



**SOUTH AFRICAN  
NURSING COUNCIL**

# ANNUAL REPORT 2012



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## ADMINISTRATION AND CORPORATE INFORMATION

### Registered Office

Physical Address	Postal Address
602 Pretorius Street	PO Box 1123
Arcadia	Pretoria
0083	0001

Tel: +27 12 420 1000

Fax: +27 12 343 5400

### Legal Form of the South African Nursing Council

The South African Nursing Council, established by Section 2 of the Nursing Act (Act No. 50 of 1978), continues to exist as a juristic person, notwithstanding the repeal of that Act by Act No. 33 of 2005.

### Description of the Nature of the South African Nursing Council's Operations and its Principal Activities

In accordance with the Nursing Act (Act No. 33 of 2005), the following are the main objectives of the Nursing Council:

- Serving and protecting the public in matters involving health services in general and nursing services in particular
- Performing functions in the best interest of the public and in accordance with national health policy as determined by the Minister
- Promoting the provision of nursing services to the inhabitants of the Republic that comply with universal norms and values
- Establishing, improving and controlling the conditions, standards and quality of nursing education and training within the ambit of the Nursing Act and any other applicable laws
- Maintaining professional conduct and practice standards for practitioners within the ambit of applicable laws
- Promoting and maintaining liaison and communication with all stakeholders regarding nursing standards, in particular standards of nursing education and training, as well as professional conduct and practice, both in and outside the Republic
- Advising the Minister on the amendments to or adaptation of the Nursing Act regarding matters pertaining to nursing
- Being transparent and accountable to the public in achieving its objectives and performing its functions
- Upholding and maintaining professional and ethical standards within nursing
- Promoting the strategic objectives of the Nursing Council.

## **Name of the Controlling Executive Authority**

The National Department of Health is the Executive Authority of the Nursing Council.

## **External Auditors**

Deloitte & Touché

Level of assurance: The Annual Financial Statements were audited in compliance with the applicable requirements of the Nursing Act of 2005.

Preparer/Compiler: The Annual Financial Statements were independently compiled by:  
Ernst & Young Advisory Services Proprietary Limited  
Director: Cleedon Botha CA (SA)

Supervised by: The Annual Financial Statements were prepared under the direction and supervision of the Chief Financial Officer, Richard M Somanje.

## **Attorneys**

Rooth and Wessels Attorneys

Raphela Inc

Moima Inc

Ngwenya Attorneys

## **Bankers**

First National Bank of South Africa

Absa Bank of South Africa

Investec

## **Vision**

Excellence in professionalism and advocacy for healthcare users.

## **Mission Statement**

To serve and protect healthcare users by regulating the Nursing and Midwifery Professions.

The Council will be guided by the following values:

- Advocacy
- Caring
- Quality
- Professionalism
- Innovation
- Relevance.

## MESSAGE BY THE REGISTRAR

It is exciting to observe the gradual improvement from the first Annual Report issued by the Council in 2011 to the current report. The Council's business and operations shows gradual improvement in service delivery turnaround time, whilst the number of nurses listed in the South African Nursing Council (SANC) Register increased drastically. In the period under review, there were 248,736 nurses listed in the SANC Register (Registered Nurses: 124,045, Enrolled Nurses: 58,722, and Enrolled Nursing Auxiliary: 65,969). The number of learners who wrote the SANC Examinations for different Nursing Education Programmes has increased significantly. To improve the credibility of SANC Examinations, the Examination Security System was reviewed and stringent security measures were applied. As a result, no examination leaks were recorded during the year under review. The system of moderation and marking of SANC Examinations was reviewed and the rationalisation of SANC Examination Centres is on-going. The Council developed the following new Draft Regulations which were sent to the Minister of Health for publication in the *Government Gazette* for public comment:

- Accreditation of Institutions as Nursing Education Institutions
- The Approval and Minimum Requirements for the Education and Training of a Nurse Leading to Registration as a Professional Nurse
- The Approval and Minimum Requirements for the Education and Training of a Nurse Leading to Registration as a Staff Nurse
- The Approval and Minimum Requirements for the Education and Training of a Nurse Leading to Registration as an Auxiliary Nurse.

The following Draft Regulations were submitted to the Minister of Health for promulgation after due consideration of public comment:

- The Fees and Fines Payable to SA Nursing Council
- The Particulars to be Furnished to the Council for the Keeping of the Register for Nursing Practitioners, the Manner of Affecting Alterations to the Register, and Certificates that may be Issued by the Council (amendment)
- The Institution and Conduct of Inquiries into the Alleged Unprofessional Conduct of persons registered with the SA Nursing Council
- Draft Notice for the Creation of the Category of Staff Nurse (Enrolled Nursing) to be Issued in Terms of Section 32(1) of the Act
- Unfitness to Practice
- Keeping, Supplying, Administering or Prescribing Medicines (Section 56).

The Council continued to work closely with nursing experts in developing the competencies of Advanced Practice Nurses (APNs). Significant progress has been made in this regard, and to date we have these draft competencies at various levels of development and/or finalisation. A generic competency framework and SANC's position paper on APN were both finalised, and are accessible to the profession through the SANC website. To enhance service delivery and staff performance, Senior Management for the first time rolled out a performance management system to all Managers, with the view to cascade this to all employees in the next financial year.

May I take this opportunity to thank Council members, staff and stakeholders for the continued guidance and support in ensuring that SANC delivers on its mandate during the year under review.



**Mr Tendani Mabuda**

Registrar and CEO  
SA Nursing Council  
28 February 2013

# REPORT BY THE CHIEF FINANCIAL OFFICER

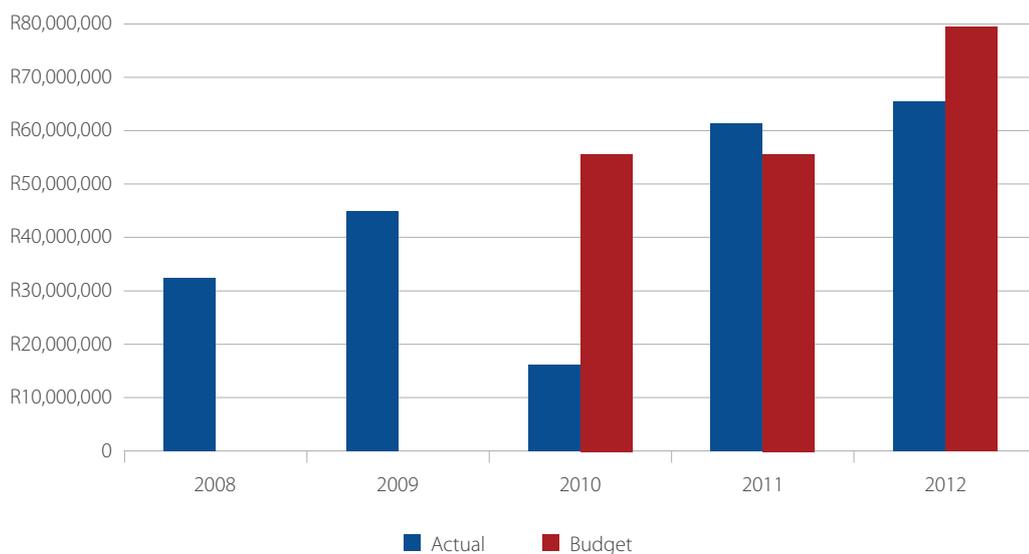
## Introduction

This report provides insight into the financial position and operating performance of the Council and should be read in conjunction with the Annual Financial Statements presented on pages 45 to 76. During the period under review, the Council performed exceptionally well. Below is an analysis of different income streams as well as selected Statement of Performance accounts over the past five years.

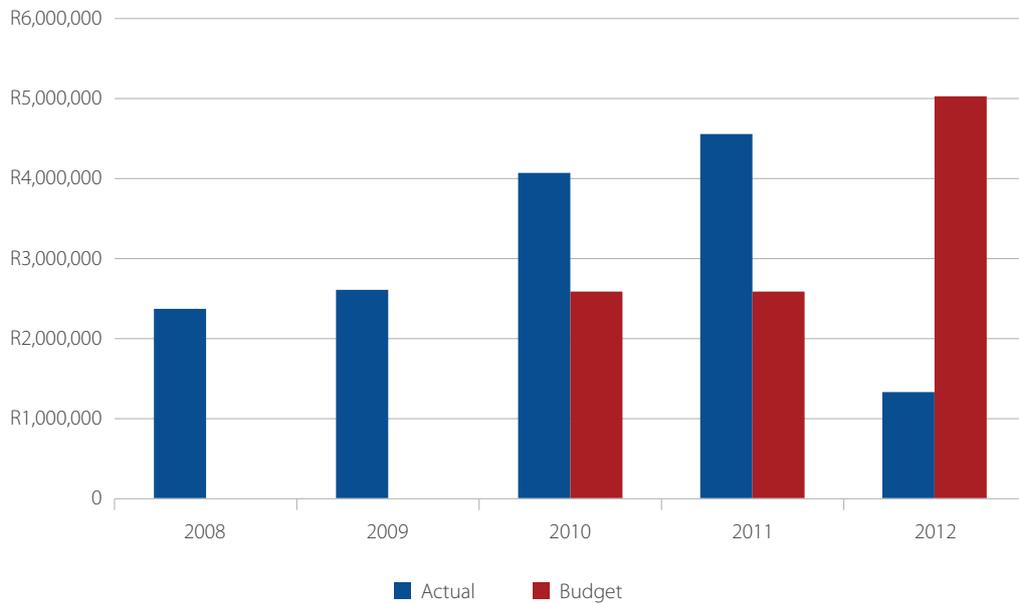
## Operating Performance

### Revenue

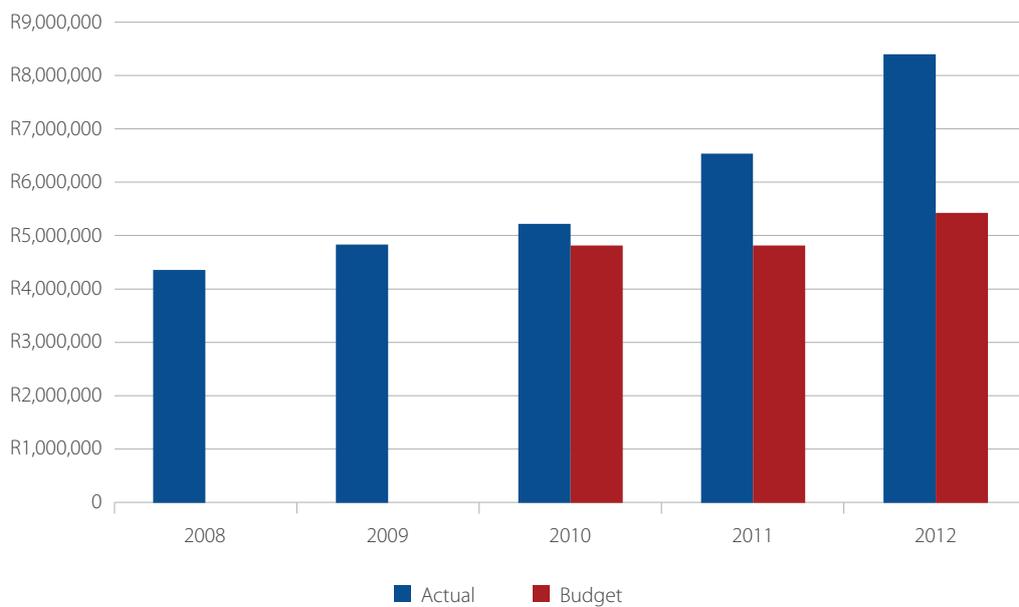
The annual fees for registered nurse practitioners increased by 6.5% to R65.4 million (2011: R61.4 million). The chart below reflects revenue trends over the financial years 2008–2012. The budget figures for the first three (3) financial years in the comparison were not available.



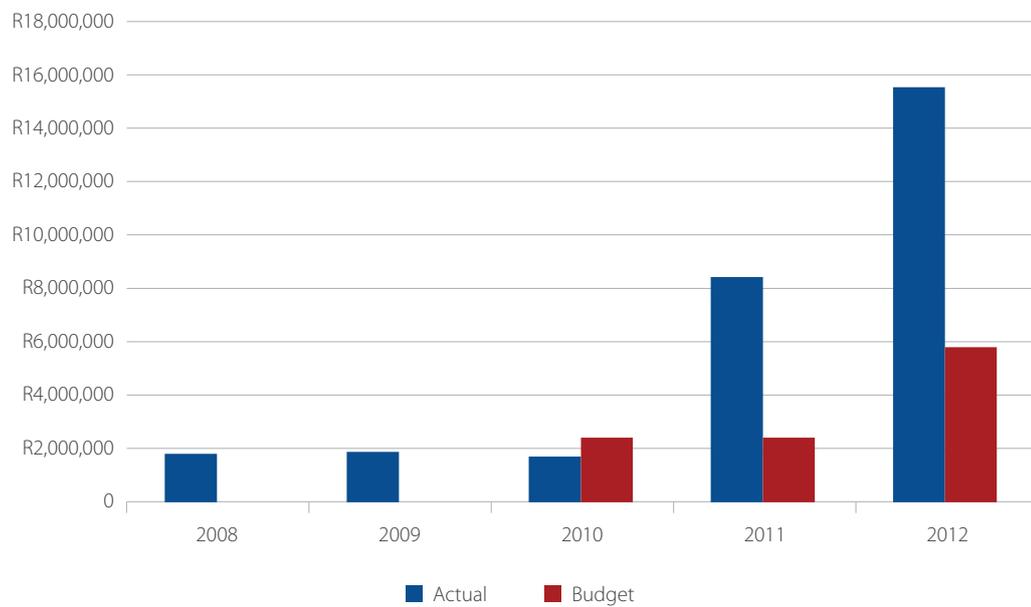
The income from registration fees decreased to R1.3 million (2011: R4.5 million), which equates to a reduction of 71.1%. This may be attributed to either a reduction in the number of learners to be registered and/or the backlog that is currently being experienced in the registration section. The chart below reflects the trend over the 2008–2012 financial years.



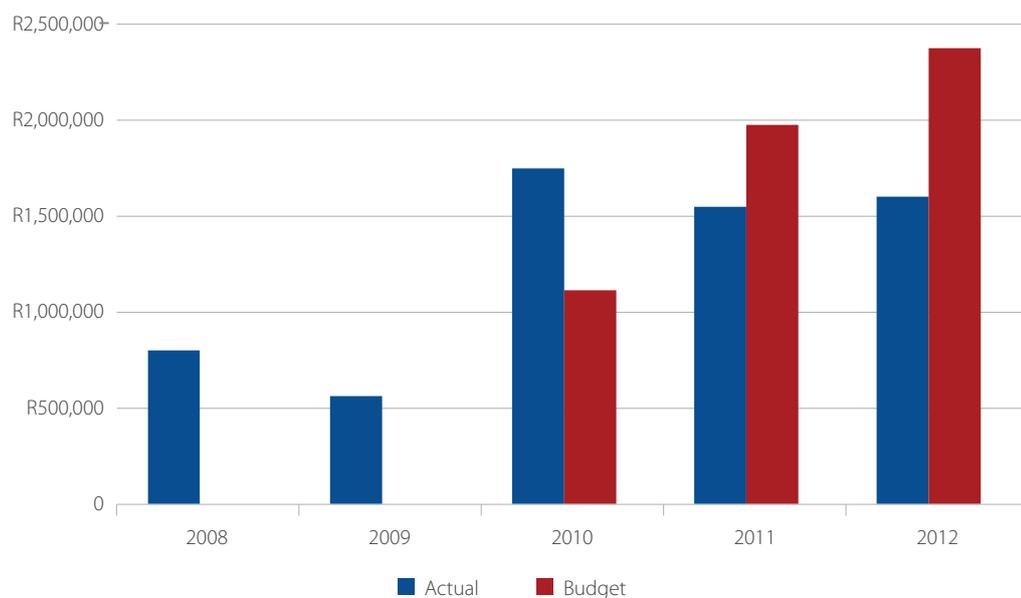
Examination fees have increased by 29.2% to R8.4 million (2011: R6.5 million), which is attributed to increase in number of candidates sitting for examinations. The trend over the five-year period is reflected below.



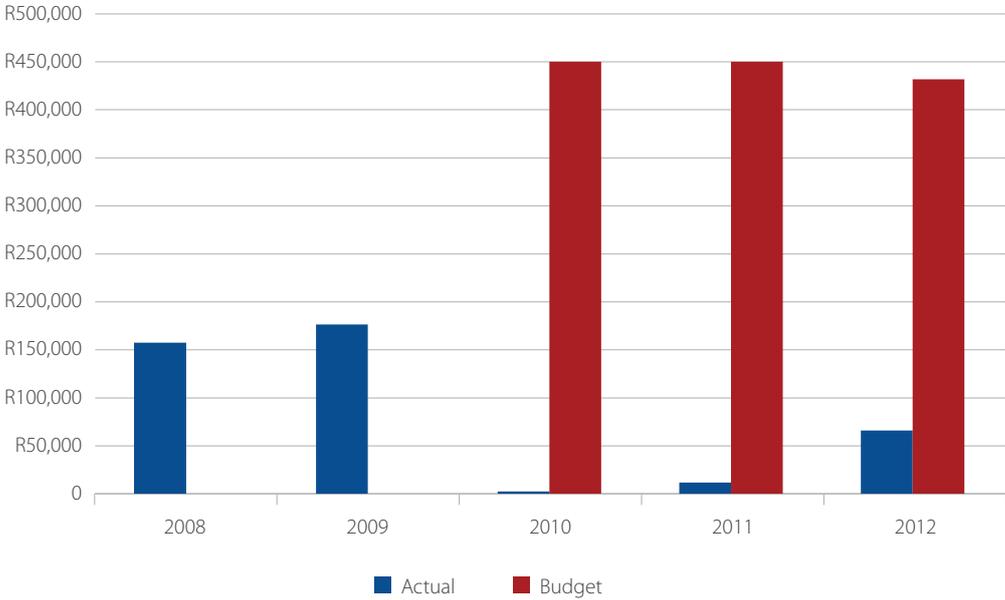
Restoration fees increased by 84.5% to R15.5 million (2011: R8.4 million), due to an increase in the number of nurse practitioners who restored during the period under review. Since 2011, the increase in restoration fees for each financial year was three (3) times the annual fees applicable in each nursing category, as illustrated below:



Sales of distinguishing devices (DDs) increased by 6.7% to R1.6 million (2011: R1.5 million), due to an increase in the number of nursing practitioners buying devices during the year under review.

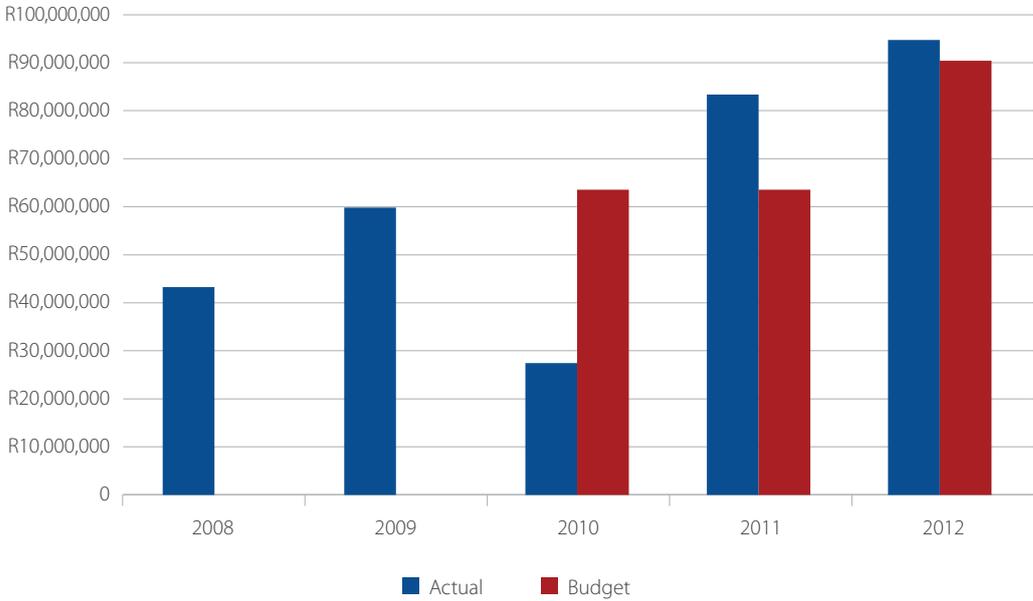


Accreditation fees have increased by 600.0% to R0.07 million (2011: R0.01 million), due to an increase in the number of Nursing Education Institutions (NEIs) visited during the year under review.

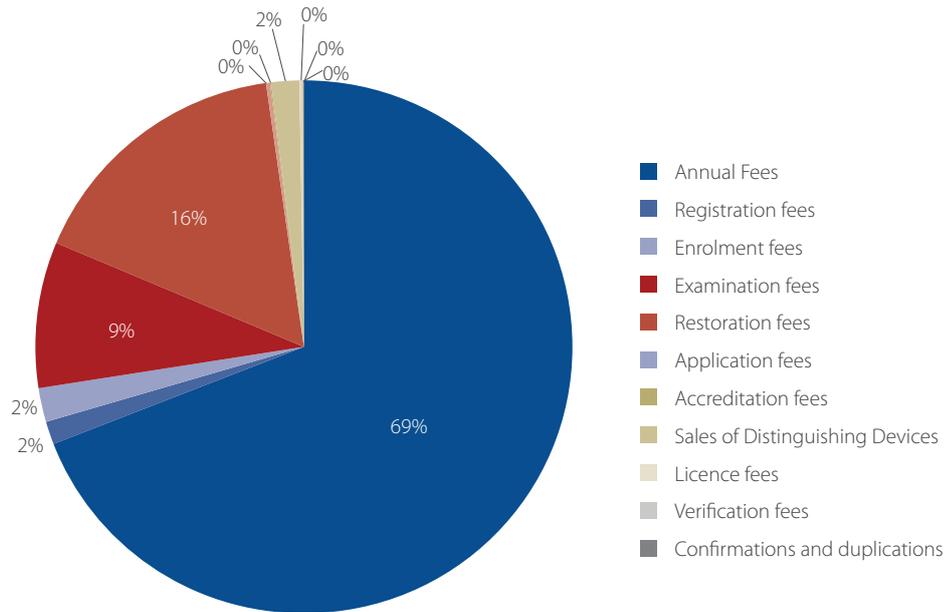


**Total revenue**

Total revenue over the five year period is as follows:



During the period under review, annual fees contributed 69.0% towards total revenue and were followed by restoration fees and examinations fees which contributed a mere 16.0% and 9.0% respectively. The remaining revenue streams contributed up to or far less than 2.0% to the total revenue earned, which is shared as follows:

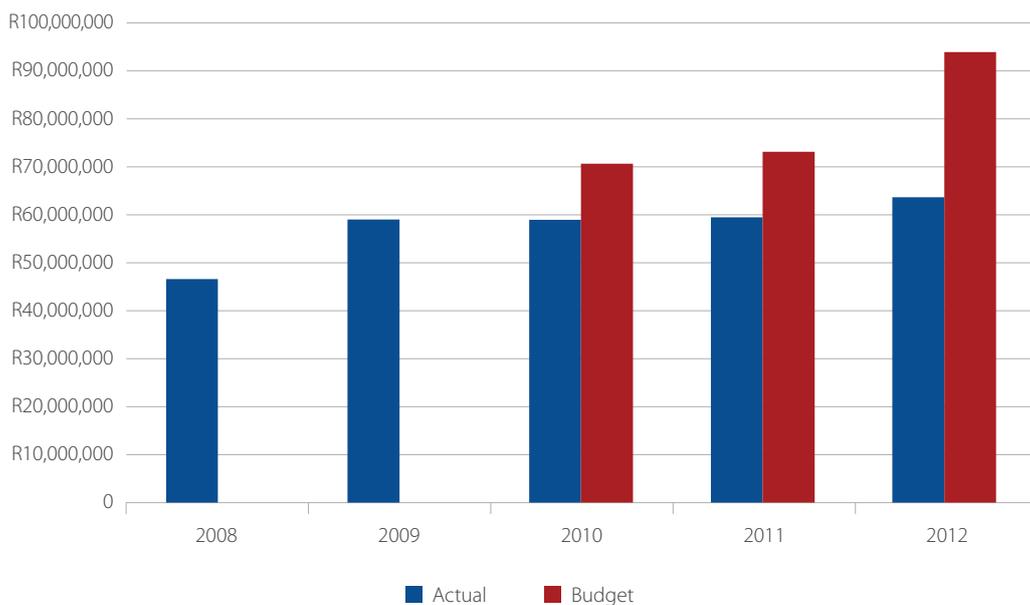


#### Other income

Other income, including rent received, sales of printed materials and sundry income, decreased by 73.9% to R0.6 million (2011: R2.3 million), mainly due to the correct allocation of money received from sundry income to relevant revenue stream. The sundry income has reduced to R0.3 million from R1.9 million in 2011 financial year.

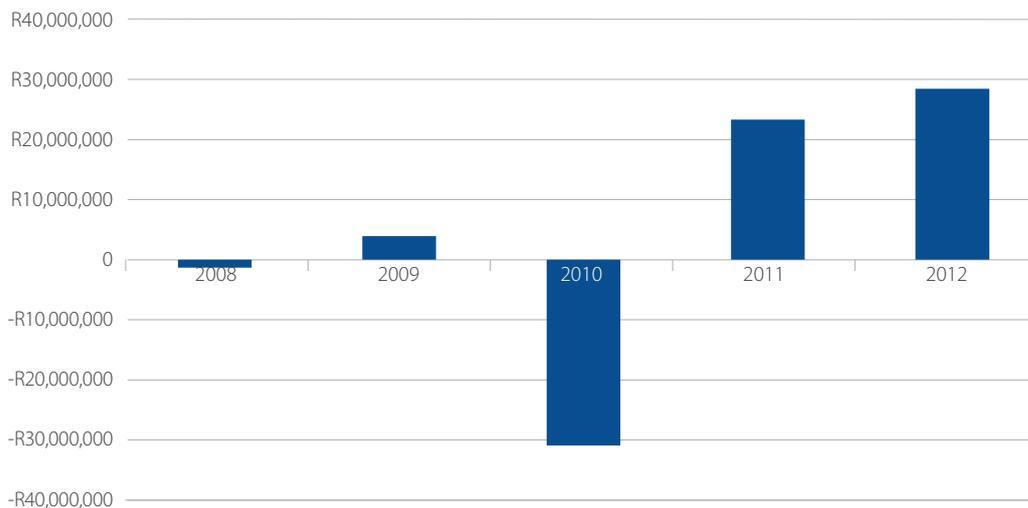
#### Fixed and administration expenses

The total fixed and administration expenses for the Council increased by 7.0% to R65.7 million (2011: R61.4 million), which is 69.4% (2011: 73.6%) of the total revenue and is in line with the Council's cost containment exercise.



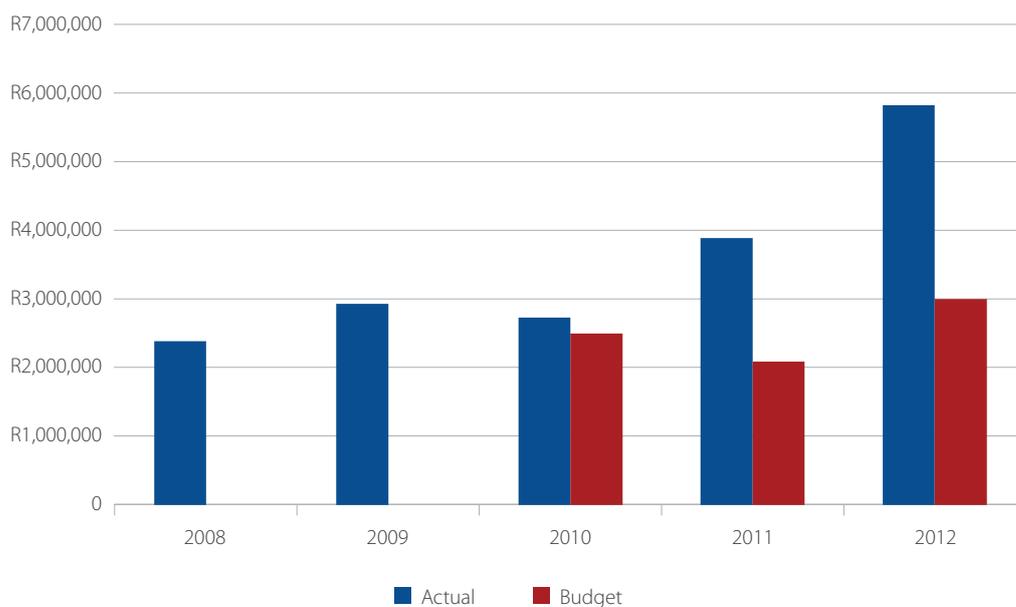
### Results from operating activities

The operating profit increased by 22.2% to R29.7 million (2011: R24.3 million), mainly due to an increase in the collections of annual and restorations fees during the period under review. The five-year trend is reflected below.



### Finance income

Finance income increased by 48.7% to R5.8 million (2011: R3.9 million) due to efficiency achieved in investing surplus funds which was not needed immediately, as well as sound financial management. The trend over the five-year period is reflected below.



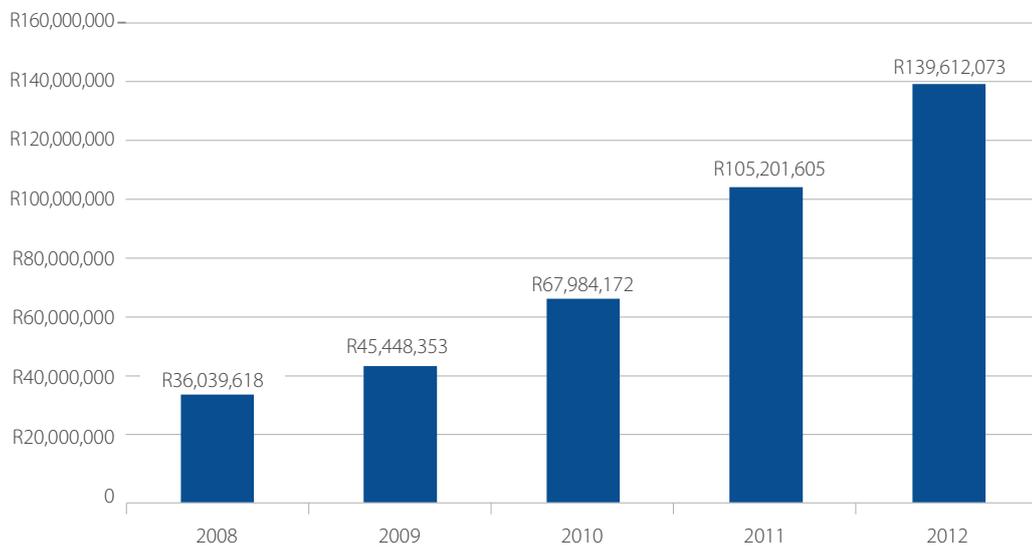
## Statement of Financial Position

### Property, equipment and motor vehicles

Property, equipment and motor vehicles reflect an increase of 10.5% to R49.6 million (2011: R44.9 million) due to reinstatement of land and buildings which were not revalued during 2011. Land has not depreciated. Overall, there have been no major changes in property, equipment and motor vehicles or any changes in the policies relating to its use during the period under review.

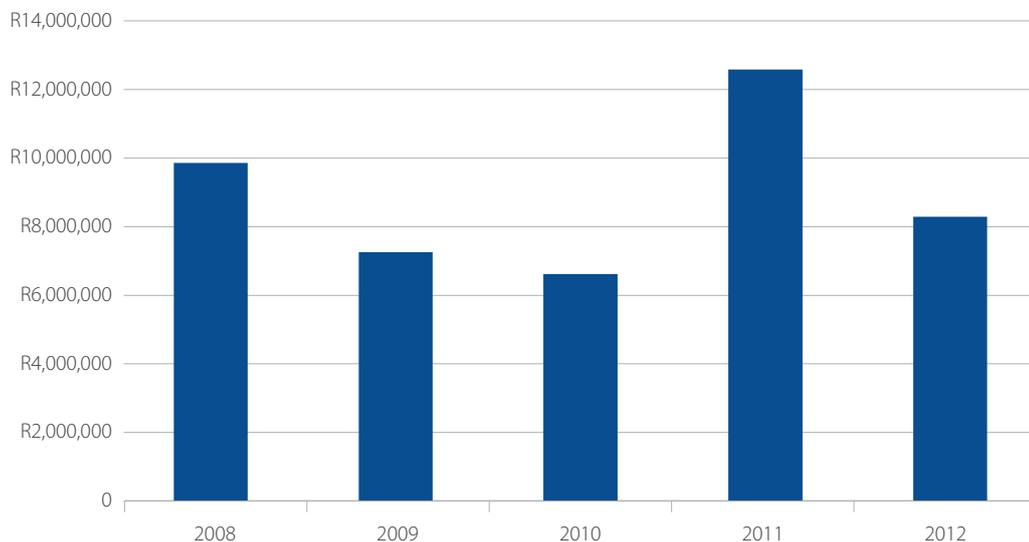
### Cash and cash equivalents

Cash and cash equivalents increased by 32.7% to R139.6 million (2011: R105.2 million), driven mainly by cash received for annual fees, examination and restoration, which amounts to R89.3 million.



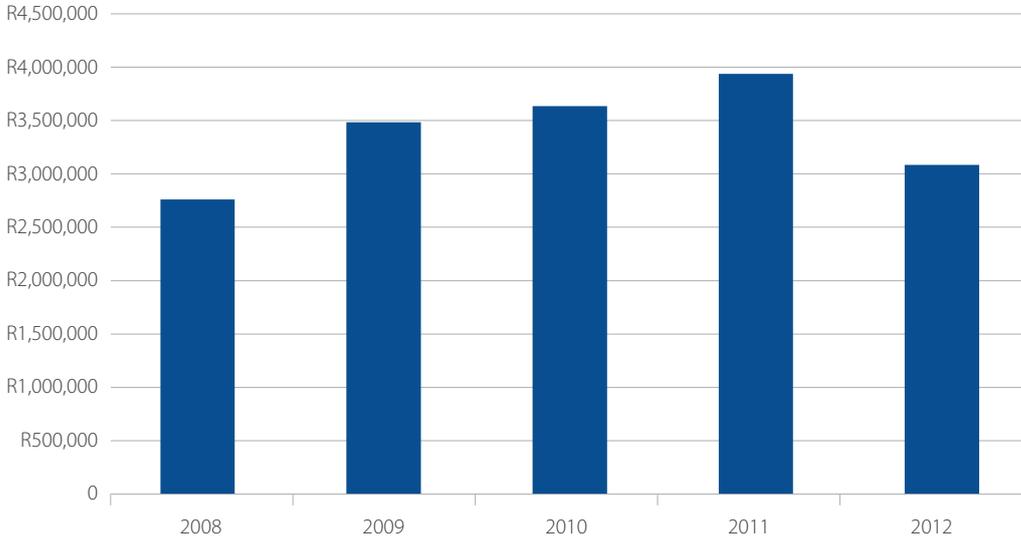
### Trade and other payables

Trade and other payables decreased by 34.1% to R8.3 million (2011: R12.6 million), attributed mainly to the reductions in accrued expenses, payroll liabilities and accrued leave pay, as listed below.



Leave pay accrual

Leave pay accrual decreased by 20.5% to R3.1 million (2011: R3.9 million), due to leave payouts to employees who retired.



# CORPORATE GOVERNANCE REPORT

## Council

The 15<sup>th</sup> Council of the South African Nursing Council commenced with its duties in 2013 and will continue up to 2018. It consists of no more than 25 members, 14 of whom must be registered in terms of Section 31(1)(a) and (b) of the Nursing Act. These members are appointed by the Minister, who takes into account their expertise in nursing, nursing education, community health, primary healthcare, occupational health and mental health. The remaining 11 members are appointed as follows:

- One person must be an officer of the National Department of Health
- One person must have special knowledge of law
- One person must have special knowledge of financial matters
- One person must have special knowledge of pharmacy
- One person must have special knowledge of education
- One person must have special knowledge of consumer affairs
- Three people must represent communities
- One person must be registered in terms of Section 31(1)(c) of the Nursing Act
- One person must be registered in terms of Section 31(1)(d) of the Nursing Act.

### Current and former Council members

#### *15<sup>th</sup> Council commenced in 2013*

Prof. BR Bhengu – Chairperson  
Dr S Vasuthevan – Deputy Chairperson  
Ms N Isaacs-Raiss  
Ms TR Mdlalose  
Ms MJ Dzebu  
Mrs IS Mokale  
Ms G Harper  
Prof. D Gihwala  
Prof. M Davhana-Maselesele  
Ms G Jeftha  
Prof. SP Human  
Prof. AJ Pienaar  
Ms E Jordaan  
Mr TM Manamela  
Ms DR Mohlabi  
Ms BC Ndlovu  
Ms DQ Ngidi  
Ms P Santho  
Ms A Thupane  
Ms NC Mokoape  
Ms TL Mkhonza  
Ms PJ Rammutla  
Mr FO Nyalungu  
Mr MN Chauke  
Mr JC Cloete

#### *14<sup>th</sup> Council term ended on 25 June 2013*

Ms NJ Makhanya – Chairperson  
Prof. MS Mogotlane – Deputy Chairperson  
Mr AN Alexander  
Prof. SE Duma  
Ms CM Erasmus  
Prof. RV Gumbi  
Prof. SP Human  
Ms G Jeftha  
Ms IS Mokale  
Ms G Harper  
Ms MD Ledwaba  
Ms IS Makwetla  
Prof. M Davhana-Maselesele  
Ms TR Mdlalose  
Prof. VC Nikodem  
Ms DN Nyasulu  
Dr AJ Pienaar  
Prof. BR Bhengu  
Dr WP Solombela  
Ms V Thompson  
Ms NJ Tshayinca  
Dr S Vasuthevan  
Ms PJ Rammutla  
Mr MN Chauke  
Ms P Zulu

## Chairperson

The Chairperson of the Council must:

- Ensure that every member of the Council signs the codes outlined in the Nursing Act and adheres to these codes;
- Convene meetings of the Executive Committee
- Liaise with or advise the Minister on issues relating to the Council
- Generally ensure that the Council performs its functions and fulfils its objectives in terms of the Nursing Act and complies with the relevant provisions of any other act
- Ensure that the budget of the Council is formulated in the prescribed manner and that the Council operates within such budget.

## Registrar

The Registrar reports to the Council and is responsible for the day-to-day activities of the South African Nursing Council and the implementation of policies and strategies approved by the Council.

## Council Committees

While the Council remains accountable and responsible for the performance and affairs of the South African Nursing Council, it delegates to its subcommittees and management certain functions to assist in properly performing its duties. Each subcommittee acts within agreed, written terms of reference. The Chairperson of each subcommittee reports to the Council at each of its regular meetings, and minutes of subcommittee meetings are made available to the Council. The established subcommittees are outlined below:

### Standing Committees

#### *Executive Committee*

Ms JN Makhanya (Chairperson)  
Prof. SP Human  
Ms IS Makwetla  
Prof. AJ Pienaar

Prof. SM Mogotlane (Deputy Chairperson)  
Prof. M Davhana-Maselesele  
Ms PF Zulu  
Ms PJ Rammutla

### Terms of Reference of the Executive Committee

The Executive Committee may, in terms of Section 14(5) of the Nursing Act, with the exception of Chapter 3 of the Act, perform all Council functions between Council meetings. This implies that it may determine and execute policy subject to subsequent ratification by the Council.

With regard to staff and finance issues, the Executive Committee is charged with the following responsibilities:

- Develops staffing policies and fulfils an oversight responsibility in the execution thereof
- Develops financial policies and fulfils an oversight responsibility in the execution thereof
- Ensures annual external auditing of the Council's financial records
- Considers the annual budget and submits it to the Council for approval
- Reviews quarterly expenditure statements
- Ensures adequate financial control
- Biannually reviews investment strategies for investment of excess funds
- Reviews the organisational structure of the Council as required
- Approves unbudgeted expenditure in accordance with its delegated responsibility
- Makes recommendations to the Council with regard to licensing and all other fees
- Makes recommendations to the Council with regard to salaries, conditions of service, etc.

### *Education Committee*

Dr S Vasuthevan (Chairperson)	Ms MD Ledwaba
Prof. SP Human	Ms CM Erasmus
Prof. SE Duma	Ms DM Nyasulu
Prof. AJ Pienaar	

#### **Terms of Reference of the Education Committee**

- Develops and reviews regulations and policies for Nursing Education and Training.
- Determines, develops and reviews standards, norms, criteria and quality indicators for Nursing Education and Training.
- Develops and reviews the Assessment and Moderation System for Nursing Education and Training.
- Develops and reviews qualifications for nursing. Investigates and manages complaints and non-compliances in respect of Nursing Education Institutions.
- Monitors and evaluates the implementation of regulations and policies in Nursing Education.
- Communicates with Nursing Education Institutions and relevant stakeholders regarding information pertaining to Nursing Education and Training.
- Provides support to Nursing Education Institutions to facilitate delivery of quality Nursing Education.
- Identifies research priorities and needs and collaborates with relevant stakeholders.

### *Accreditation Committee*

Prof. SE Duma (Chairperson)	Ms CM Erasmus
Prof. SM Mogotlane	Ms TR Mdlalose
Dr S Vasuthevan	Ms SI Mokale

#### **Terms of Reference of the Accreditation Committee**

The Accreditation Committee derives its terms of reference from Sections 4(1)(e), (j), (k) and 4(2)(f), (g), (h), (j); 39(c); 42(1)(b), (c); 52(1)(a)(b); 58(g); and 59(1)(a–d) of the Nursing Act, 2005 (Act No. 33 of 2005) and will support the Council to fulfil these functions.

Duties include:

- Reports to the relevant statutory body any non-compliance established after an inspection and investigation referred to in paragraph (d)
- Investigates and take action against Non-Accredited Nursing Education Institutions
- Withdraws or suspends accreditation of a Nursing Education Institution or Nursing Education Programme if the education or training provided does not comply with the prescribed requirements and informs the relevant licensing authority
- Accredits Nursing Education Institutions and Nursing Education Programmes and monitors all assessments by education and training providers in accordance with this Act or any other law
- Carries out quality control inspections in accordance with the prescribed conditions
- Determines the criteria for recognition by the Council of continuing professional development activities and accredited institutions offering such activities
- Furnishes the Council with any additional information required by the Council for purposes of accreditation or approval of the Education and Training Programme
- Investigates any matter relating to the education and training of learners for the qualification to practice the profession of nursing in terms of this Act
- Accreditation of institutions as Nursing Education Institutions.

### *Laws, Practice and Standards Committee*

Prof. SP Human (Chairperson)  
Ms G Harper  
Prof. BR Bhengu

Ms V Thompson  
Ms PF Zulu  
Ms SI Mokale

### **Terms of Reference of the Laws, Practice and Standards Committee**

The Terms of Reference include:

- Develops a regulatory framework in terms of the Nursing Act, 2005 (Act No. 33 of 2005)
- Reviews and develops Nursing Practice Regulations, Codes, Rules and Standards for Nursing Practice
- Reviews, develops, implements, monitors and evaluates standards for safe Nursing Practice
- Establishes the requirements for an inspectorate, i.e. health facilities, Nursing Agencies and Nursing Education Institutions
- Reviews and establishes the process for licensing of nurses
- Determines, reviews and develops the Scope of Practice for all categories of nurse practitioners
- Develops and implements a competence (CPD) system for nurses
- Reviews, develops, monitors, implements and evaluates the following Practice Standards: the Code of Conduct, Ethical Codes (including for research), Acts and Omissions and criteria for quality nursing
- Benchmarks and researches standards for Nursing Practice
- Consults with stakeholders on matters pertaining to Nursing Practice and legislation.

### *Preliminary Investigating Committee*

Ms CM Erasmus (Chairperson)  
Mr MN Chauke

Ms SI Mokale  
Mr AN Alexander

### **Terms of Reference of the Preliminary Investigating Committee**

The Preliminary Investigating Committee derives its mandate from Sections 46, 47, 50 and 52 of the Nursing Act, 2005 (Act No. 33 of 2005) and:

- (a) Considers complaints and cases of professional misconduct which arise from either inquest proceedings from the courts, or complaints lodged with the Council, or any other matters that come to the attention of the Council
- (b) Determines complaints lodged against a practitioner whether there is *prima facie* proof of the conduct complained of, and the conduct of the nurse is considered as unprofessional conduct.

The Committee must, after considering (a) and (b) above, decide that the case will not be pursued any further; the case be referred to the Professional Conduct Committee for an inquiry in terms of Section 46 of the Nursing Act; the defendant be offered the option of paying an admission of guilt fine in matters involving minor offences; the case be referred to the Impairment Committee for an inquiry in terms of Section 51 of the Nursing Act; the case be referred to any other Professional Council or Board where health practitioners other than nurses are involved; or that the case be referred to any other institution if the inquiry is outside the jurisdiction of the Council.

The Council may institute an inquiry into any complaint, charge or allegation of unprofessional conduct against a practitioner or a director, manager or owner of any agency registered in terms of the Act. On finding such person guilty of misconduct, the Council may impose any of the penalties contemplated in Section 47 of the Act, but in the case of a complaint, charge or allegation which forms or is likely to form the subject of a criminal case in a court of law, the Council may postpone the holding of an inquiry until such criminal case has been finalised.

In the absence of a complaint, charge or allegation, the Council may institute an inquiry into any alleged unprofessional conduct that comes to its notice. If the Council doubts whether the inquiry should be held in connection with a complaint, charge or allegation, it may consult with or seek information from any person, including the person against whom the complaint, charge or allegation has been lodged, to determine whether an inquiry should be held. The Committee monitors and reports on its performance on a quarterly basis.

### *Impairment Committee*

Prof. AJ Pienaar (Chairperson)  
Ms G Harper  
Prof. VC Nikodem

Ms PF Zulu  
Ms NJ Tshayinca

### **Terms of Reference of the Impairment Committee**

The Impairment Committee derives its terms of reference from Section 51 of the Nursing Act, 2005 (Act No. 33 of 2005), which states:

“Whenever it appears to the Council that a person registered in terms of the Act is or may be incapacitated as a result of disability or is or may be impaired, whether mentally or otherwise, the Council must appoint a committee to conduct an inquiry in the prescribed manner.

If the Council, after holding an inquiry, finds the person registered in terms of the Act incapacitated or impaired as referred to in subsection (1), the Council may (a) allow that person to continue practicing the profession and in the case of a learner to continue with the education programme under such conditions as it may think fit; or (b) suspend that person for a specified period or stop that person from practising and, in the case of a learner, from continuing with his or her education and training programme.

If a person referred to in subsection (2) applies for reinstatement, the Council must evaluate the person’s ability to continue practicing and may extend or withdraw the period of operation of the suspension. Section 49 must, with the necessary changes, apply in respect of a practitioner suspended in terms of subsection (2). A practitioner registered under this Act who contravenes or fails to comply with the provision of subsection (2)(a) or (b) is guilty of an offence. The committee referred to in subsection (1) may appoint persons with relevant expertise and experience as assessors to advise such committee.”

### *Professional Conduct Committee*

Prof. BR Bhengu (Chairperson)  
Prof. SM Mogotlane  
Ms DM Nyasulu  
Ms MD Ledwaba

Ms TR Mdlalose  
Ms G Jeftha  
Ms V Thompson

### **Terms of Reference of the Professional Conduct Committee**

The Terms of Reference for the Professional Conduct Committee were derived from Chapter 3, Sections 46 and 47 of the Nursing Act, 2005 (Act No. 33 of 2005).

The Committee:

- Holds inquiries in terms of the Nursing Act
- Considers all matters in the best interest of the public and the profession
- Establishes a legislative framework for professional conduct
- Ensures compliance with the legislative framework
- Reports and refers any non-compliance or any other matter to the relevant bodies
- Ensures that findings of the Professional Conduct Committee are published in the *Government Gazette*
- Appoints experts or assessors in terms of Section 47(11)
- Monitors and reports on its performance on a quarterly basis in a format determined by the Council.

### *Human Resource Committee*

Ms G Jeftha (Chairperson)  
Ms G Harper  
Ms TR Mdlalose

Prof. RV Gumbi  
Prof. SM Mogotlane  
Dr S Vasuthevan

#### Terms of Reference of the Human Resource Committee

- Ensures that there is human capital for the optimal functioning of the Council.
- Determines governance and administration structure aligned to the strategy of the Council.
- Develops governance and administration structures aligned to the strategy of the Council.
- Develops capacity amongst Council Committees to implement the strategy.
- Develops HR Policies for the effective functioning of the organisation.
- Monitors compliance with HR Policies and provisions of the Nursing Act.
- Develops business profiles for the Council and Council Committees.
- Develops and implements the Performance Management System to monitor the performance of Council and its Committees against set objectives.

#### *Finance Committee*

Ms PJ Rammutla (Chairperson)  
Prof. M Davhana-Maselesele  
Ms IS Makwetla

Prof. SM Mogotlane  
Ms V Thompson

#### Terms of Reference of the Finance Committee

- Develops, plans, implements, monitors and evaluates financial requirements in terms of the Nursing Act and takes into account the policies and procedures, as well as for the Financial System, i.e. assets, cash management, investment, supply chain management and Risk Management System.
- Provides technical support to the Chairperson for the preparation, approval and implementation of the annual budget in accordance with the provisions of the Nursing Act.
- Supports the Council to comply with all financial reporting requirements.
- Advises Council on appropriate remuneration and benefits, including advice in terms of provident fund, post-retirement medical aid and conditions of service.

#### *Communication and Marketing Committee*

Prof. SP Human (Chairperson)  
Mr MN Chauke

Mr AN Alexander  
Prof. AJ Pienaar

#### Terms of Reference of the Communication and Liaison Committee

- Recommends and facilitate an overall Communication Strategy for the South African Nursing Council that includes:
  - i. An external communication strategy
  - ii. An internal communication strategy; and
  - iii. A media strategy.
- Recommends the Communication Policy for the Nursing Council to implement the Communication Strategy.
- Ensures that communication procedures and guidelines are in accordance with the strategy of the Nursing Council.
- Recommends and implements monitoring mechanism for monitoring the implementation of the Communication Strategy of the Nursing Council and that all communication is in accordance with the Communication Policy and the Communication Plan of the Nursing Council.

#### *Audit and Risk Committee*

Ms T Ndou (Chairperson)  
Ms MD Ledwaba

Mr M Kwaza  
Ms IS Makwetla

### Terms of Reference of the Audit and Risk Committee

- Reviews risk management and internal control.
- Deals with the appointment or dismissal of Internal Auditors and External Auditors.
- Reviews the Annual Financial Statements before and after the audit and determines whether they are complete and consistent with the information known to Committee members.
- Reviews the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any fraudulent acts or non-compliance.

### Attendance of Council, EXCO, Audit and Risk and Finance Committee Meetings

Council Members	Council										EXCO		Audit and Risk				Finance			
	04/04/2011	28/06/2011	29/06/2011	27/09/2011	28/09/2011	23/11/2011	08/12/2011	28/03/2012	29/03/2012	Total	10/06/2011	Total	20/05/2011	15/09/2011	14/02/2012	Total	15/06/2011	15/03/2012	Total	
Mrs JN Makhanya <i>Chairperson</i>	x	x	✓	✓	✓	✓	✓	✓	✓	7	✓	1								
Prof. MS Mogotlane <i>Deputy Chairperson</i>	✓	✓	✓	x	✓	x	✓	✓	✓	7	x	0						✓	✓	2
Mr AN Alexander	✓	✓	✓	✓	✓	✓	✓	✓	✓	9										
Dr SE Duma		✓	✓	x	x	x	✓	✓	✓	5										
Mrs CM Erasmus	✓	✓	✓	✓	✓	✓	✓	✓	✓	9										
Prof. RV Gumbi	x	✓	x	✓	x	✓	✓	x	x	4										
Prof. SP Human	✓	✓	✓	✓	✓	✓	✓	✓	✓	9	✓	1								
Mrs G Jeftha	✓	✓	✓	✓	✓	✓	✓	x	x	7	✓	1								
Mrs MD Ledwaba	✓	✓	✓	x	x	x	x	✓	✓	5										
Mrs IS Makwetla	x	✓	✓	✓	✓	x	x	✓	✓	6	✓	1	✓	✓	✓	3	✓	x	1	
Prof. M Maselesele	✓	✓	✓	✓	x	✓	✓	✓	✓	8	✓	1								
Ms TR Mdlalose	x	✓	✓	✓	✓	✓	✓	✓	✓	8										
Mrs IS Mokale	x	✓	x	✓	✓	✓	✓	✓	✓	7										
Prof. VC Nikodem	x	x	x	✓	✓	✓	✓	x	x	4										
Mrs DN Nyasulu	✓	✓	✓	✓	✓	✓	✓	✓	✓	9										
Dr AJ Pienaar	✓	✓	✓	x	x	x	✓	✓	✓	6	x	0								
Mr GW Pitso	x	x	x	x	x	x	x	x	x	0										
Dr WP Solombela	x	✓	✓	✓	✓	✓	✓	✓	✓	8										
Ms BR Bhengu	✓	✓	✓	✓	✓	✓	x	x	x	6										
Mrs MJ Teffo	x	x	x	x	x	x	x	x	x	0										
Ms V Thompson	x	✓	x	x	x	✓	✓	x	✓	4								✓	✓	2
Ms NJ Tshayinca	✓	✓	✓	✓	✓	✓	✓	✓	✓	9										
Dr S Vasuthevan	x	✓	✓	✓	✓	✓	✓	✓	✓	8			x	x	x	0				
Ms P Zulu	✓	✓	✓	x	x	x	✓	✓	✓	6	✓	1								
Ms RN Xaba	x	x	x	x	x	x	-	x	-	0	-	0						✓	✓	2
Mr M Mhlongo	o	o	o	o	o	o	o	o	o				✓	o	o	1				
Mr B Mbewu	o	o	o	o	o	o	o	o	o				✓	✓	✓	3				
Ms T Ndou	o	o	o	o	o	o	o	o	o				✓	✓	✓	3				

✓ In attendance    x Apology    - Did not attend    o Not a member

## **Audit and Risk Committee**

This Committee was formally established during the year under review and held its first meeting on 20 May 2011.

## **Risk Management**

The Risk Management Strategy is not in place. The Council will prioritise the development of a Risk Management Strategy in the next financial year.

## **Internal Control**

A Internal Control System is in place, based on internal policies and procedures. The External Auditors will consider elements of the Internal Control System as part of their audit and will communicate any deficiencies when identified.

The Council's Internal Control System is designed to provide reasonable and not absolute, assurance on the integrity and reliability of the Financial Statements; to safeguard, verify and maintain accountability of its assets; and to detect fraud, potential liability, loss and material misstatement, while complying with applicable laws and regulations.

The work that was performed during the year under review in developing and implementing financial policies and procedures further strengthens the internal control environment. The Council evaluated its Internal Control System on 31 March 2012 with regard to financial reporting and the safeguarding of assets against unauthorised purchases, use or sales. During the year under review, the Internal Control System revealed non-compliance with certain Sections of the Nursing Act, 2005.

## **Internal Audit**

The Council outsourced its Internal Audit function to KPMG on 30 March 2012. The risk assessment, Internal Audit Plan and internal audits will be completed in the next financial year.

# REPORT OF THE COUNCIL

## for the year ended on 31<sup>st</sup> March 2012

### **Nature of the business**

The Council is a regulator of the Nursing Profession. Its operations and principal activities are listed on page 2.

### **Financial results and review of operations**

The financial results of the Council are set out on pages 45 to 76. A detailed review of the activities of the Council is contained in the executive overview on pages 24 to 34.

### **Performance information report**

The Council's annual performance against the plans for the year under review is set out on pages 35 to 36.

### **Provident Fund**

The rules to convert the defined benefit to a defined contribution plan was approved. Subsequently the provident fund was transferred to an umbrella fund during the period under review. The old provident fund will be closed once certain processes have been completed. The Council has undertaken to settle any obligations that may arise as a result of this conversion.

### **Post-employment medical aid benefits**

The Council provides post-employment medical aid benefits to all former employees and widow(er) members who participate in the Bestmed Medical Scheme, Bonitas Medical Fund and Oxygen Medical Scheme.

The South African Statements of Generally Accepted Accounting Practice requires that the Council accounts for its post-employment medical aid benefit liabilities by recognising the liability in the statement of Financial Position and the related expenditure in the Statement of Comprehensive Income, in line with IAS 19 (AC116).

An actuarial valuation was performed on 31 March 2012 and it was reported that the contractual liability amounted to R25,660,104 (2011: R22,918,648). The post-employment medical aid benefit was valued at R21,667,906 in 2011, however, a prior year period adjustment of R1,250,742 was performed to reflect the correct life expectancy of the members.

### **Investments**

The Council's investments reflected in note 5 of the Annual Financial Statements arose when Sanlam and Old Mutual demutualised.

### **Disposal of property**

The property situated in Bisho was carried at a value of R500,000 in 2011. However, a prior period adjustment of R400,000 was made to increase the value of the property to R900,000 which is the fair value of the property in 2011.

The Council decided to dispose of its share of the property held in Bisho (valued at R900,000), which is jointly held with the Health Professional Council of South Africa (HPCSA) during the year under review. The proceeds less legal fees of R789,433 was transferred on 5 July 2011.

### **Risk of exposure to litigation**

The Council is defending action brought by the Nursing Education Institution. While the liability is not admitted, if defence against the action is unsuccessful, fines and legal costs could amount to R12.6 million. Based on legal advice, the Council does not expect the outcome of the action to have a material effect on the Council's financial position. This exposure is reflected for purposes of disclosure as the matter is still pending.

### **External Audit Report**

The audit of the Annual Financial Statements for the South African Nursing Council for the year ended 31 March 2012 was performed by Deloitte & Touché. The Auditors have issued a disclaimer audit opinion.

During the period under review, the Auditor issued a reportable irregularities letter to the Independent Regulatory Board for Auditors, stating that the financial records and controls are very weak; financial accounts were not appropriately reconciled; financial records were not appropriately supported; and the Financial Statements and Annual Report were not submitted on time to the Council. As such, a number of provisions of the Nursing Act in respect of the following sections have not been complied with:

- Section 19: Duties of the Registrar
- Section 20: Accounting duties of the Registrar
- Section 22: Bank Account of the Council
- Section 29: Corporate Governance.

Management responded to the Auditors within the required timeframe, indicating precisely what measures will be implemented in order to comply with the above-mentioned sections of the Act. Since these issues were identified at the end of current year, they will be implemented in the next financial year.

### **Going concern**

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

### **Events after the reporting period**

The Council is not aware of any other matters or circumstances arising since the end of the financial year, or any other matters not otherwise dealt with in the Annual Financial Statements which may significantly affect the financial position of the South African Nursing Council or the results of its operation.

## EXECUTIVE OVERVIEW

### Deputy Registrar: Professional Practice

The Professional Practice division has seen several positive milestones during the year under review, including an increase in the staff complement from three (3) to five (5) staff members. The summary below highlights some of the achievements during the year under review.

A position paper was developed to define an Advanced Practice Nurse in South Africa, in order to address the professional registration dilemma after acquisition of post-basic courses and additional qualifications. The lack of clarity for the latter level has affected career pathing for nurses for many years. Using Section 31(2) of the Nursing Act, the Council takes the position that an Advanced Practice Nurse in South Africa is a Nurse Specialist or Midwife Specialist who have acquired additional qualifications and demonstrate in-depth knowledge and clinical expertise within areas of their respective specialisations.

In order to define parameters within which different categories of nurses function, a Scope of Practice document was developed for the Professional Nurse, Midwife, Staff Nurse and Auxiliary Nurse. This will inform the Scope of Practice Regulations for the said categories.

In order to provide clarity on the level and complexity of practice of Nurse and Midwife Specialists, the Council engaged in a process of developing competencies (Scope of Practice) for Nurse/Midwife Specialists. This was achieved through consultative workshops with specialist nurses in various specialisations. Seven (7) sets of competencies were drafted during the year under review, including but not limited to Nursing Education, Critical Care Nursing, Palliative and Oncology Nursing, Operating Theatre Nursing and Nursing and Health Management.

In order to respond to the provisions of Section 56 of the Nursing Act, Regulations Relating to Keeping, Supply, Administering or Prescribing or Dispensing of Medicines by the Registered Nurse were developed and published for public comment. These have not been promulgated due to the identified need to review Section 56 of the Nursing Act.

A process of amending Regulations on Keeping of the Register was initiated and completed during this reporting period. This was meant to assist with translating the categories in the Nursing Act, 1978 to those provided for in the Nursing Act, 2005, with specific focus on the Staff Nurse category. This will help create the category of Staff Nurse (Enrolled Nursing).

In its quest to improve and to respond to the need for competence of nurse practitioners, an initiative towards the establishment of the Continuing Professional Development (CPD) learning session (Benchmarking Workshop) was conducted to learn best practice.

The Professional Practice division functions as the Secretariat for the Laws, Practice and Standards Committee, whose main function is to develop Regulations Related to Nursing Practice as well as to oversee and review those developed by other committees.

The Committee had four (4) sittings during the period under review. During this period, four sets (4) of draft regulations were submitted to the National Department of Health for consideration and publication for public comment namely: Regulations Relating to Acts and Omissions in Respect of which the Council may Take Disciplinary Action Against a Nurse; Regulations Relating to the Institution and Conduct of Inquiries into Alleged Practice; Unprofessional Conduct of Persons Registered with the South African Nursing Council; Regulations Relating to the Institution and Conduct of Inquiries into Alleged Unfitness to Practice due to Disability or Impairment of Persons Registered with the South African Nursing Council; and Regulations Relating to Appeals Against Decisions of the Council.

The Department further supported the Impairment Committee. During the period under review, the Committee had three sittings during which 33 enquiries were conducted, and some of its decisions are being implemented.

### Senior Manager: Provider Affairs (Nursing Education and Training)

This division comprises three (3) sections, namely Accreditation, Assessments and Registration. The division executed its activities in line with approved strategic objectives and operational plans. The policies and curriculum guidelines for the New Nursing Qualifications were developed and revisions were made to the Policy and Guidelines of Recognition of Prior Learning (RPL). These policies and guidelines were sent to the Nursing Education Institutions and stakeholders, including the National and Provincial Departments of Health. These policies and guidelines were posted on the SANC website for easy access by the Nursing Profession and relevant stakeholders. The division developed an e-learner registration system which is to be piloted before it is rolled out to all Nursing Education Institutions. To improve efficiency and turnaround time in the division, standard operating procedure (SOPs) were revised and will be implemented. Accreditation and assessment improved in terms service delivery and attending to the Nursing Profession's queries.

### Senior Manager: Legal Affairs

The Legal Affairs Section of Council was referred to as the Professional Practice Division. In June 2010 a decision was taken to formally separate it from the Practice Division to a standalone Legal Affairs Section.

The core functions of the Section are to:

- Provide corporate legal support services to the SANC
- Draft legislation and regulations
- Investigate complaints against nursing practitioners pertaining to unprofessional conduct
- Conduct inspections and investigations of non-accredited nursing educational institutions
- Prosecute in an enquiry into any complaint of unprofessional conduct against any practitioner
- Render legal support to committees.

#### Critical milestones

In adhering to its functions in terms of the Nursing Act, the Legal Affairs Section renders its services primarily in the following committees of Council:

#### *Preliminary Investigating Committee*

The function of the Committee is to investigate all matters of alleged unprofessional conduct submitted to it by the Section and based on the evidence, to determine whether a case should be referred for a professional conduct enquiry and, in the event of minor offences from time to time, to recommend an option of an admission of guilt fine.

In the period under review, the Committee had four (4) sittings and considered 258 cases which were noted by Council.

The Committee also conducted 12 inspections *in loco* as part of its investigation duties in various provinces.

#### *Professional Conduct Committee*

The function of the Committee is to conduct an enquiry or hearing into any complaint or allegation of unprofessional conduct, referred to it by the Preliminary Investigating Committee.

During the period under review, the Committee had seven (7) sittings in two (2) provinces (Gauteng (Pretoria) and Northern Cape (Kimberley)) to hear cases referred to it. During these sittings, 35 cases were considered and 11 were finalised, i.e. conviction and sentencing. The cases were dealt with under the old dispensation, i.e. cases that arose prior to June 2008.

One (1) nurse was removed from the Register during this period.

## Manager: Human Resources

The Human Resources Division is responsible for the management of human resource practices and reports to the Office of the Registrar. The Division is, *inter alia*, responsible for the:

- Development and implementation of the HR Strategy
- Facilitation and maintenance of sound labour practices and a sound labour climate
- Development and implementation of effective Human Resource policies and procedures
- Management of employee benefits and remuneration
- Provision, development and retaining of human capital
- Implementation of a Performance Management System
- Management of employee wellbeing.

In the year under review, four (4) policies were approved.

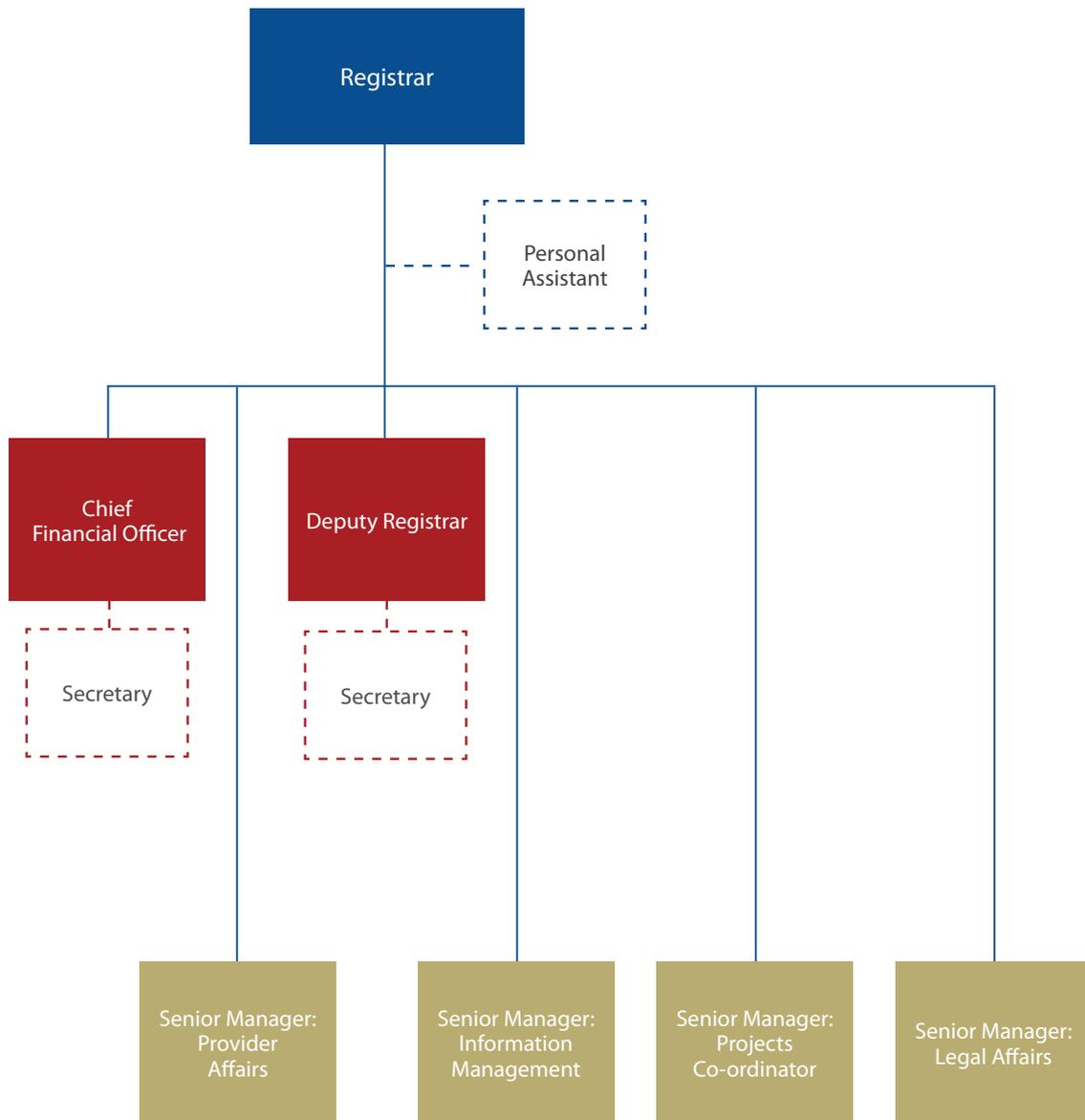
### Organisational structure

The Registrar is the Accounting Officer of the Council and is responsible for the implementation of the Council's policies, including its five-year Strategy, ensuring effective corporate governance and ensuring that the Council fulfils its role and responsibilities as prescribed in the Nursing Act.

Subsequent to the restructuring of Top Management in the organisational structure various other posts were created at Middle Management, Professional Advisor and other levels.

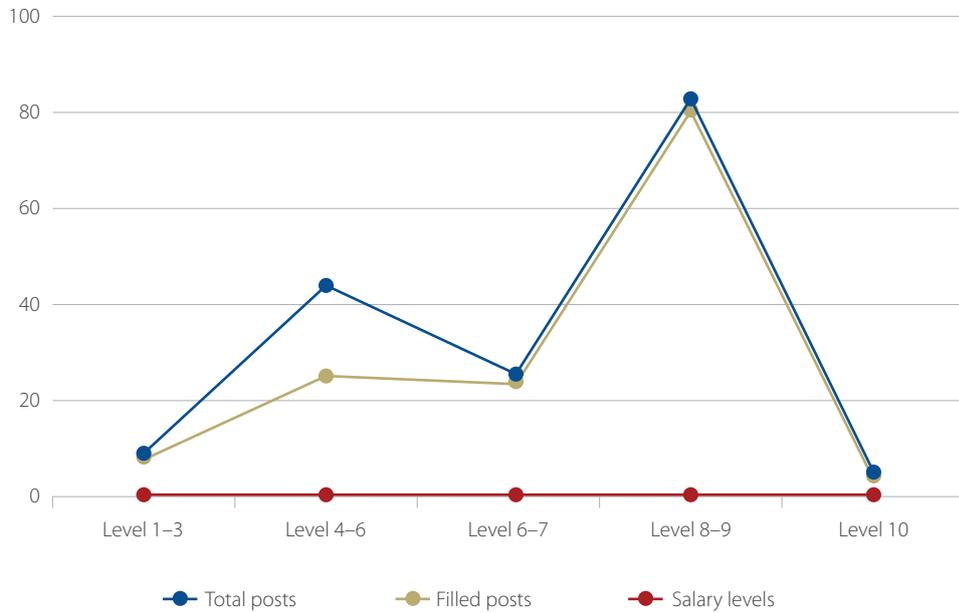
Organisational Structure

Executive Management



### Employment and vacancies

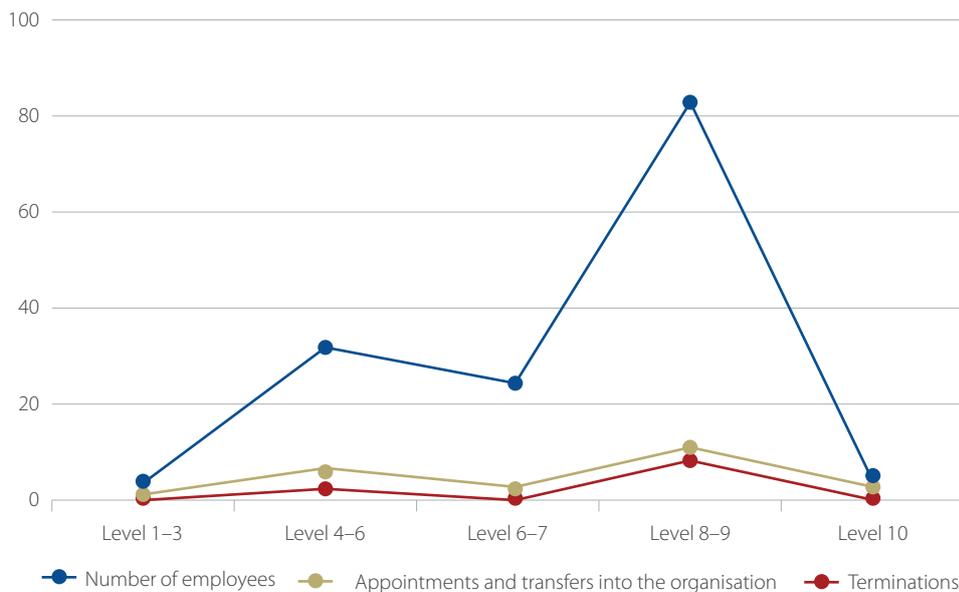
The following graph summarises the number of posts in the staff establishment, the number of employees, the vacancy rate and whether there are any staff that are additional to the establishment.



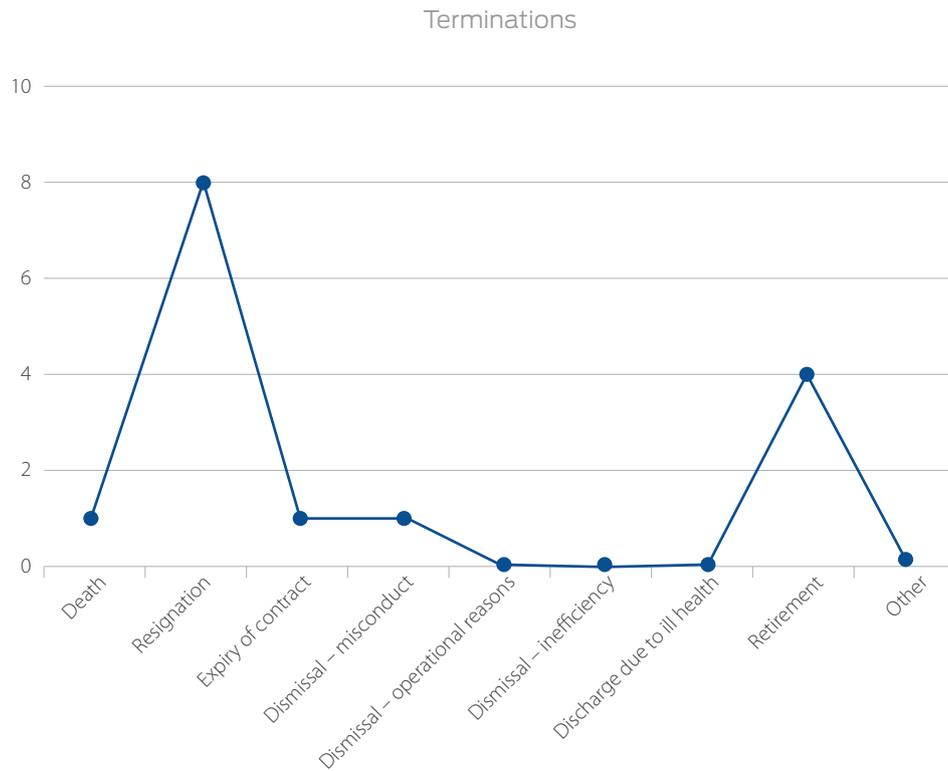
### Employment and vacancies by salary band – 31 March 2012

#### Employment changes

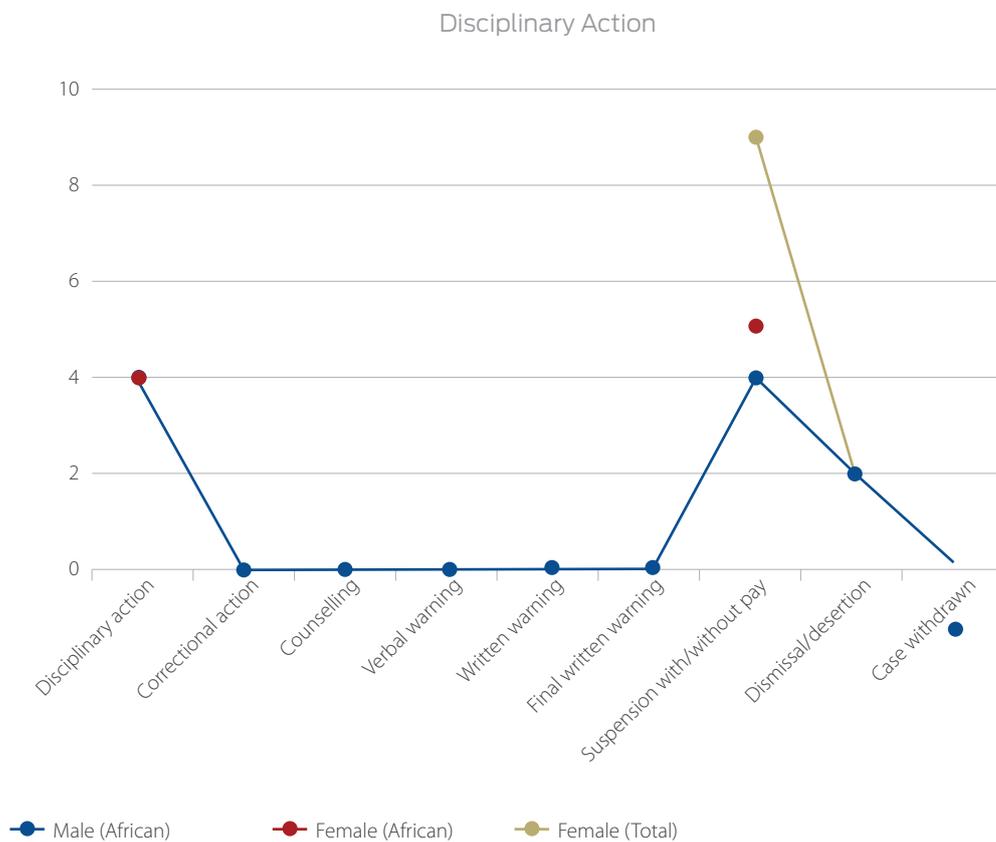
This section provides information on changes in employment during the financial year. The following graph provides a summary of employment changes by salary band.



Reasons for staff leaving the organisation



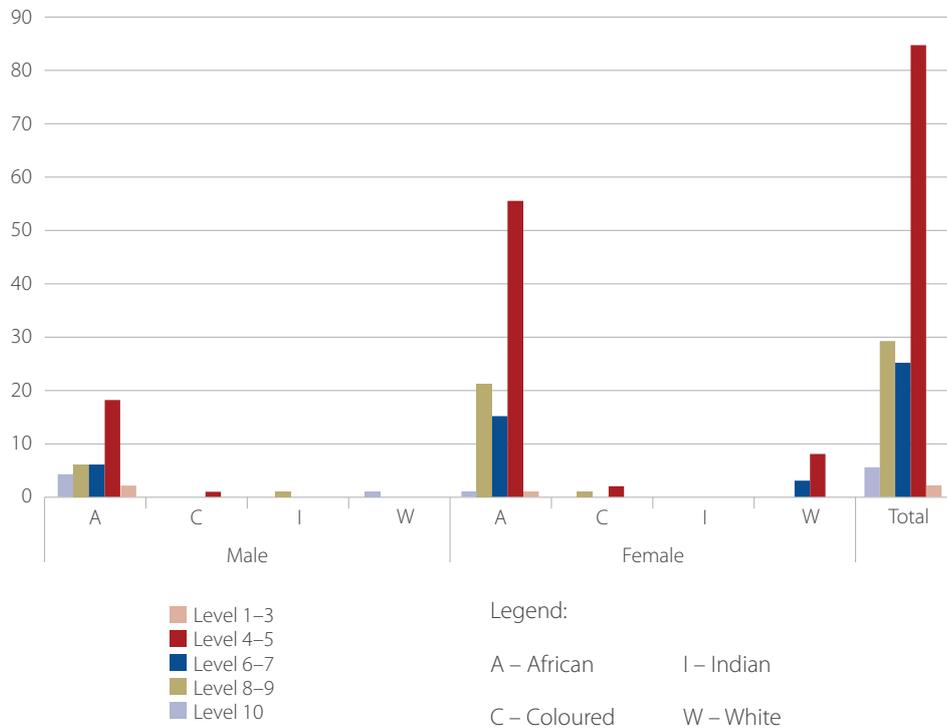
Disciplinary action: 1 April 2011–31 March 2012



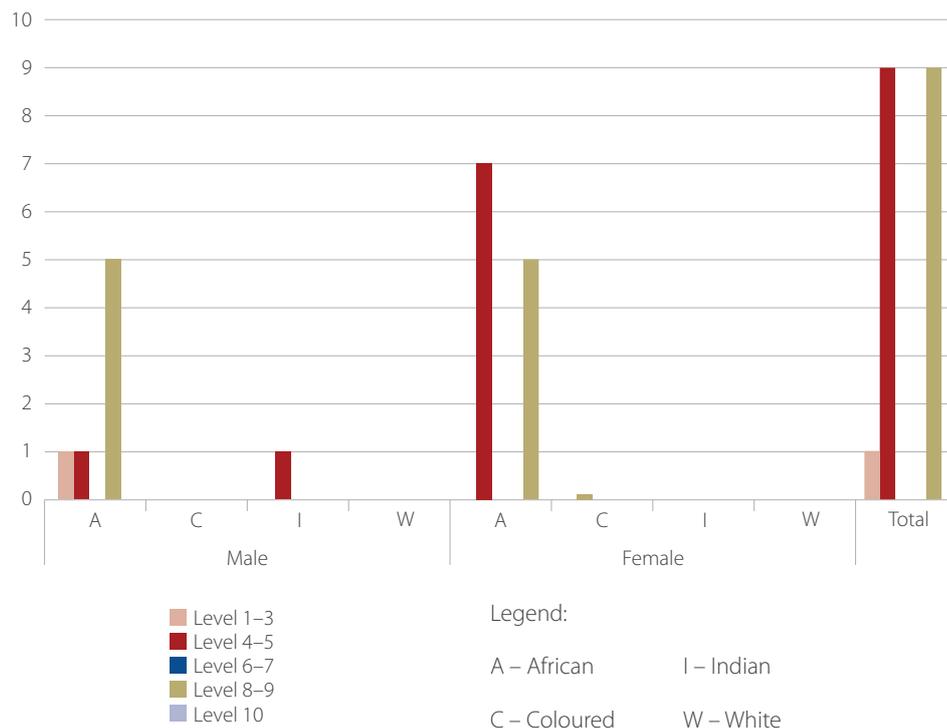
### Employment equity

The graphs in this section are based on the formats prescribed by the Employment Equity Act (Act No. 55 of 1998).

*Total no. of employees (including employees with disabilities) in each of the following salary bands*



*Recruitment: 1 April 2011–31 March 2012*



#### Leave payouts: 1 April 2011–31 March 2012

Reason	Number
Leave payout for 2011/12 due to non-utilisation of leave for previous cycle	0
Capped leave payouts on termination of service for 2011/12	14

NB: Capped leave days are only paid out in case of normal retirement, termination of service due to ill health, death and resignation.

In compliance with the Basic Conditions of Employment Act and the SANC Conditions of Service, employees were encouraged to use all accumulated leave within the leave cycle or forfeit all accumulated leave remaining unused six (6) months after previous leave cycle.

### Senior Manager: Information Management

#### Infrastructure and services

The Information Technology (IT) Section provides the Council with information and communications technology (ICT) facilities and systems. It also protects these resources from intrusion through unauthorised access and intentional or unintentional use or abuse. During the period under review, the Council's antivirus systems were upgraded to ensure that they can handle all the latest threats.

SANC systems are backed up to removable media every weeknight. This media is stored offsite so that systems can be recovered in the event of a computer failure or a complete catastrophe at Council's offices.

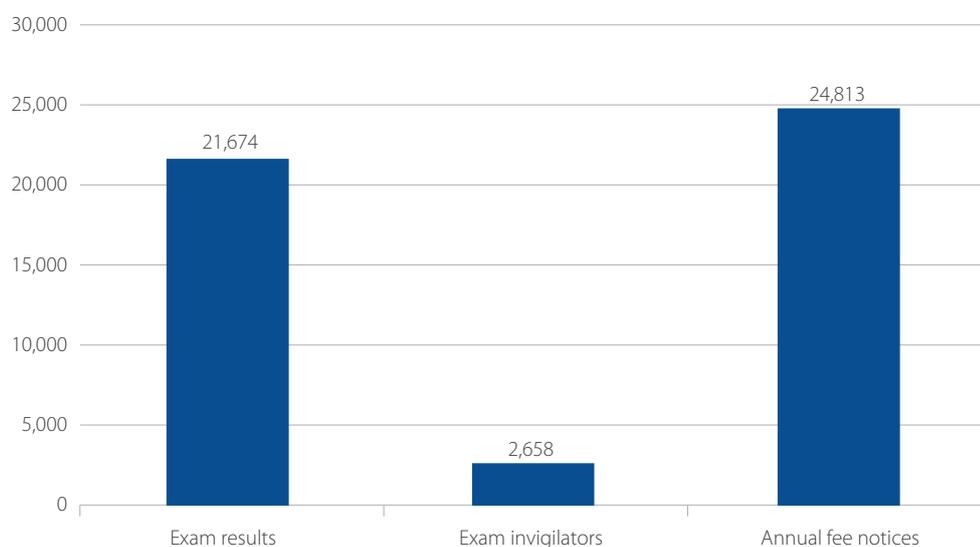
The server infrastructure is very stable, with a 99% availability being achieved on the servers. SANC continued to replace all outdated PCs and notebooks and this process will be completed during the next financial year. This is by nature an ongoing process and as equipment becomes outdated, it will continue to be replaced so that we do not fall behind with technology.

The security and control measures around printed output introduced last year have been very successful and we have seen a marked decrease in the number of requests for reprints of documents already printed and distributed.

#### System development

The Exam System improvements introduced last year have been refined and the new system is operating well. Security codes necessary to open the exam boxes are being sent by text message (SMS) to the invigilators just before the exam is due to start. Results are also sent by SMS to candidates who have supplied their cell phone numbers. The following table shows the use of SMS messages by application during this period:

### Text messages sent



The rest of Council's systems were updated in accordance with requests received from the various sections. The IT Section still struggles with capacity to fulfil all requests. However, we try to prioritise those requests that will result in improved service to SANC clients.

SANC introduced discounted annual fees for practitioners 60 years and over for the 2012 annual fees. All SANC systems were updated to handle the calculation of fee amounts based on the practitioner's age on 1 January. The discounts allowed are 25% for ages 60–64 and 50% for ages 65 and above.

SANC refined the programs used to process electronic lists of annual fees deducted from the salaries of (nursing) employees by their employer. The programs were successfully used to process the lists of three (3) large private hospital groups. This has great benefits for the employer as they have feedback about the registered/removed status of every employee working for them. They are also able to promptly address challenges in this regard.

The system successfully processed the annual fees of 21,745 employees of the three (3) companies and it took the SANC system less than five (5) minutes in total to do the processing. Of course printing this number of Annual Practising Certificates (APCs) afterwards took several hours to complete. The various reports and the APCs were either couriered to the companies or collected by them – which eliminated the problem of APCs which may have gone missing in the postal system (this is another big advantage of the system). In future, SANC hopes to recruit more employers on to this system because of the benefits it offers.

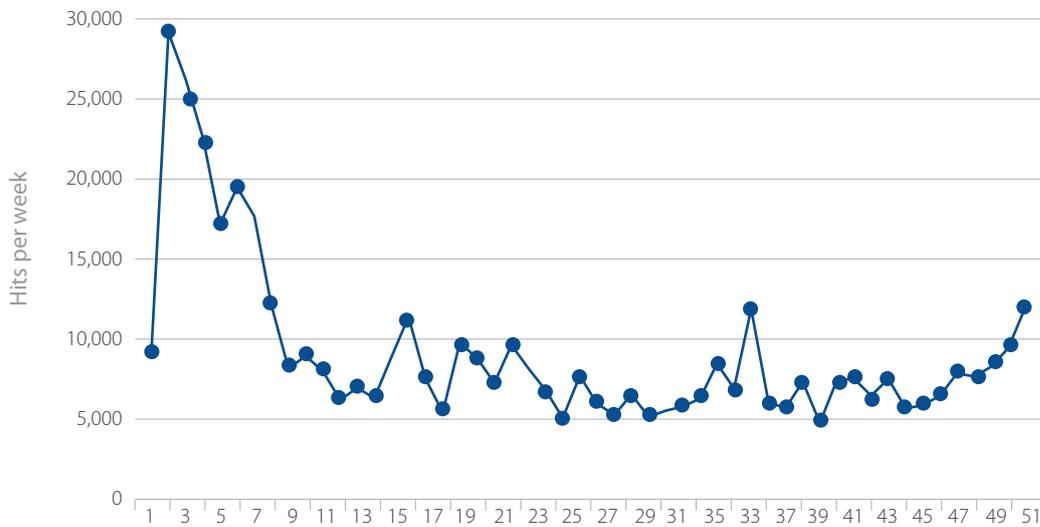
At the end of 2011, SANC sent out employer return forms to those employers we have on file. The purpose of this exercise is to start capturing the contact and other details that we do not have in the practitioners' records. Data capturing commenced during 2012. In particular, SANC is trying to get as many cell phone numbers as possible because we see SMS messages as a reliable and cost-effective means of communicating with practitioners.

### Website and eRegister System

The SANC website continues to be a source of reliable and easily accessible information to clients and the public in general. The most popular pages are Publications (particularly the SANC regulations), Statistics, and the pages dealing with the services provided by SANC.

The use of the *eRegister* (Electronic Register of Nurses and Midwives) is steadily increasing and the reliance on this system as a source of reliable information about a nurse's status increases every week. The number of practitioner requests per week for 2011 can be seen in the graph below.

eRegister – Enquiries (Hits) per week



The system handled over 90,000 requests during the first four (4) weeks of 2012, showing that Nursing Administrators have truly adopted the eRegister System to monitor the registration status of practitioners employed by organisations – particularly during the time of payment of annual fees.

### Records Management

SANC has commenced with a project to convert all paper-based practitioner files to digital images. The initial estimate is that this will involve scanning 20 million pages and will take up to 18 months to complete.

At the same time, SANC established a Registry Section which is responsible for all incoming post and documents. These will be scanned to digital images and will be stored in the SANC Document Manager System with the intention of reducing reliance on paper-based documents. On the Document Manager System, documents are routed to the appropriate section for further processing.

Some of the sections (like Assessments) have been quick to adopt the new system while others are struggling to make the transition to working in a paperless office. The challenges will be addressed with time and training and as people get used to the new system.

### Senior Manager: Project Co-ordination

The Project Co-ordinating Department was established in September 2010. The main goals of the Department are to co-ordinate Donor Funded Projects, Professional Projects in Nursing Education and Training and Practice as well as some Governance Projects.

#### Management of Donor Funded Projects

The Council received an amount of R6 million from Atlantic Philanthropies over a three-year period beginning July 2009. The purpose of the grant was to develop the capacity of the newly established Council, which was inaugurated in June 2008 for the implementation of the provisions of the Nursing Act, 2005 covering areas of Governance, Nursing Practice, Nursing Education and Training and Information Dissemination.

The expected short- to medium-term (one to four years) outcomes were as follows:

- An informed and effective Council with regulatory and governance responsibility
- The Nursing Profession and key stakeholders are knowledgeable about and comply with new Regulations Regarding Education and Practice
- Improved efficiency in the accreditation of Nursing Education Programmes
- Improved credibility and image of the Council due to its increased visibility, transparency and accountability to the profession and society at large
- New Nursing Qualifications are implemented by providers of nursing education
- A training plan is developed by Council to support education institutions to implement the new Scopes of Practice.

The above mentioned original activities were revised based on the following: the changing Health, Nursing Education and Training and Practice; some of the recommendations of the Nursing Summit held in April 2011 and the revision of the National Qualifications Framework from an eight-level to a ten-level framework. A request to extend the period to four (4) years was granted by APN. The revised plan approved by Council in March 2012 was as follows:

- Conduct workshops for Council members on governance, risk and performance management and attendance of International Nursing Congress for networking and learning
- Conduct workshops for Council members and professional staff, and then administrative staff on the education and training requirements of SAQA, CHE, and DHET, including information on the new Nursing Qualifications
- Develop an online accreditation system for Nursing Education programmes and providers in collaboration with CHE
- Set up a call centre to support providers of Nursing Education
- Conduct workshops to train providers of education and training on the use of the Online Accreditation System
- Conduct workshops for the development of curriculum guidelines for the four (4) qualifications
- Develop a CPD model that will form the basis of SANC CPD System
- Develop competencies for the 16 new electives for Post-graduate Diplomas.

Some of the achievements during the current year included:

- Appointment of two (2) call centre agents for a period of one (1) year from November 2011 to October 2012 to support providers of Nursing Education
- Adjudication process underway to appoint a service provider to develop the Online Accreditation tool
- Co-ordinated consultative workshops were held on 13 and 14 March 2012 to draft competencies for Critical Care Nursing and Emergency Care Nursing
- Conducted a mid-term organisational review of the South African Nursing Council.

Council identified the need to conduct a mid-term review in November 2011. The review was conducted by Strategic Evaluation, Advisory and Development Consulting (Pty) Ltd (SEAD). Some of the recommendations made were to review the mission and values which were approved by the Council in March 2012.

Performance Information: Actual Performance vs. Targets		
Operational Objectives	Outcome Indicators	Actual Performance
Improve governance structure of the Council in line with good corporate governance practice	Revised Audit and Risk Committee Charter approved by the Council. Approved Internal Audit Charter.	Revised Audit and Risk Committee Charter was adopted by the Committee and recommended for approval approved by the Council. The Internal Audit Charter was approved by the Audit and Risk Committee. The Internal Auditors were appointed during the period under review.
Ensure that a sound financial management system is in place	Functional integrated systems (Bespoke System, Customer Relationship Management and Financial System).	Computers were upgraded to be compatible with Customer Relationship Management (CRM) requirements. Relevant staff were trained on CRM. IT needs assessment was done. ACCPAC System was upgraded in preparation for integration with the Bespoke System.
	Submission of income tax returns/VAT returns/PAYE returns.	All returns were completed and submitted during the year under review.
	Defined contribution provident fund transferred to an umbrella fund.	Achieved.
	Unqualified Audit Report.	Not achieved (refer to Audit Report).
Communicate with stakeholders through an effective website	Information published within 48 hours of receipt thereof.	Website updated regularly.
Develop a National Curriculum Framework for undergraduate qualifications	National Curriculum Framework developed.	To be considered next year after related regulations are promulgated.
Finalise Regulations in line with Nursing Act, 2005 and other relevant legislation	Promulgated Regulations for Nursing Education and Training.	The following draft Regulations were submitted to the National Department of Health for promulgation: <ul style="list-style-type: none"> <li>• Accreditation of Institutions as Nursing Education Institutions</li> <li>• The Approval of and the Minimum Requirements for the Education and Training of a Nurse Leading to Registration as a Professional Nurse</li> <li>• The Approval of and the Minimum Requirements for the Education and Training of a Nurse Leading to Registration as a Staff Nurse</li> <li>• The Approval of and the Minimum Requirements for the Education and Training of a Nurse Leading to Registration as an Auxiliary Nurse.</li> </ul>
Develop an Accreditation System in line with new Accreditation Regulations	Accreditation System aligned with new Accreditation Regulations.	Accreditation System aligned with new Accreditation Regulations. Online Accreditation System is being developed.
Develop a Scope of Practice for Professional Nurse, Midwife, Staff Nurse and Auxiliary Nurse	Scope of Practice Regulations promulgated by the Minister.	Draft Scope of Practice for Professional Nurse, Staff Nurse, Enrolled Auxiliary Nurse and Midwife were approved by the Council.

Performance Information: Actual Performance vs. Targets		
Operational Objectives	Outcome Indicators	Actual Performance
Develop a competency framework for Advanced Nurse Practitioners	Approved competency framework.	Draft competency framework available. The position paper on Advanced Nurse Practitioner was approved.
Finalise draft Regulations in line with the Nursing Act for governance and practice	Regulations promulgated by the Minister.	The following draft Regulations were finalised by the Council after public comment and were resubmitted to the National Department of Health for promulgation: <ul style="list-style-type: none"> <li>• The Fees and Fines Payable to SA Nursing Council</li> <li>• The Particulars to be Furnished to the Council for Keeping of the Register for Nursing Practitioners, the Manner of Affecting Alterations to the Register, and Certificates that may be Issued by the Council (amendment)</li> <li>• The Institution and Conduct of Inquiries into the Alleged Unprofessional Conduct of Persons Registered with the SA Nursing Council</li> <li>• Draft Notice for the Creation of the Category of Staff Nurse (Enrolled Nursing) to be Issued in Terms of Section 32(1) of the Act</li> <li>• Unfitness to Practice Regulations</li> <li>• Keeping, Supplying, Administering or Prescribing Medicines Regulation (Section 56).</li> </ul>
Develop a CDP Model for the Council	Approved CPD framework for Nurses and Midwives.	Not achieved.
Restore and maintain professionalism in nursing	Approved Code of Ethics.	Draft Code of Ethics available.
Implement system for monitoring and improving performance and productivity in pursuit of excellence	Signed performance agreements.	Performance agreements rolled out by Senior Management to Managers.

## STATEMENT OF RESPONSIBILITY

for the year ended on 31<sup>st</sup> March 2012

The Council members are responsible for the preparation and fair presentation of the Financial Statements comprising the Statement of Financial Position at 31 March 2012, the Statement of Comprehensive Income, the Statement of Changes in Reserves, the 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, as well as the report of the Council, in accordance with South African Statements of Generally Accepted Accounting Practice.

The Council members are also responsible for such internal control as they deem 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 the supplementary schedules included in these Financial Statements.

The Council members have made an assessment of the Council's ability to continue as a going concern and have no reason to believe that the South African Nursing Council will not be a going concern in the year ahead.

The Auditor is responsible for reporting on whether the Financial Statements are fairly presented in accordance with the applicable financial reporting framework.

On 28 August 2014, the Council approved the Financial Statements set out on pages 45 to 76, which are signed on behalf of the Council by:



Chairperson



Chief Financial Officer



Registrar and CEO

# AUDIT AND RISK COMMITTEE REPORT

## for the year ended 31 March 2012

We are pleased to present our report for the financial year ended 31 March 2012.

### Audit Committee Members and Attendance

The Audit and Risk Committee consists of the members listed hereunder and should meet at least four (4) times per annum as per its approved Terms of Reference. The Audit and Risk Committee members were appointed on 13 April 2011 and had its first meeting on 20 May 2011.

The Audit and Risk Committee is responsible for the review of the following:

- The effectiveness of the Internal Control System
- The effectiveness of the Internal Audit Function
- The risk areas of SANC's operations to be covered in the Scope of Internal Audit and External Audit
- The adequacy, reliability and accuracy of the performance and financial information provided by Management and other users of such information
- Any accounting and audit concerns arising from either internal or external audits.
- SANC's compliance with legal and regulatory provisions

The activities of the Internal Audit function, includes its three-year Rolling Plan, co-ordination with External Auditors, reporting on significant investigations and the responses of Management to specific recommendations.

For the attendance of meetings by members, refer to the Corporate Governance Section on page 20.

Mr N Mhlongo resigned as a member, and as the Chairperson of the Audit and Risk Committee with effect from 2 June 2011. The Council appointed Mr B Mbewu as the Chairperson of the Audit and Risk Committee to replace Mr N Mhlongo.

### Audit and Risk Committee Responsibility

The Audit and Risk Committee supports the Council in fulfilling its oversight responsibility relating to internal control, risk management, financial management and compliance with laws and regulations. The Committee reports that it has adopted appropriate formal Terms of Reference as its Charter. The Committee also reports that it regulates its affairs in compliance with this Charter and discharges all its responsibilities as contained therein. Accordingly, the Committee operates in accordance with the terms of the said Charter and is satisfied that it discharged its responsibilities in compliance therewith during the reporting period.

### The Effectiveness of Internal Control

The Internal Control System was designed to provide cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. During the period under review, the Audit and Risk Committee reviewed its Audit and Risk Committee Charter to ensure its continuing relevance and presented the same to the Council for their final approval. The Committee also approved the Internal Audit Charter and the Internal Auditor was appointed on 29 March 2012 to render internal audit services.

### Compliance with Related Rules and Regulations

During the period under review, the External Auditors issued a reportable irregularities letter to the Independent Regulatory Board for Auditors citing non-compliance with certain provision of the Nursing Act.

From the Audit Report on the Annual Financial Statements and the Management Letter of the External Auditors, it was noted that there are significant or material non-compliance with prescribed policies and procedures.

The Committee received an undertaking from Management that all issues of non-compliance will be prioritised in the next financial year.

The Committee took note of the matters raised in the external audit and Management Report and urged Management to prepare action plans for monitoring by the Committee on a quarterly basis.

## Evaluation of 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
- Reviewed significant adjustments resulting from the audit.

The Audit and Risk Committee concurs and accepts the External Auditors' conclusions on the Annual Financial Statements, and is of the opinion that the audited Annual Financial Statements be accepted and are read together with the Report of the External Auditors.



**Chairperson of the  
Audit and Risk Committee**

*Ms Tendani Ndou*  
12 June 2014

# REPORT BY THE EXTERNAL AUDITORS

## Independent Auditors' Report on the Annual Financial Statements

### To the Council Members of the South African Nursing Council

We were engaged to audit the Annual Financial Statements of the South African Nursing Council set out on pages 45 to 73, which comprise the Statement of Financial Position as at 31 March 2012 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

#### Council members' responsibility for the Financial Statements

Council members are responsible for the preparation and fair presentation of these Financial Statements in accordance with South African Generally Accepted Accounting Policies (SA GAAP) and the requirements of the Nursing Act, 2005 (Act No. 33 of 2005), and for such internal control as the Council members determine necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express an opinion on these Financial Statements based on conducting the audit in accordance with International Standards on Auditing.

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

Because of the matter described in the Basis for Disclaimer of Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

#### Basis of disclaimer of opinion

- Prior year Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Changes in Cash Flows and supporting notes.

We were unable to obtain adequate supporting documentation or adequate information to reliably determine the accuracy, existence, occurrence, completeness and valuation and allocation of opening balances.

Riverwalk Office Park, Block B, 41 Matroosberg Road, Ashlea Gardens X6, Pretoria, 0081, South Africa, PO Box 11007, Hatfield, 0028

National Executive: LL Bam Chief Executive AE Swiegers Chief Operating Officer GM Pinnock Audit  
DL Kennedy Risk Advisory NB Kader Tax TP Pillay Consulting K Black Clients & Industries  
JK Mazzocco Talent & Transformation MJ Jarvis Finance M Jordan Strategy S Gwala Managed Services  
TJ Brown Chairman of the Board MJ Comber Deputy Chairman of the Board  
Office Managing Partner: X Botha

A full list of partners and directors is available on request

B-BBEE rating: Level 2 contributor in terms of Chartered Accountancy Profession Sector Code

Member of Deloitte Touche Tohmatsu Limited

- Current year Statement of Comprehensive Income and Statement of Cash Flows

We were unable to obtain adequate supporting documentation or adequate information to reliably determine the accuracy, existence, occurrence, completeness and valuation and allocation of opening balances. Since opening balances enter into the determination of the results of operations and cash flows, we were unable to determine whether adjustments to the results of operations, cash flows and opening retained earnings might have been necessary for the year ended 31 March 2012.

- Insufficient audit evidence regarding the current year

We were unable to obtain adequate supporting documentation or adequate information to reliably determine:

- The completeness, occurrence, classification, accuracy and cut-off of revenue from the various streams (annual practicing fees, registration fees and restoration fees), recorded in the current Annual Financial Statements and the appropriateness of the revenue recognition principles applied by the entity
- The completeness, existence, rights and obligations, valuation and allocation of revenue received in advance due to the inability to obtain sufficient evidence regarding revenue above
- The completeness of reconciling items maintained in the Pretoria Service Account balance. This account forms part of income received in advance balance presented in the Annual Financial Statements
- The existence, valuation and allocation, completeness and rights and obligations of the leave pay provision
- The existence, valuation and allocation, completeness and rights and obligations of the closing VAT position (the net effect of input and output VAT)
- The completeness, valuations and allocation of the accruals balance at year end as well as the completeness and cut-off of expenditure for the year ended.

We were unable to apply alternative procedures to substantiate the balances and transactions detailed above. As a consequence, we were unable to determine whether any adjustments were required to the Financial Statements arising from the insufficient audit evidence related to opening balances, Pretoria service account balance, leave pay provision, VAT, accruals, expenditure, retained earnings, revenue received in advance and revenue.

### Disclaimer of opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion. Accordingly, we do not express an opinion on the Annual Financial Statements for the year ended 31 March 2012.

### Council Report

As part of our audit of the Financial Statements for the year ended 31 March 2012, we have read the Council Report, for the purpose of identifying whether there are material inconsistencies between this report and the audited Financial Statements.

The report is the responsibility of the respective preparers. Based on reading this report, we have not identified material inconsistencies between the report and the audited Financial Statements. However, we have not audited this report and accordingly do not express an opinion on this report.

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Office Managing Partner: X Botha

A full list of partners and directors is available on request

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### Supplementary information

The supplementary information set out on pages 74 and 76 does not form part of the Annual Financial Statements and is presented as additional information. We have not audited these schedules and accordingly we do not express an opinion thereon.

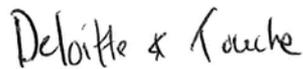
### Report on other legal and regulatory requirements

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 certain unlawful acts or omissions committed by persons responsible for the Management of the South African Nursing Council which constitute reportable irregularities in terms of the Auditing Profession Act, and have reported such matters to the Independent Regulatory Board for Auditors.

Based on our initial audit work performed in 2012, we had identified that the financial records and controls are very weak, financial accounts were not appropriately reconciled, financial records were not appropriately supported, and Financial Statements and Annual Report were not submitted on time to the Council and as such, a number of provisions of the Nursing Act in respect of the following sections have not been complied with:

- Section 19: Duties of the Registrar
- Section 20: Accounting Duties of Registrar
- Section 22: Bank Account of the Council
- Section 29: Corporate Governance.

As at the date of this report, Management has started implementing processes and controls to address the matters raised above, however these processes are not yet finalised and thus the reportable irregularity is still deemed to be in continuation in respect of Section 29: Corporate Governance of the Act.



**Deloitte & Touche**

Registered Auditor

Per: Muhammad Osman, Partner

12 September 2014

South Africa

Riverwalk Office Park, Block B, 41 Matroosberg Road, Ashlea Gardens X6, Pretoria, 0081, South Africa, PO Box 11007, Hatfield, 0028

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**Member of Deloitte Touche Tohmatsu Limited**



## ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

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## STATEMENT OF FINANCIAL POSITION

as at 31 March 2012

	Note(s)	2012 R	2011 Restated R
<b>Assets</b>			
<b>Non-current assets</b>			
Property, equipment and motor vehicles	3	49,579,389	44,927,021
Intangible assets	4	139,050	-
Investments	5	618,703	499,405
		<b>50,337,142</b>	<b>45,426,426</b>
<b>Current assets</b>			
Inventory	6	258,236	229,744
Trade and other receivables	7	1,232,732	1,248,660
Cash and cash equivalents	8	139,612,073	105,201,605
		<b>141,103,041</b>	<b>106,680,009</b>
Non-current asset held for sale	9	-	900,000
<b>Total assets</b>		<b>191,440,183</b>	<b>153,006,435</b>
<b>Reserves and liabilities</b>			
<b>Reserves</b>			
Reserves	10	52,936,261	47,924,348
Retained surplus		47,556,422	16,582,717
		<b>100,492,683</b>	<b>64,507,065</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Post-employment medical aid benefits	11	25,660,104	22,918,648
Employee retirement benefit	12	-	2,291,000
		<b>25,660,104</b>	<b>25,209,648</b>
<b>Current liabilities</b>			
Trade and other payables	13	8,295,647	12,593,656
Employee retirement benefit	12	217,752	-
Income received in advance	14	56,429,462	50,084,996
Provisions	15	344,535	611,070
		<b>65,287,396</b>	<b>63,289,722</b>
<b>Total Liabilities</b>		<b>90,947,500</b>	<b>88,499,370</b>
<b>Total Reserves and Liabilities</b>		<b>191,440,183</b>	<b>153,006,435</b>

## STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2012

	Note	2012 R	2011 Restated R
Revenue	16	94,748,767	83,356,232
Other income	17	609,099	2,313,584
Fixed and administration expenses		(65,697,085)	(61,367,893)
<b>Results from operating activities</b>	18	<b>29,660,781</b>	<b>24,301,923</b>
Investment revenue	19	5,827,566	3,889,879
Fair value adjustments	9	-	400,000
Finance costs	20	(2,103,704)	(1,645,883)
<b>Net surplus for the period</b>		<b>33,384,643</b>	<b>26,945,919</b>
<b>Other comprehensive income</b>			
Available-for-sale financial asset adjustments		119,298	39,008
Actuarial gains and losses on defined benefit plans		(2,410,938)	(3,402,957)
Gains and losses on property revaluation		4,892,615	3,972,867
<b>Other comprehensive income for the year</b>	21	<b>2,600,975</b>	<b>608,918</b>
<b>Total comprehensive income for the year</b>		<b>35,985,618</b>	<b>27,554,837</b>

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2012

	Asset revaluation reserve R	Fair value adjustment assets available for sale reserve R	Total reserves R	Retained surplus R	Total equity R
Opening balance as previously reported	43,783,246	129,227	43,912,473	(10 748 803)	33 163 670
Adjustments					
Prior year adjustments	-	-	-	3 788 558	3 788 558
<b>Balance at 1 April 2010 as restated</b>	<b>43,783,246</b>	<b>129,227</b>	<b>43,912,473</b>	<b>(6,960,245)</b>	<b>36,952,228</b>
Restated net surplus for the year	-	-	-	26,945,919	26,945,919
Restated other comprehensive income	3,972,867	39,008	4,011,875	(3,402,957)	608,918
<b>Total comprehensive income for the year</b>	<b>3,972,867</b>	<b>39,008</b>	<b>4,011,875</b>	<b>23,542,962</b>	<b>27,554,837</b>
<b>Balance at 1 April 2011</b>	<b>47,756,113</b>	<b>168,235</b>	<b>47,924,348</b>	<b>16,582,717</b>	<b>64,507,065</b>
Net surplus for the year	-	-	-	33,384,643	33,384,643
Other comprehensive income	4,892,615	119,298	5,011,913	(2,410,938)	2,600,975
<b>Total comprehensive income for the year</b>	<b>4,892,615</b>	<b>119,298</b>	<b>5,011,913</b>	<b>30,973,705</b>	<b>35,985,618</b>
<b>Balance at 31 March 2012</b>	<b>52,648,728</b>	<b>287,533</b>	<b>52,936,261</b>	<b>47,556,422</b>	<b>100,492,683</b>
Note(s)	10	10			

## STATEMENT OF CASH FLOWS

for the year ended 31 March 2012

	Note(s)	2012 R	2011 Restated R
<b>Cash flows from operating activities</b>			
Cash generated from operations	22	29,041,185	31 167 511
Interest income		5,777,045	3,857,602
Dividend received		50,521	32,277
Finance costs		<b>(2,103,704)</b>	<b>(1,645,883)</b>
Movement in post-employment medical aid benefits		2,741,456	4,393,728
<b>Net cash from operating activities</b>		<b>35,506,503</b>	<b>37 805 235</b>
<b>Cash flows from investing activities</b>			
Purchase of property, equipment and motor vehicles	3	(1,746,459)	(888,076)
Sales of property, equipment and motor vehicles	3	-	724,900
Proceeds on sale of non-current asset held for trading		789,474	-
Purchase of other intangible assets	4	(139,050)	-
<b>Net cash from investing activities</b>		<b>(1,096,035)</b>	<b>(163,176)</b>
<b>Total cash movement for the year</b>		<b>34,410,468</b>	<b>37 642 059</b>
Cash at the beginning of the year		105,201,605	67 559 546
<b>Total cash at end of the year</b>		<b>139,612,073</b>	<b>105,201,605</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 1. Presentation of Annual Financial Statements

The Annual Financial Statements were prepared in accordance with South African Statements of Generally Accepted Accounting Practice. The Annual Financial Statements were prepared on the historical cost basis, except for Land and Buildings and certain financial instruments which were measured at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rand and none of the values have been rounded.

These accounting policies are consistent with the previous period.

### 1.1 Significant judgements and sources of estimation uncertainty

In preparing the Annual Financial Statements, Management is required to make estimates and assumptions that affect the 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. Actual results in the future could differ from these estimates which may be material to the Annual Financial Statements. Significant judgements include:

#### Provisions

Provisions were raised and Management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 15 Provisions.

#### Measurement of 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 judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Annual Financial Statements is included in note 1.6.

### 1.2 Property, equipment and motor vehicles

The cost of an item of property, equipment and motor vehicles are recognised as an asset when:

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

Property, equipment and motor vehicles are initially measured at cost.

Cost include costs incurred initially to acquire or construct an item of property, equipment and motor vehicles 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, equipment and motor vehicles, the carrying amount of the replaced part is derecognised.

Equipment and motor vehicles are carried at cost less accumulated depreciation and any impairment losses.

Revaluations are made on land and buildings at regular intervals, 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 an asset's carrying amount 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 or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current period. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation surplus in equity.

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.

Property, plant and motor vehicles are depreciated on the straight-line basis over its expected useful life to its estimated residual value.

Land and buildings are carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation on buildings 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.

The useful life of an item of property, equipment and motor vehicles was assessed as follows:

Item	Average useful life
Buildings	50 years
Motor vehicles	5 years
Office equipment	5–6 years
IT equipment	3 years

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.

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

### 1.3 Financial instruments

#### 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, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available for sale financial assets.

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.

#### Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss include dividends and interest.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available for sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available for sale financial assets calculated using the effective interest method is recognised in profit or loss as part of other income. Dividends received on available for sale 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. Gains and losses are recognised in profit or loss.

### Derecognition

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 are derecognised when the obligation under the liability is discharged, cancelled or expired.

### Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Council establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analyses, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

### Impairment of financial assets

At each reporting date the Council assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the Council, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments, are all considered indicators of impairment.

In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. 'Significant' is compared to the original cost and 'Prolonged' is assessed as a period where fair value is lower than cost. If any such evidence exists for available for sale financial assets, the cumulative loss measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss, except for equity investments classified as available for sale.

### Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue), are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. 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.

Trade and other receivables are classified as loans and receivables.

### Trade and other payables

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

### Cash and cash equivalents

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

### Offset

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position when the Council has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 1.4 Inventory

Inventory comprises distinguishing devices and are measured at the lower of cost and net realisable value on 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 the estimated costs necessary to make the sale.

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

When inventory is sold, the carrying amount of that inventory is 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.

## 1.5 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, or when annual impairment testing for an asset is required, 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 cost to sell and its value in use. In assessing value in use, the estimate future cash flow is discounted to its present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. In determining fair value less costs to sell, the recent market valuation model is used. These calculations are corroborated by the valuation multiples.

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.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation, is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity 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.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

## 1.6 Employee benefits

### 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 sick leave, 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 provision for employee entitlements to salaries, wages, annual and sick leave represent the amount which the Council has a present obligation to pay as a result of employees' services provided to the reporting date. The provision has been calculated at undiscounted amounts based on current salary and wage rates.

### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

### Defined benefit plans

The Council provides post-employment medical aid benefits to their retirees. The total value of the contractual liability was recognised on 31 March 2012.

For defined benefit plans, the cost of providing the benefit is determined using the projected unit credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight-line basis over the average period until the amended benefits become vested.

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 are 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 the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by 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.

### 1.7 Revenue

Revenue from the sale of distinguishing devices is recognised when the Council has transferred to the buyer the significant risks and rewards of ownership of the goods upon collection or postage.

Revenue from rendering of services to the Nurses' Profession is recognised by reference to the passage of time and specific event of the transaction as at the end of the reporting period. The outcome of a transaction can be estimated reliably when the amount of revenue can be measured reliably.

Revenue is recognised to the extent to which it is probable that the economic benefits will flow to the Council and can be reliably measured upon receipt of cash or deposit.

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

Dividend income is recognised, in profit or loss, when the Council's right to receive payment has been established.

All fees are determined by the Council and approved by the Minister of Health, whereafter they are published by regulation in the *Government Gazette*. Annual fees are recognised using the accrual basis. Where fees are received for more than one accounting period, the amount relating to the subsequent accounting period is accounted for as income received in advance and recognised in profit and loss as it accrues to the Council. Other fees are recognised as they are received.

### 1.8 Finance income and finance costs

Finance income comprises interest income on funds invested and dividend income. Interest income is recognised as it accrues in profit and loss, using the effective interest method. Dividends are recognised when the right to receive payment is established.

### 1.9 Intangible assets

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed every period end.

Intangible assets with finite life are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of the each reporting period. Changes in the expected useful life or the expected consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as change in estimates. The amortisation expense on intangible assets with finite lives is recognised in the Income Statement in the expense category consistent with the function of the intangible assets. The amortisation of intangible assets is as follows:

Item	Average useful life
Computer software	5 years

### 1.10 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.

#### Operating leases – lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term. The Council does not transfer substantially all the risks and rewards of ownership of the asset.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

#### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term and are not discounted.

### 1.11 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of carrying amount and fair value less cost to sell.

Non-current assets held for sale are classified when the disposal is highly probable and immediately available for sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as completed sale within one year from the date of classification.

### 1.12 Provisions and contingencies

The amount of a provision is the present obligation (legal or constructive) as a result of a past event, and is probable that an outflow of economic benefits will be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 27.

### 2. New Standards and Interpretations

#### 2.1 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 1 April 2012 or later.

##### IFRS 9 (AC 146) Financial Instruments

IFRS 9 (AC 146), as issued, reflects the first phase of the IASBs work on the replacement of IAS 39 (AC 133) and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets.

The application of this new standard will have not impact the financial position of the Council. The standard is effective for annual periods beginning on or after 1 January 2015.

##### IFRS 7 (AC 144) Financial Instruments: Disclosures Enhanced Derecognition Disclosure Requirements

The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Council's Financial Statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets.

The amendment becomes effective for annual periods beginning on or after 1 July 2011. The amendment affects disclosure only and has no impact on the Council's financial position or performance.

##### IFRS 10 (AC147) Consolidated Financial Statements

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated Financial Statements. It also addresses the issues raised in SIC 12 Consolidation — Special Purpose Entities.

IFRS 10 (AC 147) establishes a single control model that applies to all entities, including special purpose entities. The changes introduced by IFRS 10 (AC 147) will require Management to exercise significant judgement to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27(AC 132). The application of this new standard will have not impact the financial position of the Council.

The standard becomes effective for annual periods beginning on or after 1 January 2013.

The company expects to adopt the standard for the first time in the 2014 Annual Financial Statements.

##### IAS 27 (AC 132) Separate Financial Statements (as revised 2011)

As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate Financial Statements. The standard will not have an impact on the financial position of the Council. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

##### IFRS 11 (AC148) Joint Arrangements

IFRS 11 (AC 148) replaces IAS 31(AC 119) Interests in Joint Ventures and SIC 13(AC 413) Jointly Controlled Entities — Non-monetary Contributions by Venturers.

IFRS 11 (AC 148) removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The application

of this new standard will not have an impact the financial position of the Council. This standard becomes effective for annual periods beginning on or after 1 January 2013.

#### IFRS 12 (AC 149) Disclosure of Interests in Other Entities

IFRS 12 (AC 149) includes all of the disclosures that were previously in IAS 27 (AC 132) related to consolidated Financial Statements, as well as all of the disclosures that were previously included in IAS 31(AC119) and IAS 28 (AC 110). These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The standard has no impact on the Council's financial position or performance. This standard becomes effective for annual periods beginning on or after 1 January 2013.

#### IFRS 13 (AC 150) Fair Value Measurement

IFRS 13 (AC 150) establishes a single source of guidance under reference for all fair value measurements. IFRS 13 (AC 150) does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value when fair value is required or permitted. The Council is currently assessing the impact that this standard will have on the financial position and performance, but based on the preliminary analyses, no material impact is expected. This standard becomes effective for annual periods beginning on or after 1 January 2013.

#### IAS 1 (AC101) Presentation of Financial Statements

The amendments to IAS 1 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available for sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Council's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012, and will therefore be applied in the Council's first Annual Report after becoming effective.

#### IAS 19 (AC 116) Employee Benefits (Amendment)

The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and rewording. The Council had recognises its actuarial gains and losses in other comprehensive income. The Council is currently assessing the full impact of the remaining amendments. The amendment becomes effective for annual periods beginning on or after 01 January 2013.

#### Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

Amendment requires additional disclosures for financial assets and liabilities which are offset and for financial instruments subject to master netting arrangements.

The effective date of the amendment is for years beginning on or after 1 January 2013.

The Council expects to adopt the amendment for the first time in the 2014 Annual Financial Statements.

#### Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

Clarification of certain aspects concerning the requirements for offsetting financial assets and financial liabilities.

The effective date of the amendment is for years beginning on or after 1 January 2014.

The Council expects to adopt the amendment for the first time in the 2015 Annual Financial Statements.

It is unlikely that the amendment will have a material impact on the Council's Annual Financial Statements.

#### IAS 32 (AC 125) Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32(AC 125)

These amendments clarify the meaning of "currently has a legally enforceable right to set off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact the Council's financial position or performance and become effective for annual periods beginning on or after 1 January 2014.

It is unlikely that the amendment will have a material impact on the Council's Annual Financial Statements.

#### IAS 28 (AC 110) Investments in Associates and Joint Ventures (as revised in 2011)

IAS 28 (AC 110) has been renamed IAS 28 (AC 110) Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

It is unlikely that the amendment will have a material impact on the Council's Annual Financial Statements.

### 3. Property, equipment and motor vehicles

	2012			2011 Restated		
	Cost/ Valuation	Accumulated depreciation	Carrying value	Cost/ Valuation	Accumulated depreciation	Carrying value
	R	R	R	R	R	R
Land	7,467,005	-	7,467,005	6,899,385	-	6,899,385
Buildings	39,232,995	-	39,232,995	36,250,615	-	36,250,615
Motor vehicles	204,144	(109,426)	94,718	204,144	(90,597)	113,547
Office equipment	4,506,148	(2,532,800)	1,973,348	3,206,751	(2,222,442)	984,309
Computer equipment	1,081,093	(269,770)	811,323	833,052	(153,887)	679,165
<b>Total</b>	<b>52,491,385</b>	<b>(2,911,996)</b>	<b>49,579,389</b>	<b>47,393,947</b>	<b>(2,466,926)</b>	<b>44,927,021</b>

#### Reconciliation of property, equipment and motor vehicles – 2012

	Opening balance	Additions	Disposals	Revaluations	Depreciation	Total
	R	R	R	R	R	R
Land	6,899,385	-	-	567,620	-	7,467,005
Buildings	36,250,615	-	-	4,324,995	(1,342,615)	39,232,995
Motor vehicles	113,547	-	-	-	(18,829)	94,718
Office equipment	984,309	1,498,420	(27,282)	-	(482,099)	1,973,348
Computer equipment	679,165	248,039	-	-	(115,881)	811,323
	<b>44,927,021</b>	<b>1,746,459</b>	<b>(27,282)</b>	<b>4,892,615</b>	<b>(1,959,424)</b>	<b>49,579,389</b>

## Reconciliation of property, equipment and motor vehicles – 2011

	Opening balance	Additions	Disposals	Revaluations	Depreciation	Total
	R	R	R	R	R	R
Land	6,264,151	-	-	635,234	-	6,899,385
Buildings	33,735,849	-	-	3,337,633	(822,867)	36,250,615
Motor vehicles	132,376	-	-	-	(18,829)	113,547
Office equipment	1,909,859	765,752	(1,149,888)	-	(541,414)	984,309
Computer equipment	993,158	122,324	(134,654)	-	(301,663)	679,165
	<b>43,035,393</b>	<b>888,076</b>	<b>(1,284,542)</b>	<b>3,972,867</b>	<b>(1,684,773)</b>	<b>44,927,021</b>

### Pledged as security

There are no assets pledged as security.

### Revaluations

The effective date of the revaluations was 26 April 2012. Revaluations were performed by independent valuer, Mr JO Schoonraad (Candidate Valuer), of Corporate Valuations CC. J Goosen and JO Schoonraad are not connected to the Council.

Land and buildings are revalued annually on 31 March.

The valuation was performed using the income capitalisation method taking cognisance of the fact that the subject is a full title office type building, and the following assumptions were used:

- Capitalisation rate of 11%
- Nominal vacancy rate of 3.00%.

The carrying value of the land and buildings, had the land and buildings been disclosed at cost less accumulated depreciation, has not been disclosed as it is impractical to do so.

### Other information

The useful life of certain items of equipment and motor vehicles was re-estimated. In the current period Management revised their estimates. The effect of this revision has reduced the depreciation charges for the current and future periods by R229,133.

There are no idle assets.

Erf 1325 Arcadia Township, Pretoria with office building thereon (measuring 4,172 square metres).

## 4. Intangible assets

	2012			Cost/ Valuation	Accumulated depreciation	2011 Restated Carrying value
	Cost/ Valuation	Accumulated depreciation	Carrying value			
	R	R	R			
Computer software	139,050	-	139,050	-	-	-

## Reconciliation of intangible assets – 2012

	Opening balance	Additions	Total
	R	R	R
Computer software	-	139,050	139,050

**5. Investments**

	2012	2011 Restated
	R	R
<b>Listed investments</b>		
11,206 (2011: 11,206) shares in Sanlam Limited	371,815	309,286
12,700 (2011: 12,700) shares in Old Mutual PLC	246,888	190,119
	<b>618,703</b>	<b>499,405</b>

**Fair value information**

The Council has invested in quoted instruments. The fair value of quoted equity shares is determined by reference to published prices quoted in an active market.

**Fair value hierarchy of financial assets**

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs which are not based on observable market data.

	2012	2011 Restated
	R	R
<b>Level 1</b>		
Shares in Sanlam Limited	371,815	309,286
Shares in Old Mutual PLC	246,888	190,119
	<b>618,703</b>	<b>499,405</b>

There were no transfers as all investments are all level 1.

**6. Inventory**

	2012	2011 Restated
	R	R
Distinguishing devices	258,236	229,744

Inventory comprise badges, brooches, bars and epaulettes for nurses. The inventory balance is stated after a write-up of R161,485 (2011: (R23,581) write-down). The write-up relates to returns that were not previously booked and the write-down was as a result of accounting for inventory at the net realisable value.

## 7. Trade and other receivables

	2012	2011 Restated
	R	R
Accounts receivables	65,250	862,536
Prepayments	1,024,649	311,860
Deposits	49,892	49,892
Staff loans and advances	17,732	24,372
Sundry debtors	75,209	-
	<b>1,232,732</b>	<b>1,248,660</b>

### Fair value of trade and other receivables

The fair value approximates the carrying amount.

### Trade and other receivables past due but not impaired

Trade and other receivables which are less than three (3) months past due are not considered to be impaired. At 31 March 2012, R- (2011: R-) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

60–90 days	–	–
90–120 days	–	–
Greater than 120 days	17,100	–

## 8. Cash and cash equivalents

	2012	2011 Restated
	R	R
<b>Cash and cash equivalents</b>		
Cash on hand	3,106	478
Bank balances	7,681,386	6,723,879
Short-term deposits	131,825,774	97,085,961
Saving accounts	4,018	4,018
Salaries accounts	97,789	1,387,269
	<b>139,612,073</b>	<b>105,201,605</b>

Short-term deposits are invested with financial institutions. They have an average maturity of 31 days and an average variable rate of 4.9%.

The carrying amount approximates the fair value.

The Council does not have borrowing facilities.

## 9. Non-current assets held for sale

The non-current asset held for sale comprises the property held in Bisho. Before classification to be held for sale, the fair value less cost to sell of the property was revalued to a recoverable amount of R900,000 in 2011, resulting in a fair value gain of R400,000. The Council decided to dispose of its share of the property, which is jointly held with the Health Professions Council of South Africa (HPCSA), in 2012.

## 10. Reserves

2012

	Asset re-valuation reserve R	Fair value adjustment assets- available for sale reserve R	Total R
Opening balance	47,756,113	168,235	47,924,348
Revaluation of land and buildings	4,892,615	-	4,892,615
Gains on available-for-sale financial assets	-	119,298	119,298
	<b>52,648,728</b>	<b>287,533</b>	<b>52,936,261</b>
<b>Restated 2011</b>			
Opening balance	43,783,246	129,227	43,912,472
Revaluation of land and buildings	3,972,867	-	3,972,867
Gains on available-for-sale financial assets	-	39,008	39,008
	<b>47,756,113</b>	<b>168,235</b>	<b>47,924,348</b>

## 11. Post-employment medical aid benefits

The Council provides post-retirement medical aid benefits to all employees and continuation and widow(er) members who participate in the Bestmed Medical Scheme, Bonitas Medical Fund and Oxygen Medical Scheme.

The actuarial valuation of the post-employment medical aid liability performed as 31 March 2012 reported a contractual liability amounting to R25,660,104 (2011: R22,918,648).

	2012 R	2011 Restated R
<b>Statement of Financial Position</b>		
Defined benefit obligation	25,660,104	22,918,648
<b>Statement of Comprehensive Income</b>		
Interest cost	2,084,047	1 643 920
Benefits paid	(1,753,529)	(1,531,149)
Actuarial loss recognised	2,410,938	4 280 957
	<b>2,741,456</b>	<b>4,393,728</b>
<b>Reconciliation of the Statement of Financial Position item</b>		
Opening balance	22,918,648	18,524,920
Interest cost	2,084,047	1 643 920
Actuarial gain on post-employment medical aid	2,410,938	4 280 957
Benefits paid	(1,753,529)	(1,531,149)
	<b>25,660,104</b>	<b>22,918,648</b>
<b>Sensitivity to medical inflation assumption</b>		
<b>1% increase in medical inflation</b>		
Increased in defined benefit obligation	2,421,518	1,768,101
Percentage decrease	9.44%	8.16%
<b>Sensitivity to medical inflation assumption</b>		
<b>1% decrease in medical inflation</b>		
Increased in defined benefit obligation	(2,137,994)	(1,568,756)

## 11. Post-employment medical aid benefits (continued)

The key assumptions used in the actuary's projected contractual liability calculations at reporting date are set out below.

	2012	2011 Restated
	R	R
Percentage decrease	(8.33%)	(7.24%)
Healthcare cost inflation	8.05%	7.91%
Discount rate	9.02%	9.24%
Normal retirement age	60	60

## 12. Employee retirement benefits

### Defined benefit plan

The Council provided retirement benefits for all its permanent employees through a funded defined benefit provident that is subject to the Pension Funds Act, 1956, as amended. This was changed on 1 January 2011 from a defined benefit fund to a defined contribution fund. Approval by the Financial Services Board was obtained. The current portion relates to the final settlement of the obligation.

	2012	2011 Restated
	R	R
<b>Statement of Financial Position</b>		
Present value of obligation	-	55,481,000
Fair value of plan assets	-	53,190,000
	-	<b>2,291,000</b>
<b>Current portion</b>		
Present value of obligation	217,752	-
<b>Movements for the year</b>		
Service cost	-	4,669,000
Interest cost	-	5,037,000
Expected return on assets	-	(4,761,000)
Actuarial gain/(loss) recognised	-	(1,007,000)
Member contribution and risk benefits	-	(1,122,000)
	-	<b>2,816,000</b>

### Key assumptions used

The key assumptions used in the actuary's projected contractual liability calculations at reporting date are set out below.

	2012	2011 Restated
	%	%
Salary increase rate	-	7.10
Discount rate	-	9.10
General inflation rate	-	6.10
Expected return on assets	-	9.10

The SA 85-90 ultimate mortality table was used in estimating the expected mortality experience.

The yield on fixed interest government bonds is used to determine the overall expected return.

**Defined contribution plan**

It is the policy of the Council to provide retirement benefits to all its employees. The defined contribution provident fund, subject to the Pensions Fund Act exist for this purpose.

The Council is under no obligation to cover any unfunded benefits.

	2012 R	2011 Restated R
The total contribution to such schemes	2,496,088	-

**13. Trade and other payables**

	2012 R	2011 Restated R
Trade payables	2,728,283	2,054,584
Accrued leave pay	3,092,378	3,945,972
Accrued expenses	1,567,560	4,693,691
VAT	889,126	640,706
Payroll liabilities	18,300	1,258,703
	<b>8,295,647</b>	<b>12,593,656</b>

Terms and conditions of the above financial liabilities: Fair value approximate the carrying amount.

**14. Income received in advance**

	2012 R	2011 Restated R
Annual fees	51,428,681	47,064,263
Donor fund deferred income	3,172,379	2,247,448
Other income received in advance	1,828,402	773,285
	<b>56,429,462</b>	<b>50,084,996</b>

**15. Provisions****Reconciliation of provisions – 2012**

	Opening balance R	Additions R	Utilised during the year R	Reversed during the year R	Total R
Legal proceedings	300,000	-	-	(300,000)	-
Bonus	311,070	1,324,182	(1,290,717)	-	344,535
	<b>611,070</b>	<b>1,324,182</b>	<b>(1,290,717)</b>	<b>(300,000)</b>	<b>344,535</b>

## 15. Provisions (continued)

### Reconciliation of provisions – 2011

	Opening balance	Additions	Utilised during the year	Total
	R	R	R	R
Legal proceedings	300,000	-	-	300,000
Bonus	235,603	1,094,609	(1,019,142)	311,070
	<b>535,603</b>	<b>1,094,609</b>	<b>(1,019,142)</b>	<b>611,070</b>

The bonus provision is paid annually and is not based on performance conditions.

## 16. Revenue

	2012	2011 Restated
	R	R
Annual fees – registered and enrolled person	65,443,023	61,429,691
Registration fees	1,325,912	4,546,520
Enrolment fees	1,933,930	341,257
Examination fees	8,393,386	6,531,049
Restoration fees	15,514,842	8,418,835
Application fees	224,586	158,631
Accreditation visits	66,069	11,874
Sale of distinguishing devices	1,597,174	1,543,917
Licence fees – nursing agencies	3,223	35,959
Verification fees	205,670	296,313
Confirmation and duplications	40,952	42,186
	<b>94,748,767</b>	<b>83,356,232</b>

## 17. Other income

	2012	2011 Restated
	R	R
Rent received	114,547	122,757
Discount received	50,000	58,546
Sundry income	302,985	1,865,096
Admission of guilt fines	4,500	7,000
Sale of printed matter	137,067	260,185
	<b>609,099</b>	<b>2,313,584</b>

**18. Results from operating activities**

Results from operating activities for the year is stated after accounting for the following:

	2012	2011 Restated
	R	R
Loss on sale of property, equipment and motor vehicles	137,807	559,642
Impairment on trade and other receivables	26,857	196,047
Advertising	307,941	287,988
Administration and Management fees	283,634	162,274
Assessment rates and municipal charges	495,567	404,580
Auditors fees	349,300	544,000
Bank charges	1,762,026	1,310,591
Consulting and professional fees	4,661,372	2,607,520
Insurance	111,800	112,124
Depreciation on property, plant and equipment	1,959,424	1,684,773
Employee costs	38,835,188	34,048,516

**19. Investment revenue**

	2012	2011 Restated
	R	R
<b>Dividends received</b>		
Listed financial assets – local	50,521	32,277
<b>Finance income</b>		
Bank	5,776,850	3,854,594
Loans to Directors, Managers and employees	195	3,008
	<b>5,827,566</b>	<b>3,889,879</b>

**20. Finance costs**

	2012	2011 Restated
	R	R
Interest on late payment of trade and other payables	19,152	-
Bank	505	1,477
Interest on post-retirement medical aid	2,084,047	1,644,406
	<b>2,103,704</b>	<b>1,645,883</b>

## 21. Other comprehensive income

### Components of other comprehensive income – 2012

	Gross R	Tax R	Net R
Gains on available for sale financial assets	119,298	-	119,298
Gains on property revaluation	4,892,615	-	4,892,615
Actuarial losses on defined benefit plans	(2,410,938)	-	(2,410,938)
<b>Total</b>	<b>(2,600,975)</b>	<b>-</b>	<b>(2,600,975)</b>

### Components of other Comprehensive income – Restated 2011

Gains on available for sale financial assets	39,008	-	39,008
Gains on property revaluation	3,972,867	-	3,972,867
Actuarial losses on defined benefit plans	(3,402,957)	-	(3,402,957)
<b>Total</b>	<b>608,918</b>	<b>-</b>	<b>608,918</b>

## 22. Cash generated from operations

	2012 R	2011 Restated R
Profit before taxation	33,384,643	26,945,919
<b>Adjustments for:</b>		
Depreciation and amortisation	1,959,424	1,684,773
Loss on sale of assets	137,807	559,642
Dividends received	(50,521)	(32,277)
Interest received	(5,777,045)	(3,857,602)
Finance costs	19,658	1,477
Fair value adjustments	-	(400,000)
Inventory (write-up)/down	(161,485)	23,581
Bad debts	26,857	196,047
Settlement of retirement benefit assets and liabilities	(2,073,248)	(878,000)
Movements in provisions	(266,535)	75,467
Interest cost on post retirement medical aid	2,084,047	1,644,406
Actuarial gains/(losses) on post-employment medical aid	(2,410,938)	(3,402,957)
<b>Changes in working capital:</b>		
Inventory	132,993	133,754
Trade and other receivables	(10,929)	(352,334)
Trade and other payables	(4,298,009)	1,749,866
Income received in advance	6,344,466	7,075,749
	<b>29,041,185</b>	<b>31,167,511</b>

## 23. Taxation

Provision for taxation is not necessary as the Council is exempt from paying income tax in terms of Section 10(1)(cA)(i) of the Income Tax Act.

**24. Financial assets by category**

The accounting policies for financial instruments have been applied to the line items below.

## 2012

	Loans and receivables	Amortised cost	Available- for-sale	Total
	R	R	R	R
Investments	-	-	618,703	618,703
Trade and other receivables (excludes prepayments)	208,083	-	-	208,083
Cash and cash equivalents	-	139,612,073	-	139,612,073
	<b>208,083</b>	<b>139,612,073</b>	<b>618,703</b>	<b>140,438,859</b>

## 2011

Investments	-	-	499,405	499,405
Trade and other receivables (excludes prepayments)	936,800	-	-	936,800
Cash and cash equivalents	-	105,201,605	-	105,201,605
	<b>936,800</b>	<b>105,201,605</b>	<b>499,405</b>	<b>106,637,810</b>

**25. Financial liabilities by category**

## 2012

	Financial liabilities at amortised cost	Total
	R	R
Trade and other payables	8,295,647	8,295,647

## Restated 2011

Trade and other payables	12,593,656	12,593,656
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**26. Commitments**

## Authorised capital expenditure

	2012	2011 Restated
	R	R
Already contracted for but not provided for		
Contracted for office automation	-	821,345
Operating leases – as lessee (expense)		
Minimum lease payments due		
- Within one year	201,689	-
- In second to fifth year inclusive	330,702	-
- Later than five years	-	-
	<b>532,391</b>	<b>-</b>

## 26. Commitments (continued)

Operating lease payments represents rentals payable by the Council for certain of its computer equipment. Leases are negotiated for an average term of three to five years and rentals are fixed for the duration of the lease term. No contingent rent is payable.

	2012 R	2011 Restated R
Operating lease – as lesser (income)		
Minimum lease rentals received within one year	-	114,547

Certain of the Council's office space was leased to Howard University in receipt of rental income. The tenants occupied the premises up until 31 December 2011. There are no contingent rents receivable.

## 27. Risk of exposure to litigation

The Council is defending action brought by the Nursing Education Institutions. While the liability is not admitted, if defence against the action is unsuccessful, fines and legal costs could amount to R12.6 million. Based on legal advice, the Council does not expect the outcome of the action to have a material effect on its financial position.

## 28. Related parties

The related parties were identified as the Council members and the members of standing committees.

Refer to the Council report for a detail list of Council members.

Transactions with the related parties include member's allowances and expenses at rates determined by the Council. An amount of R1,104,266,33 (2011: R1,773,130) was paid as members' allowances for the year ended 31 March 2012.

## 29. Key personnel compensation

For the year ended 31 March 2012

	Salaries R	Other benefits R	Post employment benefits (defined contribution) R	Bonuses R	Total R
Senior Manager: Information Management	653,134	72,151	58,723	54,626	838,634
Deputy Registrar: Practice	717,437	51,851	62,270	57,851	889,409
Senior Manager: Human Resources	233,429	3,083	-	-	236,512
Chief Financial Officer	643,962	157,452	-	-	801,414
Senior Manager: Project Co-ordination	638,496	36,397	-	48,059	722,952
Registrar and CEO	933,500	107,555	-	-	1,041,055
Senior Manager: Education and Training	554,549	26,313	-	-	580,862
	<b>4,374,507</b>	<b>454,802</b>	<b>120,993</b>	<b>160,536</b>	<b>5,110,838</b>

For the year ended 31 March 2011

	Salaries	Total
	R	R
Senior Manager: Information Management	764,905	764,905
Deputy Registrar	852,809	852,809
Senior Manager: Human Resources	423,772	423,772
Chief Financial Officer	802,352	802,352
Senior Manager: Project Co-ordination	560,114	560,114
Senior Manager : Provider Affairs	433,947	433,947
Registrar and CEO	776,879	776,879
	<b>4,614,778</b>	<b>4,614,778</b>

### 30. Prior period errors

The Council restated its Annual Financial Statements for the annual periods 2011 through to 2012. The restatements related to a number of items detailed below.

The Council has selected an accounting policy to revalue its land and building and based on practice. The revaluation is done annually. During 2011 financial year, the valuation was not done, but was only revalued in 2012 and the entity thus recognised a revaluation gain of R5 million. However, in assessing the reasonability of the gain, it was established that part of the value indicates the growth for 2011. Thus the Council decided that in order to reflect the fair value change of the property, R3,972,867 would be recognised in 2011.

The Council decided to recognise the disposal of assets in 2011, based on the fact that there was no evidence to support the year of actual disposals.

The standard requires regular assessment of useful lives of items of property, equipment and motor vehicles. The Council decided to reassess the useful lives of the fully depreciated assets which were still in use at the end of the reporting period. The impact on the carrying amount was R645,909.

During the 2012 financial year, the Council discovered office equipment to the value of R724, 902 which was incorrectly recognised in the 2011 financial year.

The standard requires that assets of which the carrying amount will be realised through sale should be fair valued before classification. The non-current asset held for sale was recognised at its carrying amount. The fair value of the asset upon classification was R900,000. The net impact on retained earnings was R400,000.

The Council established that the revaluation of the investment was calculated using an incorrect number of shares. This resulted in an R10,479 adjustment.

The Council recognised dividend received when payment was received, rather than when the right to receive payment was established. The impact on profit or loss was R16, 888.67.

The Council recognised a suspense account of which supporting evidence was not available, thus the amount was reversed. The impact on profit or loss was R86,745.

The Council did not recognise travel expenses relating to donor funding. The impact on other income and administration expenses was R11,091.

The Council wrote off obsolete inventory items of R23,581.25.

A net adjustment of R827,310 was made to trade and other payables to account for accruals and reversal of accruals.

### 30. Prior period errors (continued)

A valuation of the post-employment medical aid was conducted and it was established that the 2011 liability needed to be adjusted. The liability and retained earnings was adjusted by R1,250,742. It was discovered that the income received in advance was overstated by R3,223,831.

Certain Financial Statements items were reclassified to enhance presentation. The Pretoria service account was reclassified to income received in advance, the provision for bonus was reclassified to provisions and interest on post-employment medical was reclassified to finance costs.

Due to a restatement made to items of inventory, trade and other receivables and trade and other payables, 2011 movements in the changes to working capital section of note 22 were restated, however there was no impact on the position and net cash inflow/outflow of the Council as at 31 March 2011.

Due to lack of complete information, the opening Statement of Financial Position as restated has not been presented. The cost of embarking on such an exercise would exceed the benefit to the users.

The correction of the error resulted in the following adjustments:

Statement of Financial Position	Published R	Adjustment R	Restated R
<b>Non- current assets</b>			
Property, plant and motor vehicles	41,611,038	3,315,983	44,927,021
Investments	509,884	(10,479)	499,405
Non-current asset held for sale	500,000	400,000	900,000
<b>Current assets</b>			
Inventory	253,325	(23,581)	229,744
Trade and other receivable	1,231,772	16,888	1,248,660
<b>Reserves and liabilities</b>			
Asset revaluation reserve	43,783,246	3,972,867	47,756,113
Fair value adjustments assets – available for sale reserve	178,713	(10,478)	168,235
Opening retained earnings	(10,873,317)	3,913,072	(6,960,245)
<b>Non-current liabilities</b>			
Post-employed retirement medical aid	21,667,906	1,250,742	22,918,648
<b>Current liabilities</b>			
Trade and other payables	13,732,029	(1,138,373)	12,593,656
Income received in advance	54,413,119	(3,328,123)	50,084,996
Provisions	300,000	311,070	611,070
<b>Statement of Financial Performance</b>			
	Published R	Adjustment R	Restated R
<b>Profit or loss</b>			
Other income	2,215,748	97,836	2,313,584
Fixed and administration expenses	(61,494,068)	126,175	(61,367,893)
Dividends received	15,388	16,889	32,277
Finance costs	(1,476)	(1,644,407)	(1,645,883)
Fair value adjustment	-	400,000	400,000
<b>Other comprehensive income</b>			
Available for sale financial assets	-	39,008	39,008
Actuarial losses on defined benefit plans	(3,030,215)	(372,742)	(3,402,957)
Gains and losses on property revaluation	-	3,972,867	3,972,867

### 31. Risk Management

#### Financial risk Management

The Council's activities expose it to a variety of financial risks, such as market risk (fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Council's Management oversees the Management of risk.

The Council's principal financial liabilities are trade and other payables. The main purpose is to maintain finance operations. The Council has trade and other receivables and cash and short-term deposits, as well as available-for-sale equity instruments classified as investments.

#### Liquidity risk

The Council's exposure to any liquidity risk is insignificant, and it only has minimal financial liabilities. Its cash resources are sufficient to meet any commitments that may fall due during the financial year. The table below summaries the maturity profile of the Council's financial liabilities based on contractual undiscounted payments.

	Carrying amount R	Contractual cash flows R	Less than 1 year R	2–5 years R
<b>At 31 March 2012</b>				
<b>Non-derivative financial liabilities</b>				
Trade and other payables	8,295,647	8,295,647	8,295,647	-
<b>At 31 March 2012 (Restated)</b>				
<b>Non-derivative financial liabilities</b>				
Trade and other payables	12,593,656	12,593,656	12,593,656	-

#### Interest rate risk

The entity's exposure to interest rate risk is moderate as cash, which will not be required in the next 30 days, is invested in Money Market bank accounts to earn interest income. The Council's short-term deposits are valued at amortised cost using the market price of the investment as at year end.

#### Interest rate sensitivity

Interest rate sensitivity relates to reasonable possible changes in interest rate on short-term deposits. With all variables held constant, and assumed 50 basis points change will increase/decrease profit before tax by R659,129 (2011: R485,430).

#### Credit risk

Credit risk is of financial loss to the entity if the counterparty to the financial instrument fails to meet its contractual obligation, and arises principally from an entity's receivables from customers and investment securities. The entity's exposure to credit risk is minimal, as it has limited receivables with no foreign debtors as well as limited investments. The carrying amount of financial assets represents the maximum credit exposure.

### 31. Risk Management (continued)

Financial assets exposed to credit risk at year end were as follows:

	2012	2011 Restated
	R	R
<b>Financial instrument</b>		
Trade and other receivables*	208,083	396,800

\*Net of prepayments

#### Foreign exchange risk

The Council is not exposed to any currency risk as it trades in South African Rand and does not have any transactions with any foreign currency.

#### Price risk

The Council is exposed to equity securities price risk because of investments held by the Council and classified in the Statement of Financial Position as available-for-sale. To manage its price risk arising from investments in equity securities, the Council approves all the investment decisions.

Other components of equity would increase/decrease as a result of gains or losses on equity securities classified as available-for-sale.

At reporting date the exposure was 5% to quoted investment at fair value was R30,935 (2011: R24,970)

### 32. Going concern

The Annual Financial Statements were prepared on the basis of accounting policies applicable to a going concern. This basis resumes 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.

### 33. Events after the reporting period

The members are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the Financial Statements.

## ANNEXURE 1

### DETAILED INCOME STATEMENT

	Note	2012 R	2011 R
<b>Revenue</b>			
Sale of distinguishing devices		1,597,174	1,543,917
Cost of sales of distinguishing devices		(1,157,293)	(931,519)
Annual fees – registered and enrolled persons		65,443,023	61,429,691
Restoration fees		15,514,842	8,418,835
Application fees		224,586	158,631
Accreditation visits		66,069	11,874
Examination fees		8,393,386	6,531,049
Registration fees		1,325,912	4,546,520
Enrolment fees		1,933,930	341,257
Confirmations and duplications		40,952	42,186
Licence fees – nursing agencies		3,223	35,959
Verification fees		205,670	296,313
	16	<b>93,591,474</b>	<b>82,424,713</b>
<b>Other income</b>			
Rent received		114,547	122,757
Discount received		50,000	58,546
Sundry income		302,985	1,865,096
Admission of guilt fines		4,500	7,000
Sales of printed material		137,067	260,185
Dividend revenue	19	50,521	32,277
Interest received	19	5,777,045	3,857,602
Fair value adjustments		-	400,000
		<b>6,436,665</b>	<b>6,603,463</b>
Expenses (Refer to page 76)		<b>(64,539,792)</b>	<b>(60,436,374)</b>
Operating profit/(loss)	18	<b>35,488,347</b>	<b>28,591,802</b>
Finance costs	20	(2,103,704)	(1,645,883)
Profit/(loss) for the year		<b>33,384,643</b>	<b>26,945,919</b>
Total comprehensive income/(loss) for the year		<b>35,985,618</b>	<b>27,554,837</b>

	2012	2011
	R	R
<b>Operating expenses</b>		
Administration costs and office bearer allowance	(283,634)	(162,274)
Advertising	(307,941)	(287,988)
Assessment rates and municipal charges	(495,567)	(404,580)
Auditors remuneration	(349,300)	(544,000)
Bank charges	(1,762,026)	(1,310,591)
Cleaning	(410,486)	(365,473)
Computer expenses	(531,657)	(331,353)
Consulting fees	(3,987,469)	(1,590,115)
Refund on advances	(254,367)	(424,537)
Depreciation	(1,824,796)	(1,904,401)
Employee costs	(38,835,188)	(34,048,516)
Entertainment	(2,456)	(23,414)
Meeting expenses – transport allowance	(888,602)	(1,136,684)
Meeting expenses – general	(434,298)	(24,446)
Meeting expenses – accommodation	(760,575)	(927,621)
Meeting expenses – subsistence allowances	(108,320)	(71,338)
Meeting expenses – translation and transcribing services	(49,189)	(307,954)
Meeting expenses – meetings held	(39,686)	(84,085)
Meeting expenses – examiners and invigilators	(2,296,473)	(2,138,095)
General expenses	(24,402)	(88,197)
Meeting expenses – members' allowances	(672,132)	(556,657)
Provident fund and medical aid expense	(150,358)	(2,288,628)
Fines and penalties	(961)	(61,930)
Gifts	(27,738)	(11,806)
Hire of equipment and venue	(630,235)	(864,795)
Recoveries	-	35,978
Insurance	(111,800)	(112,124)
Lease rentals on operating lease	(180,402)	(160,313)
Legal expenses	(950,991)	(590,117)
Loss on disposal of assets	(137,807)	(559,642)
Motor vehicle expenses	(46,267)	(34,363)
Secure collections	-	(75,707)
Teambuilding	-	(16,500)
Postage	1,635,954	(1,669,411)
Printing and stationery	(1,344,320)	(1,530,838)
Functions and seminars	-	(128,350)
Uniforms	(4,561)	(6,031)

	2012	2011
	R	R
<b>Operating expenses (continued)</b>		
Repairs and maintenance	(446,716)	(231,977)
Secretariat services	-	(81,924)
Security	(577,153)	(478,940)
Computer licence	(338,172)	(269,558)
Catering and refreshments	(363,738)	(543,026)
Service level agreements	(5,850)	(64,350)
Subscriptions	(32,259)	(57,271)
Telephone and fax	(499,477)	(582,180)
Training	(39,102)	(89,595)
Transport and freight	(1,021,653)	(994,856)
Travel – local	(1,188,787)	(1,269,582)
Valuations	282,938	(362,938)
Water and electricity	(489,367)	(430,379)
Workshops	(280,498)	(172,902)
<b>Total</b>	<b>(64,539,792)</b>	<b>(60,436,374)</b>

## DEFINITIONS

<b>Act</b>	Nursing Act, No. 33 of 2005
<b>Auxiliary Midwife</b>	A person who, prior to the commencement of the Act, was enrolled or eligible to be enrolled with the Council as such
<b>Auxiliary Nurse</b>	A person registered as such in terms of Section 31 of the Nursing Act
<b>Midwife</b>	A person registered as such in terms of Section 31 of the Nursing Act
<b>Nursing Education Institution</b>	Any nursing education institution accredited by the Council in terms of the Nursing Act
<b>Profession Nurse</b>	A person registered as such in terms of Section 31 of the Nursing Act
<b>Registrar</b>	The person appointed in terms of Section 18 of the Nursing Act
<b>Scope of Practice</b>	The scope of practice of a practitioner that corresponds to the level contemplated in Section 30 in respect of that practice
<b>Staff Nurse</b>	A person registered as such in terms of Section 31 of the Nursing Act
<b>SANC/Council</b>	The South African Nursing Council contemplated in Section 2 of the Nursing Act
<b>The Minister</b>	The Minister of Health
<b>National Department</b>	The Department of Health

## ACRONYMS AND ABBREVIATIONS

CPD	Continuous Professional Development
ETQA	Education and Training Quality Assurer
NHI	National Health Insurance
NEIs	Nursing Education Institutions
NLRD	National Learner Record Database
SAQA	South African Qualifications Authority
NDoH	National Department of Health
NQF	National Qualifications Framework
HEQF	Higher Education Qualifications Framework
EXCO	Executive Committee
FICA	Financial Intelligence Centre Act, 2001
HPCSA	Health Professions Council of South Africa
EDCO	Education Committee
HR	Human Resource
ICT	Information and Communication Technology
SA GAAP	South African Standards of Generally Accepted Accounting Practice
IFRS	International Financial Reporting Standards
VAT	Value Added Tax
PAYE	Pay As You Earn









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