 836	2 582 697	2 501 691	57 548 114



	2020 R	2019 R
<b>2. Property, plant and equipment (continued)</b>		

Note<sup>1</sup> - Land and Buildings are carried at revalued amounts while all the other assets are carried at cost.

Properties are revalued every 3 years and the last revaluation took place on 31 March 2018 based on a Valuation performed by Mr D.R. Riley, an independent valuator from Property Partnership CC using the Income capitalisation method of valuation for land and building and comparable sales method of Valuation for vacant land. Mr D.R. Riley is not connected to the Council. The Council is of the opinion that the assumptions upon which the last valuation were based have not resulted in any material change in the value of the asset at 31 March 2020.

A register of properties and land is available for inspection at the registered office of the Council.

### 3. Intangible assets

	Application Systems	Total
<b>COST</b>		
Balance as at 31 March 2019	1 439 980	1 439 980
Additions	862 330	862 330
Disposals	(216 941)	(216 941)
Balance as at 31 March 2020	2 085 369	2 085 369
<b>ACCUMMULATED AMORTISATION</b>		
Balance as at 31 March 2018	629 178	629 178
Amortisation	110 173	110 173
Balance as at 31 March 2019	739 351	739 351
Balance as at 31 March 2019	739 351	739 351
Amortisation-disposal	(136 077)	(136 077)
Amortisation	148 870	148 870
Balance as at 31 March 2020	752 144	752 144
<b>CARRYING AMOUNTS</b>		
Balance as at 31 March 2019	700 629	700 629
Balance as at 31 March 2020	1 333 225	1 333 225

Intangible assets relates to purchased applications software which includes Canon Document Management System, Sage 300, Assetware and Caseware amongst others.

4. Other financial assets	2020 R	2019 R
Listed investments		
▪ Sanlam Limited	572 515	826 554
▪ Old Mutual PLC	121 899	236 686
▪ Old Mutual bonus shares Quilter	92 600	101 933
▪ Nedbank bonus shares	26 059	89 189
	<b>813 073</b>	<b>1 254 362</b>
Non-current assets		
▪ At Fair Value Through Other Comprehensive Income (FVTOCI)	<b>813 073</b>	<b>1 254 362</b>
Level 1©		
11 206 shares in Sanlam Limited	572 515	826 554
11 112 shares in Old Mutual PLC	121 899	236 686
3 704 shares Old Mutual bonus shares Quilter	92 600	101 933
356 shares Nedbank bonus shares	26 059	89 189
This investment is classified at FVTOCI	<b>813 073</b>	<b>1 254 362</b>

© Listed shares traded on a stock exchange

5. Inventories	2020 R	2019 R
Distinguishing devices	1 368 472	635 269

Inventory comprises badges, brooches, bars and epaulettes for practitioners.

Inventories were tested for impairment for possible write down to their net realisable value. Nothing was written down to net realisable value as they were found not to be impaired

	2020	2019
6. Trade and other receivables	R	R
Trade receivables	1 078 823	992 619
Prepayments	298 520	799 026
Other receivables	2 555 862	3 033 578
Less: Expected credit loss allowance	(1 078 823)	(637 315)
	<b>2 854 382</b>	<b>4 187 908</b>

The lifetime expected loss provision for trade receivables is as follows:

31 March 2020	Current	30 days past due	60 days past due	+90 days past due	Total
Expected loss rate	0%	5%	10%	100%	
Gross carrying amount				R1 078 823	R1 078 823
Loss provision				(R1 078 823)	(R1 078 823)

31 March 2019	Current	30 days past due	60 days past due	+90 days past due	Total
Expected loss rate	0%	5%	10%	64%	
Gross carrying amount	-	-	-	R992 619	R992 619
Loss provision	-	-	-	(R637 315)	(R637 315)

The SANC raises lifetime expected credit losses for all trade receivables.

No trade and other receivables were pledged as security for liabilities.

#### Trade and other receivables impaired

As of 31 March 2020, trade and other receivables of R1 078 823 (2019: R637 315) were impaired.

#### Reconciliation of provision for impairment of trade and other receivables

Expected credit loss allowance at beginning of the year	637 315	637 315
Impairment raised during the year	441 508	-
Expected credit loss allowance at end of the year	<b>1 078 823</b>	<b>637 315</b>

	2020	2019
7. Cash and cash equivalents	R	R
Cash on hand and in bank		
Petty cash	1 790	13 579
Bank balances	1 381 020	866 956
Short-term deposits	600 589 699	522 771 499
Total	<b>601 972 509</b>	<b>523 652 034</b>

8. Financial instruments	2020 R	2019 R
Categories of financial instruments		
<b>Financial assets</b>		
▪ Cash and cash equivalents	601 972 509	523 652 034
▪ Loans and receivables	2 854 382	4 187 908
▪ At Fair Value Through Other Comprehensive Income (FVTOCI)	813 073	1 254 362
<b>Financial liabilities</b>		
▪ Deferred income	92 706 623	78 108 334

#### Fair value of financial assets and liabilities

As at 31 March 2020, the carrying amount of cash and cash equivalents, trade and other receivables, trade and other payables and short-term borrowings approximated their fair values due to the short-term maturities of these assets and liabilities. FVTOCI assets constitute listed equity instruments which are fairly valued by reference to published prices quoted in an active market.

The fair values together with the carrying amounts shown in the statement of financial position are as follows:

Other financial assets	813 073	1 254 362
Trade and other receivables	2 854 382	4 187 908
Cash and cash equivalents	601 972 509	523 652 034
Trade and other payables	8 393 713	16 190 610
Deferred Income	92 706 623	78 108 334

The fair value hierarchy of financial instruments measured at fair value is provided below:

Financial Assets	Level 1		Level 2		Level 3	
	2020 R	2019 R	2020 R	2019 R	2020 R	2019 R
Other financial assets	813 073	1 254 362	-	-	-	-
Trade and other receivables	-	-	-	-	2 854 382	4 187 908
Cash and cash equivalents	-	-	-	-	601 972 509	523 652 034
Trade and other payables	-	-	-	-	8 393 713	16 190 610
Deferred income	-	-	-	-	92 706 623	78 108 334

#### Liquidity risk

The Council's risk to liquidity is a result of the funds available to cover future commitments. The Council manages liquidity risk through an ongoing review of future commitments.

The table below analyses the Council's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	2020 R	2019 R
Trade and other payables (less than one (1) year)	8 292 272	16 190 610
Trade and other payables (more than one (1) year)	101 441	-
	8 393 713	16 190 610

### Credit risk

Credit risk is the risk of financial loss to the Council if a counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk arises mainly from trade receivables.

The tables below detail the credit quality of the Council's financial assets as well as maximum exposure to credit risk by credit risk rating grades:

	12-month or lifetime ECL	Gross carrying amount R	Loss allowance R	Net carrying amount R
<b>31 March 2020</b>				
Trade and other receivables	Lifetime ECL	3 933 205	(1 078 823)	2 854 382
<b>31 March 2019</b>				
Trade and other receivables	Lifetime ECL	4 825 223	(637 315)	4 187 908

For trade receivables, the Council has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Council determines the expected credit losses on these items by using a loss-rate approach, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The Council does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets. In order to minimise credit risk, the Council only deposits cash with major banks with high quality credit standing.

### Interest rate risk

The Council holds investments which are interest bearing assets. The Council's operations are funded from various income streams from members, therefore, interest rate fluctuations do not have a material impact on income and operating cash flows.

### Price risk

The Council is exposed to equity securities price risk because of investments held by the Council and classified on the statement of financial position as at Fair Value through Other Comprehensive Income (FVTOCI). The Council is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Council approves all investment decisions. Gains or losses on equity securities classified as fair value through profit or loss would result in an increase or decrease in other components of equity.

	2020	2019
9. Reserves	R	R
<b>Revaluation reserve</b>		
▪ Opening balance	71 703 889	71 703 889
	<b>71 703 889</b>	<b>71 703 889</b>
<b>Fair value adjustment</b>		
▪ Opening balance	923 193	1 058 959
▪ Fair value adjustment of fair value through profit or loss financial assets	(441 291)	(135 766)
	<b>481 902</b>	<b>923 193</b>
<b>Total Reserves</b>	<b>72 185 791</b>	<b>72 627 082</b>

## 10. Retirement benefits

### Defined benefit plan

The Council provides post-retirement medical aid benefits to former employees and widow(er) members who participated in the Bestmed, Bonitas and Medshield Medical Schemes.

The actuarial valuation of the post-employment medical aid liability performed as at 31 March 2020 reported a contractual liability amounting to R 22 934 000 (2019: R 21 518 310).

Present value of the defined benefit obligation-wholly unfunded	22 934 000	21 518 310
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### Changes in the present value of the defined benefit obligation are as follows:

Opening balance	21 518 310	24 507 986
Expected benefit payments	(2 792 674)	(2 717 597)
Interest cost	1 709 852	1 797 794
Remeasurement losses / (gains) - Actuarial losses/(gains)	2 498 512	(2 069 873)
<b>Total</b>	<b>22 934 000</b>	<b>21 518 310</b>

### Amount recognised in profit or loss

▪ Interest cost	1 709 852	1 797 794
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### Amount recognised in other comprehensive income

▪ Remeasurement losses/(gains) - Actuarial losses/(gains)	2 498 512	(2 069 873)
	<b>4 208 364</b>	<b>(272 079)</b>

### Key assumptions used

Assumptions used on valuation as at 31 March 2020:

▪ Health care cost inflation rate	6.06%	6.06%
▪ Discount rate	10.12%	8.47%
▪ Net effective discount rate	3.83%	2.27%
▪ Average retirement age (years)	60	60

10. Retirement benefits (continued)	2020 R	2019 R
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#### Sensitivity analysis

The sensitivity analyses indicated in the table below have been determined based on the exposure to medical aid inflation rate for defined benefit obligation at the statement of financial position date. The analysis is prepared assuming the amount of liability outstanding at the statement of financial position date was outstanding for the whole period under review. A 1% increase or decrease is used, since this represents the normal change, if any, per interest rate review period by the Reserve Bank of South Africa. There were no changes in the methods and assumptions used during the period under review. A positive number below indicates an increase in profit. For a 1% increase there would be an equal and opposite impact on the profit or loss.

Summary of the results of this analysis on the interest cost for the year ending 31 March 2020.

Assumption	Change	Interest Cost	% change
Central assumptions		R1 709 900	
Health care inflation	+1%	R1 819 700	6%
	-1%	R1 609 400	-6%
Discount rate	+1%	R1 798 400	5%
	-1%	R1 607 500	-6%
Post-retirement mortality	-1 year	1 800 900	5%

Summary of the results of this analysis on the interest cost for the year ending 31 March 2019.

Assumption	Change	Interest Cost	% change
Central assumptions		R1 797 800	
Health care inflation	+1%	R1 924 900	7%
	-1%	R1 682 500	-6%
Discount rate	+1%	R1 897 300	6%
	-1%	R1 680 600	-7%
Post-retirement mortality	-1 year	R1 896 100	5%

#### Valuation

The effective date of the valuation was 31 March 2020. The valuation was performed by ARCH Actuaries Consulting CC, a member of the Actuarial Society of South Africa with 20 years of experience. ARCH Actuaries Consulting CC is not connected to the Council.

11. Trade and other payables	2020 R	2019 R
Trade payables	934 232	4 752 149
Other payables	7 459 481	11 438 461
▪ Accruals	1 103 102	3 761 651
▪ Leave accrual	6 034 235	5 912 699
▪ PAYE Control account	-	970 217
▪ Sundry payables	322 144	793 894
<b>Total trade and other payables</b>	<b>8 393 713</b>	<b>16 190 610</b>

12. Deferred income	2020 R	2019 R
Income received in advance	71 491 617	66 809 864
Examination fees	5 037 014	4 356 277
Restoration fees	2 042 751	2 586 769
Registration fees	974 174	971 374
Annual practising certificate	8 360 838	-
Other deferred income	1 911 453	495 274
Donor funds	2 888 776	2 888 776
	<b>92 706 623</b>	<b>78 108 334</b>

Deferred Income relates to receipts from members for which services have not yet been rendered.

13. Employee benefit obligation	2020 R	2019 R
13 <sup>th</sup> cheque to employees	<b>767 341</b>	<b>624 042</b>

Employee benefit obligation relates to a 13<sup>th</sup> cheque.

14. Revenue		
Revenue from services	<b>151 486 949</b>	<b>148 238 709</b>
▪ Annual fees	119 219 809	114 906 835
▪ Restoration fees	10 074 626	13 451 308
▪ Examination fees	10 370 249	10 059 974
▪ Registration fees	7 279 951	7 430 174
▪ Accreditation fees	3 228 623	1 018 380
▪ Verification fees	1 183 256	1 009 182
▪ Enrolment and application fees	130 435	362 856
Revenue from products	<b>1 948 549</b>	<b>3 222 307</b>
▪ Sale of distinguishing devices	1 948 549	3 222 307
	<b>153 435 498</b>	<b>151 461 016</b>

15. Other income	2020 R	2019 R
Sundry income	217 266	150 853



16. Net surplus before tax	2020 R	2019 R
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Operating surplus for the year is stated after accounting for the following:

Audit remuneration (external) - fees	412 744	464 447
Audit remuneration (internal) - fees	307 897	324 423
Consulting fees	1 838 949	3 194 990
Depreciation and amortisation	<b>3 574 163</b>	<b>3 284 282</b>
▪ Depreciation on property, plant and equipment (note 2)	3 425 293	3 174 109
▪ Amortisation of intangible assets (note 3)	148 870	110 173
Employment costs	<b>81 973 700</b>	<b>73 592 797</b>
▪ Salaries	76 901 913	68 984 416
▪ Pension costs - defined contribution plans	5 071 787	4 608 381

17. Investment income	2020 R	2019 R
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Dividend income	8 718	80 283
▪ Listed financial assets	8 718	80 283
Interest income	35 706 632	33 586 391
▪ Short-term deposits	31 824 821	33 106 236
▪ Bank	3 881 811	480 155
	<b>35 715 350</b>	<b>33 666 674</b>

18. Interest paid		
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Employee benefit obligations	1 709 852	1 797 794
Other	-	2 939
	<b>1 709 852</b>	<b>1 800 733</b>

19. Cash generated from operations	2020 R	2019 R
Surplus before taxation	70 563 498	59 455 610
Prior period errors for 2019		960 070
Restated surplus		60 415 680
Prior period errors before 2019		107 332
<b>Adjustments for:</b>		
Depreciation and amortisation	3 574 163	3 284 282
Dividend income	(8 718)	(80 283)
Loss on disposal of property, plant and equipment	7 063	-
Loss due to scrapping of intangible assets	80 864	-
Profit on sale of property, plant and equipment	(9 028)	-
Bad debts-impairment	441 508	-
Interest income	(35 706 632)	(33 586 391)
Interest accrued on retirement benefit obligations	1 709 852	1 800 733
Payments made on retirement benefit obligations	(2 792 674)	(2 717 597)
<b>Changes in working capital:</b>		
Inventories	(733 203)	534 263
Trade and other receivables	892 016	(1 183 078)
Trade and other payables and employee benefit obligation	(7 653 598)	2 141 214
Deferred income	14 598 289	3 571 605
	<b>44 963 400</b>	<b>34 287 760</b>

	2020	2019
20. Contingencies	R	R

The Council is defending litigation and claims from the following:

- Metrofile is claiming an amount of R312 815 for services rendered. The SANC is of the opinion that contractually Metrofile is not entitled to the claim. While the liability is not admitted, if defence against the action is unsuccessful, legal cost could amount to R30 000.
- Seven employees were dismissed in January and May 2013 respectively after complete internal disciplinary hearings being conducted because of improper conduct during a protected strike during November 2011. The employees took the matter on review to the Labour Court. While liability is not admitted, if defence against the action is unsuccessful, legal cost could amount to R2 000 000.
- Member of the public is suing the Council jointly for medical expenses in the sum of R10 000, and damages for pain and suffering, unlawful and wrongful arrest, deprivation of freedom and discomfort in the sum of R390 000 and the estimated legal costs amounts to R30 000.
- Various appeal applications against the decisions of the Council, the total estimated legal costs assessed by the Council's legal attorneys amounts to R350 000 and for appeals R2 300 000.

Based on legal advice, the Council does not expect the outcome of the above matters to have a material effect on its financial position.

	2020	2019
21. Commitments	R	R

Expenditure contracted for but not recognised in the financial statements because the goods and services have not yet been rendered is as follows:

Property, plant and equipment	-	5 620 461
Information technology (IT) services	-	995 614
e-Business transformation project	-	-
Operational services	2 075 059	15 446 845
	<b>2 075 059</b>	<b>22 062 920</b>

Expenditure not yet contracted for but approved for future expenditure:

e-Business transformation project	34 450 000	30 535 665
Capital expenditure	41 976 097	22 229 000
Operational services	2 902 475	-

Contracted expenditure relates to contracts entered into with suppliers for a period ranging from 3 to 5 years to provide goods and services which include maintenance and support contracts for equipment, internal audit services, and transportation of examination papers amongst others.

Expenditure not yet contracted relates to capital expenditure and projects approved by Council.

22. Guarantee	2020 R	2019 R
Guarantee in favour of the South African Post Office	50 000	50 000

In 2005, First National Bank (FNB) became a guarantor to the South African Post Office (SAPO) for payment of all amounts which may become due and payable by the South African Nursing Council (SANC) for Postal Services to the maximum amount of R50,000. There was no specified term for the guarantee and the guarantor would be required to perform should SANC fail to pay for Postal Services. The performance risk by FNB in favour of the SAPO is very low as SANC has sufficient cash reserves to honour all debts that are due and payable.

23. Current tax	2020 R	2019 R
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The Council is exempt from taxation in terms of section 10(1) (cA)(i) of the Income Tax Act.

#### 24. Related parties

Relationships

Members of key management

Refer to note 25 and note 26

#### 25. Key management remuneration

	Annual salary	Allowances	Contributions to medical and pension funds	Total
<b>Key management personnel 2020</b>	<b>Amounts in Rands (R)</b>			
Registrar & Chief Executive Officer	2 050 892	18 000	152 361	2 221 253
Chief Financial Officer (Appointed 15 April 2019)	1 570 672	-	25 520	1 596 192
Senior Manager: Finance	1 172 767	-	-	1 172 767
Senior Manager: Legal Affairs (Appointed on 01 July 2019))	918 383	-	64 999	983 382
Senior Manager: Human Resources (Appointed on 01 October 2019)	677 452	-	63 406	740 858
Senior Manager: Marketing and Communication	1 204 412	-	83 550	1 287 962
Senior Manager: Education & Training	1 145 811	-	103 515	1 249 326
Senior Manager: Information Technology (Resigned on 30 November 2019)	876 640	6 800	75 054	958 494
	<b>9 617 029</b>	<b>24 800</b>	<b>568 405</b>	<b>10 210 234</b>

	Annual salary	Allowances	Contributions to medical and pension funds	Total
<b>Key management personnel 2019</b>	<b>Amounts in Rands (R)</b>			
Registrar & Chief Executive Officer	1 684 013	3 000	137 658	1 824 671
Chief Financial Officer	1 404 772	13 418	28 259	1 446 449
Senior Manager: Legal Affairs (resigned 30 September 2018)	489 942	-	37 453	527 395
Senior Manager: Human Resources (Resigned 31 December 2018)	796 964	-	20 880	817 844
Senior Manager: Marketing and Communication	1 012 121	-	77 091	1 089 212
Senior Manager: Education & Training	996 089	-	94 370	1 090 459
Senior Manager: Information Technology	1 042 829	10 200	106 823	1 159 852
	<b>7 426 730</b>	<b>26 618</b>	<b>502 534</b>	<b>7 955 882</b>

	2020 R	2019 R
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**26. Non-executive Councillors – 16th Council**

Makhene A	135 953	54 462
Nkonzo-Mtembu LL	117 608	36 690
Zuma SM (Vice-Chairperson)	91 725	62 373
De Swardt HC	80 718	43 455
Digamela MR	11 007	44 028
Gihwala DI	99 063	93 293
Ntshabele JT	69 711	50 793
Magoro TM	102 732	65 469
Geyer NM	124 746	39 786
Orton PM	99 063	36 117
Duma SE	77 049	39 786
Manthe W*	-	10 434
Rabotapi LL	99 063	33 021
Ngidi DQ	-	17 390
Matsomela MJ	66 042	33 021
Ramaila ZM	143 291	54 462
Newton F	88 056	47 124
Tshimomola R	58 704	-
Ally H	91 925	47 506
	<b>1 556 456</b>	<b>809 210</b>

\* - Resigned on 08 October 2018

**27. Going concern**

The annual 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.

**28. Events after the reporting period**

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

**29. Prior period errors**

**29.1. Trade and other receivables**

The Council identified a prior period error during the process of reviewing trade receivables. The errors have been corrected retrospectively by restating comparative figures in the current years' financial statements. The error relates to trade receivables outstanding that were actually settled.

	R
Balance previously reported	4 060 516
Correction of prior period error- trade receivables written off	(297 996)
Expected credit loss allowance reversed	297 996
Trade receivables raised	10 430
Vat reclassified under receivables	35 235
Vat portion on deferred income correction	81 727
Restated balance at 31 March 2019	<u>4 187 908</u>

**29.2. Deferred income**

The Council identified a prior period error during the process of reviewing deferred income. The errors have been corrected retrospectively by restating comparative figures in the current years' financial statements.

Balance previously reported	79 048 348
Trade receivable payments incorrectly included in deferred income	(133 500)
Income from Seta incorrectly recorded in deferred income during 2018	(196 655)
Income from Seta incorrectly recorded in deferred income during 2019	(39 529)
Correction of bank charges in deferred income during 2018	544 848
Vat portion on the correction of bank charges during 2018	81 727
Net revenue recognised from income received in advance during 2019	(911 475)
Net revenue recognised from income received in advance prior 2019	(285 430)
	<u>78 108 334</u>

29.3. Retained earnings

Balance previously reported	399 769 919
Unrecorded accreditation revenue during 2019	9 065
Expected credit loss allowance reversed during 2018	297 996
Net Revenue recognised from income received in advance during 2019	911 475
Net Revenue recognised from income received in advance prior 2019	285 430
Correction of bank charges during 2018	(544 848)
Overstatement of revenue during 2014	(127 900)
Income from Seta recorded in deferred income during 2018	196 655
Income from Seta recorded in deferred income during 2019	39 529
Restated balance at 31 March 2019	<b>400 837 321</b>



**Detailed Income Statement**

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

	Note(s)	2020 R	2019 R
<b>Revenue</b>			
Sale of distinguishing devices		1 948 549	3 222 307
Annual fees - registered and enrolled nurses		119 219 809	114 906 835
Restoration fees		10 074 626	13 451 308
Examination fees		10 370 249	10 059 974
Enrolment and application fees		130 435	362 856
Accreditation visits		3 228 623	1 018 380
Registration fees		7 279 951	7 430 174
Verification fees		1 183 256	1 009 182
	14	<b>153 435 498</b>	<b>151 461 016</b>
<b>Other income</b>			
Sundry income		217 266	150 853
	15	<b>217 266</b>	<b>150 853</b>
<b>Fixed and administration expenses</b>			
Advertising		(148 254)	(348 731)
Utility charges		(1 615 963)	(1 740 752)
Auditors remuneration (external)		(412 744)	(464 447)
Internal audit fees		(400 781)	(324 423)
Bank charges		(1 315 778)	(2 138 916)
Bad debts-impairment		(441 508)	-
Catering and refreshments		(853 911)	(822 355)
Cleaning		(650 340)	(652 826)
Computer expenses		(1 182 763)	(943 005)
Consulting fees		(1 843 449)	(3 194 990)
Depreciation and amortisation		(3 574 163)	(3 284 282)
Employee costs		(76 901 914)	(68 984 416)
Functions, seminars and workshops		(357 553)	(1 225 564)
Foreign exchange differences		123	(450)
General expenses		(630 732)	(579 237)
Gifts and promotional items		(143 251)	(97 349)
Hire of equipment and venue		(345 361)	(291 161)
Insurance		(169 243)	(149 354)
Legal expenses		(2 183 391)	(1 897 701)
Loss on disposal of property, plant and equipment		(7 063)	-
Meeting expenses - accommodation		(1 152 184)	(2 335 985)
Loss on disposal of intangible assets		(80 864)	-
Meeting expenses- examiners and invigilators		(2 238 767)	(2 169 941)



	Note(s)	2020 R	2019 R
<b>Detailed Income Statement (Continued)</b>			
Meeting expenses- members' allowances		(1 825 434)	(1 748 099)
Meeting expenses- translation and transcribing services		(503 000)	(397 973)
Meeting expenses- transport allowances		(551 791)	(458 775)
Motor vehicle expenses		(33 823)	(144 076)
Postage		(650 644)	(1 318 146)
Printing and stationery		(1 246 477)	(1 061 145)
Provident fund administrative costs		(5 071 787)	(4 608 381)
Publications		(23 015)	(23 465)
Purchase of materials		(1 228 068)	(1 880 028)
Recruitment costs and employee assistance		(720 227)	(827 253)
Repairs and maintenance		(721 683)	(780 186)
Security		(675 484)	(695 692)
Software expenses		(632 103)	(454 036)
Subscriptions		(2 779)	(17 991)
Telephone and fax		(612 626)	(1 137 899)
Training		(250 914)	(152 679)
Transport and freight		(3 864 199)	(12 979 469)
Travel		(1 830 856)	(2 730 952)
		<b>(117 094 764)</b>	<b>(123 062 130)</b>
<b>Results from operating activities</b>	16	<b>36 558 000</b>	<b>28 549 739</b>
Dividends received	17	8 718	80 283
Interest received	17	35 706 632	33 586 391
Finance cost	18	(1 709 852)	(1 800 733)
<b>Net surplus for the period</b>		<b>70 563 498</b>	<b>60 415 680</b>

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## Glossary

<b>AOP</b>	– Annual Operational Plan
<b>APC</b>	– Annual Practising Certificate
<b>CCMA</b>	– Commission for Conciliation, Mediation and Arbitration
<b>CEO</b>	– Chief Executive Officer
<b>CFO</b>	– Chief Financial Officer
<b>CHE</b>	– Council on Higher Education
<b>CPD</b>	– Continued Professional Development
<b>EFT</b>	– Electronic Funds Transfer
<b>ERP</b>	– Enterprise Resource Planning
<b>HEQSF</b>	– Higher Education Qualifications Sub-Framework
<b>HR</b>	– Human Resource
<b>HRRC</b>	– Human Resources and Remuneration Committee
<b>IA</b>	– Internal Audit
<b>ICT</b>	– Information and Communication Technology
<b>M&amp;E</b>	– Monitoring and Evaluation
<b>MMS</b>	– Membership Management System
<b>NDoH</b>	– National Department of Health
<b>NEI</b>	– Nursing Education Institution
<b>OHS</b>	– Occupational Health and Safety
<b>OHSC</b>	– Office of Health Standards Compliance
<b>PERSAL</b>	– Personnel and Salaries Management System
<b>PIC</b>	– Preliminary Investigating Committee
<b>PMO</b>	– Project Management Office
<b>SANC</b>	– South African Nursing Council
<b>SEIAS</b>	– Socio-Economic Impact Analysis System



**South African Nursing Council**

*Regulating nursing, advocating for the public*

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