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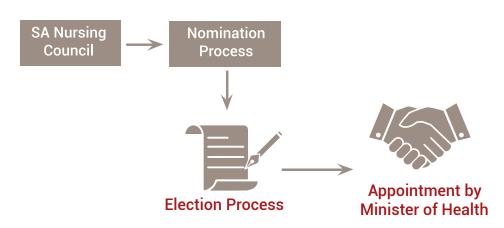
Profile of

SANC Council

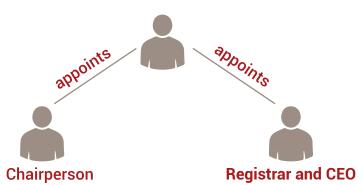
25 Council Members

Elected for 5 years

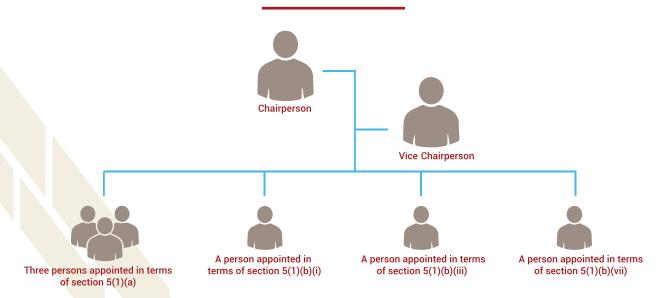




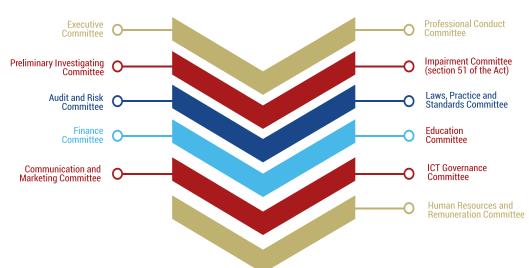
Minister of Health



SANC Executive Committee







Secretariat

Education and Training



- Accreditation
- Assessments
- Registrations

Finance and Administration



- ▶ Facilities & Administration▶ Client Services
- ➤ Finance
- Supply Chain Management
- > Revenue collection and sales

Information and Communication Technology



- > Information and Communication Technology
- > Records Management
- Registry

Human Resources



- Recruitment and Selection
- Performance Management
- Employee engagement/ relations
- Occupational Health & Safety and Employee Wellness
- Learning and Development

Legal Affairs



- Litigation
- Regulatory support General legal support
- Professional Conduct hearings

Marketing and Communication



- Stakeholder engagement
- Media management & liaisonMarketing
- Branding
- > Event management

Professional Practice



- **Continuing Professional** Development (CPD)
- Professional Practice
- **Preliminary Investigations**
- Unfitness to Practice

SANC Vision

Excellence in professionalism and advocacy for health care users

Mission Statement

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

SANC Office





Prof Busisiwe Bhengu

The 15th Council term of office is nearing an end, amidst pressures regarding transformation in nursing education and practice. Looking back on the past year, Council has been busy catching up and preparing the ground, to ensure a South African Nursing Council (SANC) organisational environment conducive to this transformation.

After a protracted search for a suitable Registrar and Chief Executive Officer, we have reached finality. The Executive management team is well positioned to face the demands of the profession, with the senior positions recently filled with capable incumbents. With their support, the footprints of the 15th Council are evident in this final annual report for the term of office.

The membership management system is a key focus for the year ahead, in order to integrate the SANC's

electronic systems, and thus solving the problem of long gueues at the SANC offices around the festive season, improving turnaround times for registration, and many other solutions. Communication with our stakeholders has escalated to a higher level and it is hoped that the electronic system that is being introduced will take it even further.

I take this opportunity to thank my team, the 15th Council, the Executive Management, all staff at SANC, relevant structures in the Department of Health and the various formations in the profession for making my five-year tenure 'a journey well-travelled', with tangible results.

I wish the 16th Council good luck in their endeavours and in taking this Council forward into the next five vears.

Prof BR Bhenau Chairperson

The year under review has been characterised by a lot of dynamics, some of which were externally driven, especially in the area of nursing education. Despite some challenges, the Council, supported by its management team, recorded some further footprints towards fulfilling its fiduciary duties.

Governance

The 15th Council of the South African Nursing Council (SANC) is on the verge of completing its five-year tenure in June 2018. In preparation for the appointment of the 16th Council by the Minister of Health, nomination returns from the profession have been processed through the Office of the Returning Officer. It is anticipated that the 16th Council will be appointed by July 2018.

The Council held its annual strategic review and planning session to determine annual targets and direct management for the coming financial year, and has held its meetings as prescribed.

Risk

The SANC launched and is implementing a process of managing fraudulent and corrupt activities through reports from an external provider. Although it is an onerous task to validate complaints from anonymous sources, most information is useful and has influenced some internal control measures. The public is encouraged to use the SANC Fraud Hotline to report irregular activities in order to help rebuild the image of nursing.

The SANC is also making progress in implementing its organization-wide risk management processes, which for the 2018 year ranges between weak, progressing and sustainable. Management is working on improving the risk profile of the SANC.

Education and training

With the end of the lifespan of the legacy qualifications approaching in 2019, the Education and Training department is inundated with applications for accreditation of new nursing programmes. During the year under review, sixty-seven (67) applications were processed for accreditation of different undergraduate programmes from Nursing Education Institutions (NEIs) such as public nursing colleges, universities and private nursing schools. There are still challenges with finalizing the processing of some applications, due to most NEIs not being able to comply with the key requirements of registration with the Department of Higher Education and Training (DHET) by private nursing schools, as well as acquisition of higher education institution status by public nursing colleges through a defined legal process.

The leaking of examination papers for the Bridging Course leading to Registration as a Nurse during the May 2017 examinations, caused massive instability in the sector. The SANC is wrapping up the investigation in respect of this mishap.

Professional practice

The SANC has made remarkable strides in the 'Thuma mina' area of supporting nurse practitioners who are reported by employers or colleagues to be unfit to practise their profession as a result of disability or illness. The Impairment Committee of Council has supported twenty (20) nurses during the financial year under review and six (6) were eventually discharged. Employers are encouraged to refer nurses who are deemed to be impaired, so they can utilise and benefit from the ongoing support that the Council provides through this committee.



Ms Sizeni Mchunu

Finance

The Council is in a strong financial position and is a going concern. Regrettably, the SANC went a step backwards with a qualified audit opinion for the financial year 2018, following an unqualified opinion for the previous year. Further improvements on internal controls are underway to work towards an improved audit opinion again.

Stakeholder management

The SANC has had ongoing engagement with external stakeholders, in the form of structured stakeholder meetings twice a year, specific Continuing Professional Development (CPD) stakeholders' meetings twice a year as well as monthly #SANCnews newsletters. The positive response to these has not gone unnoticed. The proactive and reactive engagement with the media has been fruitful for the organization. The SANC will continue with such engagements in order to address identified areas of uncertainty. One such area is perpetual confusion of the regulator's mandate with those of the employer, labour unions and a national nursing association. Management will keep on working on client service management, an area that the SANC has not done well on.

I would like to express my sincere gratitude to the Chairperson of Council, the Council as a whole, Management and the staff of the Council for the support I have enjoyed during this period. Contact with stakeholders was a highlight throughout the year.

Sizeni Mchunu-Registrar and CEO



Prof BR Bhengu Chairperson



Prof M Davhana-Maselesele Deputy Chairperson



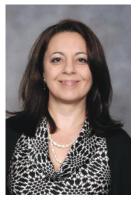
Ms SA Mchunu Registrar and CEO



Dr H Ally



Prof DI Gihwala



Ms G Harper



Prof SP Human



Ms N Isaacs-Raiss



Dr M Molepo



Ms I Mokale



Ms N Mokoape



Ms DQ Ngidi



Ms A Thupane

Absent: Ms N Gumede

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Mr JC Cloete



Dr EL Coustas



Ms MJ Dzebu



Ms G Jeftha



Ms P Magagula



Ms TR Mdlalose



Ms TL Mkhonza



Mr FO Nyalunga



Prof AJ Pienaar



Ms P Santho



Ms D Seerane

The South African Nursing Council

The South African Nursing Council is the body entrusted to set and maintain standards of nursing education and practice in the Republic of South Africa. It is an autonomous, financially independent, statutory body, initially established by the Nursing Act, 1944 (Act No. 45 of 1944), and currently operating under the Nursing Act, 2005 (Act No. 33 of 2005).

The main object of the Council in terms of section 3 of the Nursing Act, 2005 is to serve and protect the public in matters involving health services generally and nursing services in particular.

The South African Nursing Council fulfills its functions relevant to Nursing Education and Training by:



Mandate of the South African Nursing Council



THE SOUTH AFRICAN NURSING COUNCIL

SANC

Regulator of the Nursing profession

Regulated by Nursing Act, 2005

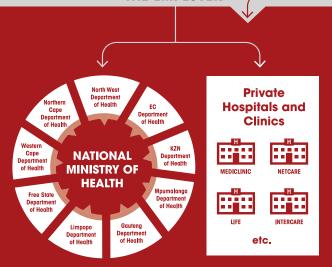
- Is a statutory professional body mandated to regulate the Nursing and Midwifery professions, by establishing and maintaining nursing education and training and practice standards.
- Guards the interests of the public.

NOT: Employer | Trade Union

Does not become involved in:

- Labour disputes
- Salaries and salary scales (OSDs)
- Working conditions, staff shortages, etc.

AS THIS IS THE RESPONSIBILITY OF THE EMPLOYER



Functions of the South African Nursing Council

The Nursing Council must:

- where authorized by the Nursing Act, enter into the register the name of a person who will then be entitled to practise nursing or midwifery in South Africa according to the category or categories in which they are registered;
- where authorized by the Nursing Act, remove from, or restore to the register any name;
- ensure that a register of persons registered in terms of the Nursing Act is available to the public;
- conduct examinations and issue qualification certificates to those who are successful and have completed the programme;
- determine the scope of practice and conditions under which persons registered in terms of the Nursing Act may practise their profession, and the continuing professional development (CPD) requirements for them to remain competent;
- determine the acts and omissions in respect of which the Council may take disciplinary steps against a practitioner;
- ensure that persons registered in terms of the Nursing Act behave towards health service users in a manner that respects their constitutional rights, and take disciplinary action against those who fail to do so;

- conduct inspections and investigations of nursing education institutions, nursing education programmes, and health establishments, in order to ensure compliance with the Nursing Act, 2005, and to report on non-compliance;
- withdraw or suspend accreditation of a nursing education institution or nursing education programme if the nursing education provider does not comply with prescribed requirements;
- monitor the assessment (of learners) by nursing education providers;
- investigate and take legal action against non-accredited institutions offering "illegal" nursing education;
- determine (and charge) the prescribed fees in terms of the Nursing Act;
- submit to the Minister of Health: a five-year strategic plan at the commencement of each Council's term of office, sixmonthly reports on the status of nursing and other matters of public importance under the Nursing Act, and annual reports after the end of each financial year;
- ensure that an annual budget is drawn up and that the Nursing Council operates within the parameters of such budget; and
- perform any other function prescribed in terms of the Nursing Act.

This list is a summary of the FUNCTIONS of the South African Nursing Council. The comprehensive list of FUNCTIONS (including functions which the Council MAY perform) are specified in section 4 of the Nursing Act, 2005.

The South African Nursing Council must submit to the Minister:

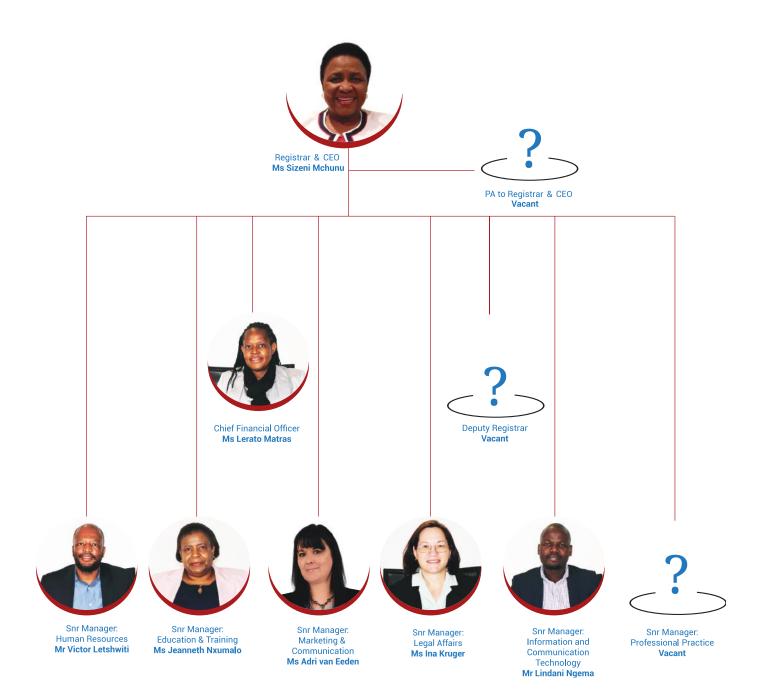
A five-year strategic plan within six months of the Council coming into office which includes details as to how the Council plans to achieve its objectives under this Act A report every six months on the status of nursing and on the matters of public importance compiled by the Council in the course of the perfomance of its functions under this Act

An annual report within six months of the end of the financial year

Minister of Health



SANC Management



Executive Overview



Education and Training

Senior Manager: Education and Training - Ms Jeanneth Nxumalo

Regulatory framework

The Education and Training Department, in collaboration with the Legal section, is in the process of reviewing regulations promulgated in 2013 in order to address, inter alia, critical issues in respect of access into the following programmes, in preparation for the implementation of the new Higher Education Qualifications Sub-Framework aligned nursing qualifications:

- **Regulations No. 169** of 08 March 2013, relating to the Approval of and the Minimum Requirements for the Education and Training of a Learner leading to Registration in the Category Auxiliary Nurse;
- Regulations No. 171 of 08 March 2013, relating to the Approval of and the Minimum Requirements for the Education and Training of a Learner leading to Registration in the Category Staff Nurse; and
- **Regulations No. 174** of 08 March 2013, relating to the Approval of and the Minimum Requirements for the Education and Training of a Learner leading to Registration in the Categories Professional Nurse and Midwife.

Operational matters

Accreditation matters

The table below illustrates the applications from Nursing Education Institutions (NEIs) which were processed by the Accreditation section for both 'legacy' and new nursing qualifications.

Accreditation section statistics for the Financial Year 2017/2018

New Nursing Qualifications						
Туре	Total					
Processed Programmes						
Higher Certificate	28					
Diploma in Nursing	25					
Bachelor of Nursing	13					
Advanced Diploma in Midwifery	1					
Conditionally accredited NEIs	7					
Accreditation visits to Nursing	18					
Education Institutions						
Accreditation visits to clinical	41					
facilities						
Analysed clinical facilities	265					
Requests for information to open	35					
new NEIs						
Terminated applications	2					

Legacy Nursing Qualifications	
Туре	Total
Processed Programmes	
Post-Basic Programmes	5
One Year Midwifery	2
Bridging Course	6
Clinical Nursing Science (PHC)	2
Accreditation visits to NEIs	1
Clinical facilities visited	6
Analysed clinical facilities	13
Relocations of NEIs	2
Applications to utilise approved curricula	2
Inspection(s) in loco - NEIs	7
– Clinical Facilities	13
Processed applications for new sub- campus to offer legacy programmes	1
De-accredited NEIs	3
Voluntary closure of NEIs	5
Terminated Applications (Legacy)	3

Registration matters

The table below depicts the number of learners who were registered during the period January-December 2017 for both basic and post-basic qualifications.

Learner Registration	Total Counts Per Year
Four-year programme	3053
Diploma in Midwifery	976
Bridging course for Enrolled Nurses	4573
Diploma in Psychiatric Nursing	52
Clinical Nursing Science, Health Assessment, Treatment and Care	535

The table below depicts the number of nurses who were registered for additional qualifications during the period January-December 2017:

Post-Basic Qualifications	2017
Nursing Administration	1541
Nursing Education	801
Clinical Nursing Science, Health	235
Assessment, Treatment and Care	
Child Nursing Science	1140
Community Nursing	15
Midwifery and Neonatal Nursing Science	436
Occupational Nursing	403
Psychiatric Nursing	95
Operating Theatre Nursing	242
Orthopaedic Nursing	100
Ophthalmic Nursing	66
Oncology Nursing	45
Critical Care – General	343
Critical Care – Trauma	12
Nephrology Nursing	67
Assessors	309
Moderators	258

It is important to note that registration for the post-basic qualifications in Advanced Midwifery and Neonatal Nursing Sciences, Critical Care Nursing, and Oncology Nursing and Palliative Care is relatively low as compared to Nursing Education, Nursing Management and Clinical Nursing Science, Health Assessment, Treatment and Care. The Provinces must be encouraged to enrol nurses for these specializations in order to curb the 'quadruple burden of disease' and to manage people with life-limiting diseases. The six-monthly report to the Minister also highlighted this issue.

The table below depicts the number of nurses that were registered during the period January-December 2017 after completion of the basic qualifications:

Basic Qualifications	Total Counts Per Year
Enrolled Nursing	5126
Enrolled Nursing Auxiliary	1195
Bridging Course for Enrolled Nurses Leading	2125
to Registration as a General Nurse or a	
Psychiatric Nurse	
Diploma in Psychiatric Nursing	122
Diploma in Midwifery	1015
Four Year Diploma/Degree	
Community Service Nursing	2162
Post-Community Service	3335

Assessment matters

• The Examination section continued to conduct examinations for the 'legacy' programmes. The last examination for the Course leading to enrolment as a Nursing Auxiliary was conducted in May 2017. The South African Nursing Council is in the process of developing the new Professional Registration Assessment System (licensure examination system) which would be written by students who have undergone and completed the new nursing qualifications, before they are entered into the SANC Register.

The table below depicts the number of learners who wrote the SANC examination in May and November 2017:

Examination Statistics 2017								
Type Of Examination	No. Wrote	No. Passed	%					
Examination for the course leading to Enrolment as a Nursing Auxiliary (R.2176) NB Re-entries	175	126	72,0%					
First year examination for Enrolment as a Nurse (R.2175) NB Re-entries	76	51	67,1%					
Final examination for Enrolment as a Nurse (R.2175)	3980	3192	80,2%					
First year examination for the Bridging Course leading to registration as a General Nurse (R.683)	7179	5867	81,7%					
Final year examination for the Bridging Course leading to registration as a General Nurse (R.683)	4340	2994	69,0%					
Final examination for the Diploma in Psychiatric Nursing (R.880)	73	51	69,9%					
Final examination for the Diploma in Midwifery (R.254)	1979	1171	59,2%					
Examination in Clinical Nursing Science, Health Assessment, Treatment and Care (R.48)	347	329	94,8%					
Admission examination for foreign applicants leading to registration as a Nurse	134	64	47.8%					

Communication with stakeholders

- Circulars were issued to update stakeholders on the following matters:
 - 1. Progress on the phasing out of the 'legacy' qualifications in 2019.
 - Withdrawal of certain Nursing Education Institutions, that were previously approved to offer the following phased out nursing programmes, from the SANC website:
 - Course Leading to Enrolment as a Nurse (Regulation No. 2175 of November 1993, as amended); and

- Course leading to Enrolment as a Nursing Auxiliary (Regulation No. 2176 of November 1993, as amended).
- 3. Registration of learners/students undergoing Nursing Education and Training programmes.
- Maintenance of enrolment or registration for learners/students who are pursuing basic/ undergraduate or additional/postgraduate 'legacy' qualifications.

Verification and Transcript Statistics – Calendar Year 2017

Country	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year Total
Abu Dhabi	1	1	-	2	1	2	2	-	1	1	-	1	12
Australia	2	8	5	13	7	6	4	5	9	4	2	4	69
Bahrain	-	3	-	-	-	1	1	_	-	1	-	1	7
Canada	-	-	1	-	1	1	1	-	-	1	-	-	5
Ireland	2	1	3	-	-	3	1	2	-	1	-	-	13
Namibia	-	-	-	1	-	1	1	1	-	1	-	-	5
New Zealand	-	-	3	2	6	3	2	3	1	2	4	1	27
United Kingdom	9	11	5	9	16	4	3	7	6	4	3	4	81
United States of America	11	3	4	5	7	4	6	3	7	8	10	8	76
Zimbabwe	-	-	-	-	-	-	-	1	-	-	-	-	1
Agencies	4	7	5	15	6	4	2	15	21	16	5	4	104
Other Countries	3	9	4	6	7	4	5	9	6	7	4	3	67
Monthly Totals	32	43	30	53	51	33	28	46	51	46	28	26	467

Note: The above figures indicate the number of persons who have requested only that verifications of gualifications and/or transcripts of training be sent to the countries indicated, and nothing else. It is specifically stated that nurses are not required to notify the Council if they leave the country. The fact that a nurse has requested that a verification be sent does not necessarily mean that s/he has taken up an offer of employment in another country.

Education Committee

The Education and Training department within the SANC supports the Education Committee of Council

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

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

- Reviewed the qualification frameworks for the R.169, R.171 and R.174 programmes.
- Granted conditional accreditation to some Nursing Education Institutions to offer the new HEQSFaligned nursing qualifications.
- Developed exit level outcomes and associated assessment criteria for fourteen (14) postgraduate diploma programmes.
- Developed Clinical Education and Training guidelines for the undergraduate and postgraduate programmes.



Professional Practice

Registrar & CEO: Ms Sizeni Mchunu

Preliminary investigation of unprofessional conduct

The Preliminary Investigating Committee (PIC) is responsible for handling cases of alleged unprofessional conduct in terms of the Nursing, 2005 (Act No. 33 of 2005). During the financial year under review, the office received one hundred and ninety seven (197) cases, as reflected in the table below. The media, members of the public, and managers in both private and public healthcare establishments and other institutions, reported these cases. Only cases relating to nurses whose names were in the register of the SANC were investigated by the Committee. The tables below reflect a statistical summary of cases that were received and processed by the SANC during the year under review.

Table 1: Cases received

FYR 2017-18	Q1	Q2	Q3	Q4	TOTAL
Complaints processed	16	14	30	22	82
Prospective	14	12	8	15	49
Outside Jurisdiction	16	10	18	22	66
TOTAL	46	36	56	59	197

Table 2: Cases presented to the Committee

FYR 2017-18	Q1	Q2	Q3	Q4	TOTAL
Midwifery	7	-	3	3	13
General	4	-	12	12	28
Other	1	-	2	13	16
TOTAL	12	-	17	28	57

Table 3: Persons who reported

COMPLAINANT	NUMBER
Members of the Public	33
Nursing Managers	12
Media	6
Other	6
TOTAL	57

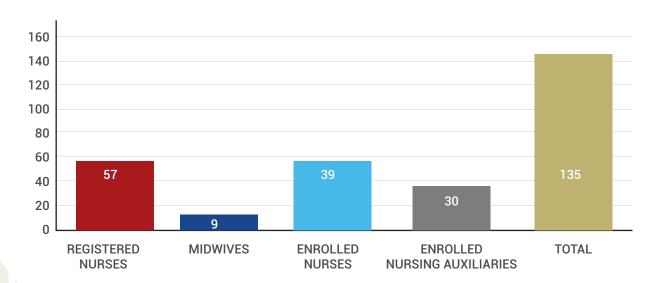
Table 4: Committee resolutions

RESOLUTION	MIDWIFERY	GENERAL	OTHER	TOTAL
Warnings in-service		11	-	11
Fines	3	-	-	3
Prof. Conduct Committee	3	16		19
Finalized (no case)	3	6	5	14
Deferred	-	10	-	10
TOTAL	9	43	5	57

Table 5: Categories of nurses charged, warnings and fines

CHARGED
57
9
39
30
135

Chart 1: Nurses charged per category



Most nurses that were charged worked in the general wards. The most common offences they were charged for, amongst others, were failure to advocate for the patient, assess and monitor vital signs, document and keep records. Registered Professional Nurses are particularly charged for failure to report or refer the patient for further assistance, failure to delegate appropriately, to supervise, and medication errors — this is a matter of concern as it relates to a critical clinical skill or competency.

Factors that contribute to malpractice issues are reportedly staff shortages, lack of resources and poor infrastructure. Staff shortages were found to be more prominent in maternity and general wards, where in some hospitals there were reportedly four nurses, of which only one was a registered nurse, looking after about forty (40) patients.

Statistical summary of unfitness to practise due to impairment

The management of unfitness to practice is done in terms of provisions contained in Section 51 of the Nursing Act, 2005 (Act no. 33 of 2005) (hereafter 'the Act'), and the intention is for the SANC to provide support to nurses who are reported to be unfit to practise. There is indirect support to the families of the nurses, where the SANC will pay for certain services that are required for monitoring or rehabilitation of nurses that are unemployed at the time when they need such services. Employers and colleagues mainly report allegations/ notifications of unfitness to practise to the Council. The Council appoints a committee in terms of section 15 (1) of the Act, to investigate the allegations. This committee also holds inquiries *in camera* to establish if the reported practitioner is impaired or not, and will take a decision to dismiss the case or support the practitioner, based on the evidence adduced.

Table 1: Cases received

CASES RECEIVED	CONDITION	CATEGORY	NUMBER
11	Substance abuse	Registered Nurse	7
		Enrolled Nurse	1
	Mental	Registered Nurse	3
			11

Table 2: Cases under review

TOTAL IN PROGRESS	DISCHARGED	REFERRED TO PIC	CLOSED	OFF REGISTER	REMOVAL
20	6	2	3	5	1

Note: Cases in progress are cumulative and active

Table 3: Cases in abeyance

COMMENT		
This reflects the number of nurses who are non-compliant in respect of their regime		
and appearances before the Committee. Their cases are pending and they are		
administratively flagged on the SANC system until they present themselves in order		
for the interventions of support to continue.		



Legal Affairs

Senior Manager: Legal Affairs - Ms Ina Kruger

The core functions of the Legal Affairs section are to:

- provide corporate legal support services to the SANC;
- 2 institute and defend all litigation matters on behalf of and against the SANC;
- assist with the drafting of all relevant legislation;
- conduct inspections and investigations of accredited and illegal Nursing Education Institutions;
- 5 conduct any other inspection or investigation ordered by the Registrar;
- lead the prosecution in an inquiry into any complaint of unprofessional conduct or misconduct against any practitioner in terms of the Nursing Act; and
- render legal support to all standing or working Committees of the Council or the Administration.

Litigation matters

During the period under review the SANC had three urgent applications filed against the regulatory body because of it having to nullify the May 2017 first and second year, first and second examination papers, written by all Bridging Course students throughout the country, after it was discovered after the fact that the papers had been leaked. The SANC successfully defended all three applications, thus confirming the SANC having acted in line with the Act and regulations. All four papers were rewritten in July 2017.

An application was also filed against the National Department of Health and the SANC by an applicant who qualified and could not be registered or find employment due to not being placed for Community Service. The National Department of Health was ordered by the Court to place the applicant, for it was highlighted in this case that the SANC was not at fault at all and that the registration of the student was subject to the NDOH placing the student for Community Service.

An institution filed an application against the SANC, attempting to enforce a right under the Constitution of the Republic of South Africa, 1996 to be able to continue to offer the 'legacy' nursing programmes that were phased out by the SANC. This matter was not pursued by the organisation after the SANC filed full papers in response and they accepted the SANC's reasoning.

Two practitioners who were effectively suspended for three and four years respectively from practising their profession, filed an application against the SANC in order to force the SANC to allow them to continue to work as 'nurses' as, in their view, they were only suspended from working as 'midwives'.

A foreign student without a valid study visa enrolled online at a university and kept on studying despite the fact that the university repeatedly informed him that he had to submit a valid study visa as he could not be legally registered as a learner nurse with the SANC without all his relevant documentation (also including a valid SAQA verification certificate). He attended clinical training in his 'first year', but was blocked from doing so in his 'second year' after obtaining his study visa and told by the university to enrol for his first year from the start again as his studies were null and void. He refused and filed an urgent court application against both the SANC and the university to enforce being enrolled for his 'third year' of studies. The SANC only received his application in November 2017.

Critical milestones

In adhering to its functions in terms of the Nursing Act 33 of 2005, the Legal Affairs department also renders services to the following Committees of Council:

i. Professional Conduct Committee

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

During the period under review the Committee had four (4) sittings — in Cape Town (Western Cape Province), East London (Eastern Cape Province), Durban (KwaZulu-Natal Province) and Pretoria (Gauteng Province) and three (3) sittings of the Special Professional Conduct Committee in Pretoria (Gauteng Province) — to hear cases referred to it. During these sittings, 24 cases were considered and 14 were finalized.

During this period, one nurse was permanently removed from the Register and sixteen (16) effectively suspended from practising nursing.

ii. Disciplinary Appeals Committees

These ad hoc Committees are appointed in terms of section 15(4) of the Act to deal with appeals of persons who are not satisfied with the findings of and/or sanctions from the Professional Conduct Committee.

A total of four (4) appeal matters were heard and finalized by these Committees, and all appeals are up to date.



Information and Communication Technology (ICT)

Senior Manager: ICT - Mr Lindani Ngema

Project Management Office (PMO)

In striving to improve service delivery by implementing new systems and to automate manual processes, the Project Management Office, as part of the eBusiness transformation project, made progress in the refining of project requirements, and commenced with pre-implementation phases for various key business initiatives such as the following:

- Membership Management System (MMS) The MMS is meant to replace the current Nurse Register system with a complete modern online solution which will enable self-service (24x7), and improve customer service. Procurement processes for the new system are at advanced stages.
- Voice over IP (Call Centre and telephony system) Aimed at improving SANC customer service by improving communication tools capability, through the use of a modern call centre and telephone system with performance metrics. Refining of the requirements was concluded, and awaiting new improved wide area network links (WAN) before procuring and implementing the new solution.
- Enterprise Resource Planning (ERP) Aimed at improving Finance, SCM and Human Resource business processes. As part of phase 1, the process for refining the business requirements was concluded and procurement processes initiated.
- NEI accreditation As part of phase 1, the refinement of business requirements and the documentation were completed, and initial approval was obtained from 'process owners'.
- Foreign Nurse applications and qualifications audit As part of phase 1, the refinement of business requirements and the documentation were completed, and initial approval was obtained from 'process owners'
- Continuing Professional Development (CPD) As part of phase 1, the processes and documentation for the pre-implementation stage were developed, and these will be finalized or approved in the next financial year.

Information and Communication Technology (ICT)

ICT equipment refresh (replacement): The new back-end infrastructure (servers, storage and the backup solution) is aimed at replacing 'legacy' hardware infrastructure for the organization, to leverage the benefits of 'virtualisation' technology. The procurement of the new back-end infrastructure was completed and implementation has commenced. The next phase will focus on replacing the old 'out of support' networking equipment and the enduser equipment (laptops and computers).

Network links: Procurement processes were initiated for the implementation of the new improved wide area network links (WAN). Reliable and stable WAN links are critical for SANC to be able to adopt modern and online system capabilities, and also to improve external communication.

Training: With SANC adopting modern technology, an emphasis has been placed on the training of current ICT personnel to improve their capabilities. The training plan was established, and training is to be scheduled in the next financial year.

Risk Management: The process of identifying and reviewing ICT operational risks has been performed regularly during the year under review.

Policy development: During the year under review, the following new policies were developed, and these will be finalized/approved in the next financial year:

- ICT Ethics and Acceptable Use Policy;
- Policy framework.



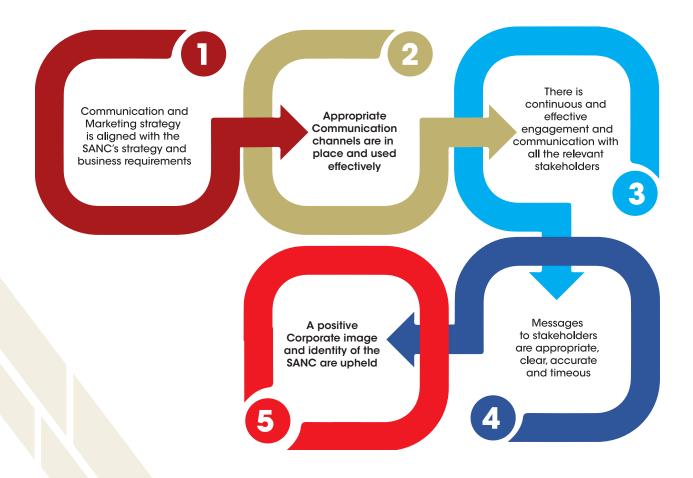
Marketing and Communication

Senior Manager. Marketing and Communication – Ms Adri van Eeden

Overall purpose of the Marketing and Communication Committee

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

The primary objectives of the Committee are to ensure that:



Stakeholder engagement

The impact of the Council's strategy to improve stakeholder engagement is reflected below:



Event management

The Marketing and Communication department was responsible for the successful event management of a number of events during the year, such as: Heritage Day, World Aids Day, Men's Health Day, Women's Day, launch event for the SANC fraud hotline, Staff year-end function, Council year-end function as well as internal events related to its staff change management strategy.

Launch of SANC fraud 'hotline': 0800 20 12 16

Fraud risk management is an important element of the Risk Management strategy of the SANC. Consequently, the Risk Management office prioritised the implementation of a whistle-blowing tool in the light of a rise in high risk incidents relating to:

- Fraud, theft and corruption;
- Financial mismanagement; and
- Examination and registration fraud.

Whistle-blowing is more effective when done anonymously, and the function was therefore delegated to an external service provider. The 'hotline' was implemented and effective from 23 February 2017.

SANC 'Provincial Outreach' Visits

'Provincial Outreach' visits were once again conducted in the nine Provinces during 2017, to offer limited services such as payment of annual fees, selling of distinguishing devices etc. This initiative is one of the methods that the SANC is utilising to decentralise its services. A total of 44 124 receipts were issued during the visits.

10 000 9 205 8 000 MPUMALANGA 7 119 6 484 6 000 6 165 STATE NORTHERN CAPE NORTH 4 796 4 000 EASTERN CAPE 3 880 LIMPOPO 2 901 2 630 2 000 944 July - December 2017

Provincial Outreach visits 2017 - receipts issued: 44 124

Media relations

The South African Nursing Council continued with a strong media presence in both reactive and proactive media initiatives, with the CEO as the official spokesperson of the Council. The Marketing and Communication department effects daily media scanning in order to keep Council members and management up to date on issues affecting nursing and healthcare.

'SANC 2018 Workshop' planning

The SANC will be hosting a workshop for nurses, to address current issues, challenges and trends facing the profession. The event management regarding this workshop has been effective since 2017. The workshop is planned for 18 -19 June 2018.

Council nominations

The Marketing and Communication department was responsible for the management of the Council nomination process for the 16th South African Nursing Council (term 2018-2023), and co-opted the IEC to assist and ensure that the process is fair. Subsequently, fifty-five (55) nominations have been received and as per the process forwarded to the Minister of Health for decision and appointment. The new Council is expected to be in office from August 2018.

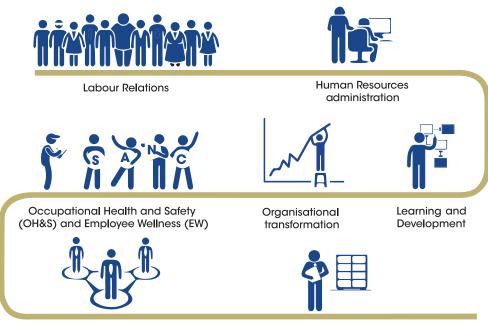


Human Resources

Senior Manager: Human Resources - Mr Victor Letshwiti

Key Performance Areas

- Facilitation of the Human Resources change management agenda of the organisation;
- Provision of leadership in the transformation and development of the HR Strategy and Organisational Design policies and related procedures, based on the eBusiness Transformation Project;
- Provision of support to the Council's Human Resources and Remuneration Committee, and employee related structures;
- Review and implementation of the performance management system;
- Design and implementation of job profiles, competency assessments, and learning and development initiatives;
- Identification and management of risk relating to HR;
- Ensuring appointment of staff with the right mix of skills and experience;
- Development and implementation of reporting and control systems for HR;
- · Creation of an enabling environment that promotes staff retention and well-being;
- Evaluation and monitoring of the existing processes to optimize staff efficiencies and reliability;
- Participation in the annual strategic planning processes and provision of well-designed HR input; and
- Integrating resource planning with strategic and operational initiatives.



Performance Management

Talent attraction and retention

Litigation matters

Leading up to the period under review the SANC had been dealing with a long-outstanding case involving seven (7) employees that were dismissed for misconduct in January 2013, following a protected strike that took place in 2011.

Following arbitration deliberations at the CCMA, an award was issued in favour of the SA Nursing Council by the presiding CCMA Commission in 2015/16. However, a labour union representing the said ex-employees contested the ruling by submitting an application for review. Subsequent to this case being heard at the Labour Court, a ruling was made that this matter be sent back to the CCMA de novo.

Policy review, development and approval

During the year under review the following Human Resources policies were approved by the Council and workshops are being held with all staff to introduce new and revised provisions in these policies:

- Dress code policy;
- Integrated employee wellness policy;
- Job evaluation policy;
- Learning and development policy;
- Leave policy;
- Performance management policy for bargaining levels;
- · Performance management policy for senior managers and executives; and
- Recruitment and selection policy.

Furthermore, during the year under review, the framework for the following Human Resources policies and procedures were developed, and these will be finalized in the next financial year:

- Talent management and retention policy;
- Career pathing and succession policy;
- Job rotation and internal transfer policy;
- Acting allowance policy;
- Compassionate/Bereavement leave policy;
- Grievance procedure;
- Disciplinary policy;
- Code of good conduct policy;
- Employment equity and diversity policy;
- Induction and orientation procedure;
- Probation and employment confirmation policy;
- Resettlement policy;
- Long service policy;
- Transport and travelling policy; and
- The core competency framework for all employees.

Establishment of key internal working committees at an operational level

The Learning and Development Committee

The committee was established to serve as a strategic consultation forum/ platform for all employee skills development matters, in compliance with the provisions of the Skills Development Act. The Human Resources department in conjunction with other SANC departments will work closely with the committee to develop occupationally competent employees. Through the committee, the SANC will have a talent pool of employees capable of driving the key strategic objectives of the institution and further be able to create value for all external clients of the institution.

The Occupational Health and Safety Committee

The committee was established to facilitate communication (health and safety) and for the SANC employees and executives to work jointly in proactively identifying and resolving health and safety related challenges.

Submission of the Annual Training Report (ATR) and Workplace Skills Plan (WSP)

The SANC ATR and WSP were submitted to the Services SETA for the financial year under review.

Approval of the SANC Organisational Structure

The Organisational Structure for the SANC was approved in principle, and the new organogram was primarily developed to achieve the following:

- Optimize the achievement of effectiveness, efficiency and accuracy across all SANC business units/ departments;
- Develop future business capabilities, for example monitoring and evaluation;
- · Refined and improved mechanisms, processes and channels of service for SANC clients; and
- Optimize and promote professionalism and accountability in the organisation.

Automated leave management system

The manual leave management system has been replaced and all employees are now using an automated system to apply for leave, which has significantly improved leave management in the SANC.





Finance

Chief Financial Officer: Ms Lerato Matras

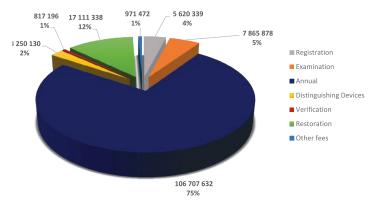
Overview

Council is funded by revenue from the annual fees paid by practitioners and services rendered to both nurse practitioners and Nursing Education Institutions, as well as from the sale of products. Council executed its role to manage its finances effectively and efficiently during the financial year. The organisation reported a surplus of R60.0 million (2017: R61.7 million) during the year.

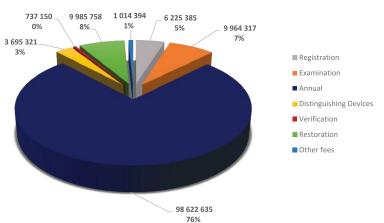
Revenue

Total revenue increased by 9% (2017: 13%) to R142.3 million (2017: R130.2 million). The annual fees from nurse practitioners remain the core funding for Council, contributing 75% (2017: 76%) of total revenue. In addition to annual fees, total revenue comprises registration fees, restoration fees, examination fees, verification fees and other fees. The latter consist of accreditation, enrolment, confirmation and foreign application fees.





2017 Revenue by stream



The income derived from annual fees increased by 8% to R106.7 million (2017: R98.6 million). Restoration fees reflected growth of 71%, from R10.0 million to R17.1 million. A significant drop in future restoration fees is expected as nurse practitioners become more compliant with regulations pertaining to the payment of annual fees. The due date for payment of the 2018 annual fees was 31 December 2017, as prescribed and in accordance with the published Council Notice. Registration fees decreased by 10% to R5.6 million (2017: R6.2 million) and examination fees declined by 21% to R7.9 million (2017: R10.0 million).

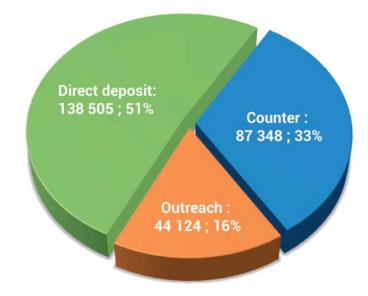
Annual fees paid



The historical trend of payment of annual fees in the last two months of the prescribed collection period by the majority of nurse practitioners continues, despite the six months' allowance period in which to pay annual fees. During the 2018 annual fee collection period, approximately 62% of nurse practitioners, totalling 166 555 still paid their annual fees during November and December 2017, as reflected in the figure above.

A total of 8 301 nurse practitioners paid their 2018 annual fees after the due date of 31 December 2017.





Various payment methods, which include direct deposits, counter payment and the Provincial Outreach programme are available to nurse practitioners. During the collection period for the 2018 annual fees, the number of days as well as personnel were increased for the Provincial Outreach programme.

During the financial year ending 31 March 2018, direct deposit remained the most favoured payment method by nurse practitioners at 51%, as depicted in the figure above, followed by counter payments and the Outreach programme at 33% and 16% respectively. The significant number of the nurse practitioners still utilised the counter payment method and the Outreach programme. The SANC's long term strategy is to both minimise counter payments and eliminate 'outreach' payments. The Council seeks to achieve this through introduction of the online payment engine and the partnership with the National Department of Health.

Payment of annual fees remains a challenge for employers, especially Government, since 49% of nurse practitioners still prefer to use counter services offered onsite and through the Provincial Outreach programme. Certain private sector employers already utilise the available bulk payment system for its employees. It is envisaged that the partnership with the National Department of Health regarding collection of annual fees will not only assist to drastically reduce pressure for the Council but also improve service delivery to stakeholders. All required documents have been submitted by the Council and the Council awaits a response from the National Department of Health.

Expenditure

The Council's total expenditure increased by 22% to R108.8 million, from R89.5 million in the previous year. Staff costs remain the highest cost component, being 58% of total expenditure at R62.8 million (R57.3 million). While overall expenditure incurred during the financial year increased by 22%, it is significantly lower than the budget (by 28%) due to the high vacancy rate and delayed activities.

Finance income

Finance income increased by 23% from R23.0 million in the previous year to R28.3 million, due to the optimisation of investing funds not required in the short term.

Working capital

Through effective working capital management, the SANC managed to maintain a healthy cash balance and is able to meet its ongoing financial obligations. Council continues to strive to settle its creditors within 30 days of invoice. This remains a challenge due to outdated systems and a reliance on manual processes. Plans to upgrade Council's IT systems are underway, and it is anticipated that the new systems, which will increase efficiency and make the organisation far more effective, will be implemented within the next 18 months.

The 'accounts receivable' grew significantly (by 94%) from R0.2 million to R3.2 million, mainly due to VAT receivable. In addition, the Council continues to reflect a healthy cash position, increasing by 16% from R385.0 million in the previous financial year to R458.9 million. It is envisaged that the eBusiness Transformation Project which the SANC embarked on to improve its systems and processes will be funded from the available cash reserves (refer to 'capital investment' below).

Capital investment

During the financial year, the South African Nursing Council, as part of the transformation project, invested in new printers and the upgrade of its ICT server equipment, amounting to R2.5 million. Furthermore, significant capital outlay is expected in the future towards the following eBusiness Transformation Project activities:

- Membership management system which is intented to significantly enhance the level of service delivery; and
- ERP system that will assist in streamlining finance processes, thus improving efficiencies.

Commitments

In addition to the above capital commitments under the eBusiness Transformation Project, the Council had commitments already contracted for but not recognised in the financial statements, to the value of R0.7 million for the financial year ended 31 March 2018.

Audit opinion

During the financial year ended 31 March 2018, the Council obtained a qualified audit opinion, with revenue being the basis of qualification due to non-submission of supporting evidence. Management continues to work towards ensuring an unqualified audit opinion in the next financial year.





South African Nursing Council General Information

for the year ended 31 March 2018

Country of incorporation and domicile

Republic of South Africa

Nature of business and principal activities

Regulation body that sets, maintains and regulates standards of nursing education and nursing practice in the Republic of South Africa.

Councillors

Refer to Councillors' report for this information

Registered office

602 Pretorius Street Arcadia Pretoria 0083

Postal address

P. O. Box X132 Pretoria 0001

Auditors

Rakoma & Associates Incorporated Chartered Accountants (S.A.) Registered Auditors

Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Nursing Act, 2005.

Preparer/Compiler

The annual financial statements were internally compiled by the Financial Accountant, Thulani Shabane.

Supervised by

The annual financial statements were prepared under the direction and supervision of the Chief Financial Officer, Lerato Matras

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

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Statement of Comprehensive Income	48
Statement of Changes in Equity	49
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Notes to the Annual Financial Statements	62 - 71
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	72 - 73

The Councillors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of the financial position as at 31 March 2018, and the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended; and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes; as well as the report of the South African Nursing Council, in accordance with International Financial Reporting Standards.

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

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

The external auditors are responsible for independently auditing and reporting on the Council's annual financial statements in the course of executing their statutory duties.

The annual financial statements set out on pages 43 to 71, which have been prepared on the going concern basis, were approved by the Council on 27 March 2019 and were signed on its behalf by:

Bhengu BR (Chairperson)

Davhana-Maselesele M (Deputy Chairperson)

The Councillors hereby submit their report for the year ended 31 March 2018:

1. Nature of business

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

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

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Nursing Act, 2005. The accounting policies have been applied consistently, compared to the prior year.

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

3. Councillors

The 15th Council reached the end of its tenure in June 2018 after its full term of office of five years. The Honourable Minister of Health appointed the 16th Council in August 2018. The Councillors in office at the date of this annual report are as follows:

16 th Council commenced on 23 August 2018	15 th Council ended on 24 June 2018	Changes to the 15 th Council
Dr A Makhene	Prof BR Bhengu (Chairperson)	
Dr SZ Mthembu	Prof M Davhana-Maselesele (Deputy Chairperson)	
Dr SM Zuma	Ms BC Ndlovu (Former Deputy Chairperson)	Resigned 01 May 2017
Dr HC De Swardt	Mr MN Chauke	
Dr LL Nkonzo-Mtembu	Mr JC Cloete	
Dr MR Digamela	Ms MJ Dzebu	
Prof DI Gihwala	Prof DI Gihwala	
Mr JT Ntshabele	Ms G Harper	
Ms TM Magoro	Prof SP Human	
Dr N M Geyer	Ms N Isaacs-Raiss	
Dr PM Orton	Ms G Jeftha	
Prof SE Duma	Dr EL Coustas	
Adv TA Kaseke	Ms TR Mdlalose	
Mr W Manthe	Ms TL Mkhonza	
Mr MS Choma	Ms SI Mokale	
Mr LL Rabotapi	Ms NC Mokoape	
Ms DQ Ngidi	Ms DQ Ngidi	
Mr MJ Matsomela	Ms FO Nyalunga	
Ms SF Molokoane-Machika	Prof AJ Pienaar	
Ms ZM Ramaila	Ms P Santho	
Ms F Newton	Ms A Thupane	
Ms N Gumede	Ms N Gumede	Appointed 10 April 2017
Ms D Loti*	Ms P Magagula	Appointed 25 April 2017
Dr H Ally	Ms D Seerane	Appointed 25 April 2017
Dr M Molepo	Dr M Molepo	Appointed 25 April 2017
	Dr H Ally	Appointed 25 April 2017

* deceased on 4 September 2018

4. Non-compliance with legal and regulatory requirements

The external auditors issued a reportable irregularity letter to the Independent Regulatory Board for Auditors (IRBA), reporting non-compliance with the following provisions of the Nursing Act 2005, (Act. No. 33 of 2005):

- Section 29(2)(b): the Registrar did not maintain and manage financial records and internal controls effectively and efficiently;
- Section 29(2)(f): the Registrar did not pay all moneys owing by the Council within 30 days of the due date or within a period agreed with a supplier; and
- Section 29(2)(j): The audited financial statements were not submitted to the Council within four months.

Processes are being put in place to fully implement the recommendations, and comply with all provisions of the Nursing Act. Management is working on enhancing financial records and internal controls systems through managing efficiencies in the finance division, by appointment of additional qualified staff. In addition, the SANC is making strides with the process of improving its current Information Technology systems by implementation of a financial system which is integrated with modern technology.

5. Events after the reporting period

Subsequent to the financial year end, Council, after due consideration, rescinded its decision to award the tender for the provision of membership management system software, implementation, support and maintenance. Apart from this matter, the Councillors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

6. Going concern

The Councillors believe that the SANC has adequate financial resources to continue in operation for the foreseeable future, and accordingly the annual financial statements have been prepared on a going concern basis.

The Councillors have satisfied themselves that the SANC is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Councillors are not aware of any new material changes that may adversely impact the Council. The Councillors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the SANC's ability to continue as a going concern.

7. External auditors

Rakoma & Associates Incorporated were the appointed auditors.



We are pleased to present our report for the financial year ended 31 March 2018.

The Audit and Risk Committee is an independent committee appointed by Council with delegated duties reflected in the Audit and Risk Committee terms of reference.

Composition and proceedings

The Audit and Risk Committee was fully functional during the financial year, and continued to discharge its responsibility with the support of the established assurance structure which reports to the Audit and Risk Committee on a quarterly basis.

The Audit and Risk Committee consists of four independent non-Council members and two Council members appointed in terms of the Nursing Act, 2005 Act No.33 of 2005. The Audit and Risk Committee meetings are attended by the Chief Executive Officer and Registrar, the Chief Financial Officer, the Risk Officer, and management representatives of the various departments of the SANC.

The internal auditors and external auditors attend Audit and Risk Committee meetings by invitation, and may independently meet with the Audit and Risk Committee as and when required.

The Audit and Risk Committee consists of the members listed hereunder and should meet at least four times per annum as per its approved terms of reference.

The following table outlines a summary of meeting attendance by the members during the year ending 31 March 2018:

NAME OF MEMBER	MEMBERSHIP	NUMBER OF MEETINGS ATTENDED	TERM OF OFFICE EXPIRY	NOTES
MS T NDOU	Chairperson and Independent member	4	31 December 2018	Note 1
DR E COUSTAS	Council member	3	24 June 2018	Note 2
MR MN CHAUKE	Council member	3	24 June 2018	Note 2
MS N GEVERS	Independent member	3	31 March 2020	
MR M KWAZA	Independent member	1	Resigned	Note 3
MR R ADAM	Independent member	2	31 March 2020	

- Note 1 The term of office of Ms Ndou as an independent member and chairperson of the Audit and Risk Committee is coming to an end on 31 December 2018. The term of office is not renewable as Ms Ndou has served two terms as Chairperson of the Audit and Risk Committee.
- Note 2 The term of office of the 15th South African Nursing Council is coming to an end on 24 June 2018. The 16th South African Nursing Council that will be appointed will be responsible for appointing two Council members that will serve on the Audit and Risk Committee.
- **Note 3** Mr M. Kwaza resigned from the Audit and Risk Committee with effect from 1 September 2017. As at 31 March 2018 the vacancy created by the resignation of Mr Kwaza was not filled, with recruitment processes underway.

Terms of reference

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

The Audit and Risk Committee has terms of reference that were approved by the Council. The terms of reference of the Audit and Risk Committee confers the following governance responsibilities on the committee:

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

The Audit and Risk Committee has regulated its affairs in compliance with the terms of reference and has discharged its responsibilities accordingly.

External audit

The Audit and Risk Committee is satisfied with the independence and objectivity of the external auditor, including the consideration of the auditor's previous appointments, the extent of other work undertaken, and compliance with criteria relating to independence or conflict of interest as prescribed by the Independent Regulatory Board for Auditors. The external auditor did not undertake any other work except external audit work during the current financial year.

The Audit and Risk Committee recommended to Council, *Rakoma and Associates Incorporated* as the external audit firm and Mr Collins Malunga as the designated auditor responsible for performing the external audit function for the 2018 financial year. The Audit and Risk Committee has satisfied itself that the audit firm and the designated auditor are in good standing with the Independent Regulatory Board for Auditors.

Internal Audit

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

Internal audit operates according to a risk-based three-year rolling annual internal audit plan approved by the Audit and Risk Committee. A comprehensive list of possible risk-based audits is kept by internal audit, and assessed and presented for approval of the Audit and Risk Committee quarterly. The three-year rolling annual internal audit plan for the 2018 year was approved by the Audit and Risk Committee on 13 June 2017.

The Audit and Risk Committee is also responsible for assessing the performance of the outsourced internal audit firm, the designated internal auditor, and the internal audit function of the SANC. The contract of service with *KPMG Services (Pty) Ltd* as an outsourced internal audit function expires on 31 March 2018 and procurement processes are underway to appoint a service provider for the function.

Council-wide risk management

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

The Audit and Risk Committee discharges this responsibility by means of frameworks and policies approved and adopted by the Council.

The progress of implementation of the council-wide risk management processes for the 2018 year is weak, progressing to sustainable. The Audit and Risk Committee has advised management to improve the risk management strategies by mitigating identified risks to positively impact on the risk profile of the SANC. Improvement strategies are to be implemented in the following areas:

- Council-wide risk management;
- Fraud risk management; and
- Compliance risk management.

The effectiveness of internal controls

The Audit and Risk Committee has reviewed various reports, presented by the internal auditors, on the adequacy and effectiveness of internal control systems. The Committee has also reviewed the external auditors' reports on the audited annual financial statements. The system of internal controls is assessed as weak.

The Audit and Risk Committee notes that management has committed to implement appropriate actions to address the control weaknesses identified by both the internal and external auditors in their reports. These management action plans will be monitored on a regular basis and reported as such to Council.

Evaluation of audited annual financial statements

The Audit and Risk Committee has:

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

The Audit and Risk Committee concurs with 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 read together with the report of the external auditors.

The Committee noted with concern the Management Reports for the year ending 31 March 2018 presented by the external auditors of the SANC, Rakoma & Associates Incorporated that a lot still has to be done to achieve a clean audit. Management committed to implement the action plans to address the auditors' recommendations.

Ms. Tendani Ndou

Chairperson of the Audit and Risk Committee

To the Councillors of the South African Nursing Council:

We have audited the financial statements of the South African Nursing Council set out on pages 47 to 71, which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect on the matter described in the basis for qualified opinion section of our report, the financial statements present fairly, in all material respects, the financial position of South African Nursing Council as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Nursing Act, 2005 (Act No. 33 of 2005) (Nursing Act).

Basis for qualified opinion

Revenue

We were unable to obtain sufficient appropriate audit evidence that management had properly accounted for revenue due to non-submission of supporting evidence. We were unable to confirm this amount by alternative means. Consequently, we were unable to determine whether any adjustment to revenue were necessary.

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

Other matters

We draw attention to the matters below. Our opinion is not modified in respect of these matters.

Other information

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

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

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

Unaudited supplementary information

The supplementary information set out on pages 72 to 73 does not form part of the financial statements and is presented as additional information. We have not audited this information and, accordingly, we do not express an opinion thereon.

Responsibilities of the Councillors for the annual financial statements

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Nursing Act and for such internal control as the Councillors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

> Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the councillors.
- Conclude on the appropriateness of the councillor's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future00 events or conditions may cause the council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other regulatory matters

We performed procedures to obtain evidence that the entity had complied with applicable legislation regarding financial matters and other related matters. Our material findings on compliance with specific matters in key legislation are as follows:

Reportable irregularities

In accordance with our responsibilities in terms of sections 44(2) and 44(3) of the Auditing Profession Act, 2005 (Act 26 of 2005) (Auditing Profession Act), we report that we have identified certain unlawful acts or omissions committed by persons responsible for the management of South African Nursing Council which constitute a reportable irregularities in terms of the Auditing Profession Act, and we have reported such matters to the Independent Regulatory Board for Auditors.

The following instances of non-compliance were reported:

- The registrar did not maintain and manage financial records and internal controls effectively and efficiently as required by section 29(2) (b) of the Nursing Act.
- The registrar did not pay all moneys owing by the council within 30 days of the due date or within a period agreed with a supplier as required by section 29(2) (f) of the Nursing Act.
- The audited financial statements were not submitted to the Council within four months as required by section 29(2)(j) of the Nursing Act.

As of the date of this report, management have started implementing processes and controls to address the matters raised above, however, these processes were not finalised therefore, the reportable irregularities are still deemed to be in continuation.

Rakoma & Associates Incorporated Per: Collins Malunga Chartered Accountant (SA) Registered Auditor Director 29/03/2019 Fourways

		2018	2017
	Note(s)	R	R
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	59 475 523	73 848 230
Intangible assets	3	810 801	900 252
Other financial assets	4	1 390 129	1 139 312
		61 676 453	75 887 794
Current Assets			
Inventories	5	1 169 532	901 075
Trade and other receivables	6	3 302 229	183 350
Cash and cash equivalents	7	458 871 683	385 005 968
		463 343 444	386 090 393
Total Assets		525 019 897	461 978 187
EQUITY AND LIABILITIES			
Equity			
Reserves	9	72 762 848	86 159 858
Retained income	<u> </u>	257 361 765	198 342 127
	_	330 124 613	284 501 985
Liabilities			
Non-Current Liabilities			
Employee benefit obligations	10	24 507 986	24 113 048
Current Liabilities			
Trade and other payables	11	14 261 466	10 585 236
Deferred income	12	156 125 832	142 777 918
		170 387 298	153 363 154
Total Liabilities		194 895 284	177 476 202
Total Equity and Liabilities		525 019 897	461 978 187

	Note(s)	2018 R	2017 R
Revenue	13	142 343 986	130 244 961
Other income	14	130 275	97 661
Operating and administrative expenses	_	(108 820 973)	(89 519 862)
Net surplus from operations	15	33 653 288	40 822 760
Investment revenue	16	28 316 739	22 999 684
Finance costs	17	(1 961 082)	(2 083 182)
Net surplus for the period	-	60 008 945	61 739 262
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement on net defined benefit liability/asset		(989 307)	1 198
Gains and losses on property revaluation	_	(13 647 826)	
Total items that will not be reclassified to profit or loss	-	(14 637 133)	1 198
Items that may be reclassified to profit or loss:			
Available-for-sale financial assets adjustments	9	250 816	(85 779)
Other comprehensive income for the year	-	250 816	(85 779)
Total comprehensive income for the year	-	45 622 628	61 654 681

Statement of Changes in Equity for the year ended 31 March 2018

	Revaluation Reserve R	Fair value Adjustment Assets Available For Sale Reserve R	Total Reserves R	Retained Income R	Total Equity R
Balance as at 31 March 2016	85 351 715	893 922	86 245 637	136 601 667	222 847 304
Net surplus for the year	1	1	1	61 739 262	61 739 262
Other comprehensive income for the year	1	(85 779)	(85 779)	1 198	(84 581)
Total comprehensive income for the year	•	(85 779)	(85 779)	61 740 460	61 654 681
Balance as at 31 March 2017	85 351 715	808 143	86 159 858	198 342 127	284 501 985
Net surplus for the year	1	I	I	60 008 945	60 008 945
Other comprehensive income for the year	(13 647 826)	250 816	(13 397 010)	(989 307)	(14 386 317)
Total comprehensive income for the year	(13 647 826)	250 816	(13 397 010)	59 019 638	45 622 628
Balance as at 31 March 2018	71 703 889	1 058 959	72 762 848	257 361 765	330 124 613
Note(s)	6	6	6		

		2018	2017
	Note(s)	R	R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	18	49 970 289	62 612 907
Interest received		28 309 349	22 943 480
Dividends received		7 390	56 204
Interest paid		(1 961 082)	(2 083 182)
Net cash generated from operating activities	,	76 325 946	83 529 409
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	2	(2 460 231)	(105 412)
Acquisition of intangible assets	3	<u> </u>	(223 099)
Net cash utilised in investing activities	·	(2 460 231)	(328 511)
NET INCREASE IN CASH AND CASH EQUIVALENTS FOR THE YEAR		73 865 715	83 200 898
Cash and cash equivalents at the beginning of the year		385 005 968	301 805 070
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	7	458 871 863	385 005 968



1. Statement of compliance

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

1.1. Basis of preparation

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

The accounting policies set out below have been applied consistently to all periods presented in these annual financial statements.

1.2. Significant judgements and key sources of estimation uncertainty

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

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

1.2.1. Allowance for impairment - trade receivables

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

1.2.2. Impairment testing

The Council reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors.

1.2.3. Defined benefit obligations

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in notes 8.

1.3. Property, plant and equipment

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

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

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

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

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

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

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

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

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

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

Item Land Buildings Motor vehicles Office equipment IT equipment

Average useful life Indefinite 50 years 5 years 5 - 6 years 3 years

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

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

1.4. Intangible assets

An intangible asset is recognised when:

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

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

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

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

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

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

ItemUseful lifeComputer software10 years

1.5. Financial instruments

1.5.1. Initial recognition and measurement

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

Financial instruments are measured initially at fair value, 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.

1.5.2. 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

1.5.3. Derecognition of financial instruments

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

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

1.5.4. Fair value determination

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

1.5.5. Impairment of financial assets

At each reporting date the Council assesses all financial assets for indicators of impairment, other than those at fair value through profit or loss. Financial assets are impaired where 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. If any such evidence exists for availablefor-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.

1.5.6. Financial instruments designated as available-for-sale

At initial recognition, the Council may elect to designate investments in equity instruments as available-for-sale financial instruments.

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and accumulated in the fair value reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit and loss.

1.5.7. 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.

1.5.8. Financial liabilities and equity

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

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Council are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss (FVTPL) or other financial liabilities.

1.5.9. Other financial liabilities

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

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

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

1.5.10. Derecognition of financial liabilities

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

1.5.11. Cash and cash equivalents

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

1.5.12. Offsetting

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

1.6. 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.

1.6.1. Operating leases - lessee

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

1.7. Inventories

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

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

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

1.8. Impairment of non-financial assets

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

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

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

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

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

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

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

1.9. Provisions

Provisions are recorded when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably. The amount recognised for the reimbursement shall not exceed the amount of the provision.

1.10. Employee benefits

1.10.1. Short-term employee benefits

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

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

1.10.2. Defined contribution plans

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

1.10.3. Defined benefit plans

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

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

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

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

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

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

1.11. Revenue

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

1.11.1. Sale of goods

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.

1.11.2. Services rendered

Revenue from rendering of services to the nurse practitioners 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.

Annual fees are recognised when a service is rendered. Where fees are received for more than one accounting period, the amount relating to the subsequent period/s is accounted for as income received in advance and is recognised in profit and loss as it accrues to the Council.

1.11.3. Interest income

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

1.11.4. Dividends income

Dividends are recognised in profit or loss, when the company's right to receive payment has been established.

1.12. New Standards and Interpretations

1.12.1. 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 01 April 2017 or later periods:

IFRS 9 Financial Instruments

A finalised version of IFRS 9 has been issued, which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement.

The standard contains requirements in the following areas:

- Financial assets are classified, driven by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- The 2014 version of IFRS 9 introduces a single 'expected credit loss' impairment model for the measurement of financial assets. Therefore it is no longer necessary for a credit event to have occurred before a credit loss is recognised.
- Introduces a new hedge accounting model that aligns more closely with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

The effective date of the amendment is for annual periods commencing on or after 1 January 2018.

Prepayment features with negative compensation:

• Amends the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

The effective date of the above amendment is for annual periods commencing on or after 1 January 2019.

The Council does not envisage the adoption of the standard until such time as it becomes applicable to the Council's operations. It is unlikely that the standard will have a material impact on the Council's annual financial statements.

IFRS 15 Revenue from Contracts with Customers

This is a new standard that requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This new standard provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- · Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts; and
- · Recognise revenue when (or as) the entity satisfies a performance obligation.

The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements.

The standard also clarifies three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and provides some transitional relief for modified contracts and completed contracts.

The effective date of the amendment is for annual periods commencing on or after 1 January 2018.

The Council expects to adopt the amendment for the first time in the 2019 annual financial statements.

IFRS 16 Leases

IFRS 16 introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as 'operating' or 'finance', with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The standard requires enhanced disclosures by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.

The effective date of the amendment is for annual periods commencing on or after 1 January 2019.

The Council does not envisage the adoption of the standard until such time as it becomes applicable to the Council's operations. It is unlikely that the amendment will have a material impact on the Council's annual financial statements

Annual Improvements to IFRS Standards 2014-2016 Cycle

Makes amendments to the following standards:

- IFRS 1 Deletes the short-term exemptions in paragraphs E3–E7 of IFRS 1, because they have now served their intended purpose.
- IAS 28 Clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

The effective date of the amendment is for years commencing on or after 1 January 2018.

The Council expects to adopt the amendment for the first time in the 2019 annual financial statements as applicable. It is unlikely that the amendment will have a material impact on the Council's annual financial statements.

Annual Improvements to IFRS Standards 2015-2017 Cycle

Makes amendments to the following standards:

- IFRS 3 and IFRS 11 Clarifies that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- IAS 12 The amendments clarify that all income tax consequences of dividends should be recognised in profit or loss, regardless how the tax arises.
- IAS 23 The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

Other New Standards and Interpretations

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

2. Property, plant and equipment						
	Land	Buildings	Motor Vehicles	Office Equipment	Computer Equipment	Total
COST OR VALUATION				1	1	
Balance as at 31 March 2016	19 900 000	56 750 000	204 144	14 454 180	3 163 710	94 472 034
Additions	1	ı	1	ı	105 412	105 412
Disposal	I	I	(204144)	I	I	(204 144)
Balance as at 31 March 2017	19 900 000	56 750 000		14 454 180	3 269 122	94 373 302
Additions	1	ı	1	1 217 094	1 243 137	2 460 231
Revaluation decrease	(1575000)	(19475000)	1	ı	ı	(21 050 000)
Balance as at 31 March 2018	18 325 000	37 275 000	•	15 671 274	4 512 259	75 783 533
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
Balance as at 31 March 2016	•	2 467 391	184 240	11 308 017	2 050 619	16 010 267
Depreciation for the year	•	2 467 392	18 578	1 798 323	433 330	4 717 623
Disposal	•	ı	(202818)	I	ı	(202 818)
Balance as at 31 March 2017		4 934 783		13 106 340	2 483 949	20 525 072
Depreciation for the year	1	2 467 392	ı	421 617	296 104	3 185 113
Revaluations	I	(7 402 175)	1	I	I	(7 402 175)
Balance as at 31 March 2018	•	•		13 527 957	2 780 053	16 308 010
Carrying amounts						
At 31 March 2017	19 900 000	51 815 217		1 347 840	785 173	73 848 230
At 31 March 2018	18 325 000	37 275 000		2 143 317	1 732 206	59 475 523

2. Property, plant and equipment (continued)

Properties are revalued regularly and the last effective date of the revaluation was 31 March 2018. Revaluations were performed by an independent valuer, Mr D.R. Riley (Professional valuer), of the *Property Partnership CC*, using the income capitalisation method of valuation for land and buildings and comparable sales method of valuation for vacant land. Mr D.R. Riley is not connected to the Council.

Key assumptions used at the time of revaluation:

Capitalisation rate 11.5%

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

3. Intangible assets					
	Opening Balance	Additions	Amortisation	Impairment loss	Closing balance
	R	R	R	R	R
Computer software - 2018	900 252	-	(89 451)	-	810 801
Computer software - 2017	750 756	223 099	(73 603)	-	900 252
				2018 R	2017 R
4. Other financial assets					
Listed investments					
 Sanlam Limited (11 206 share 	s)			955 872	754 948
 Old Mutual PLC (11 112 shares 	3)			434 257	384 364
			1	390 129	1 139 312
Non-current assets					
 Available-for-sale 			1	390 129	1 139 312
Level 1					
11 206 shares in Sanlam Limited				955 872	754 948
11 112 shares in Old Mutual PLC				434 257	384 364
This investment is classified as an	available-for-sa	le financial as	set <u>1</u>	390 129	1 139 312
5. Inventories					
Distinguishing devices			1	169 532	901 075
Inventory comprises badges, brook	ches, bars and e	paulettes for p	ractitioners.		
6. Trade and other receivables	.				
Trade receivables				688 446	688 446
Prepayments				862 834	112 853
Other receivables			2	686 260	317 362
Less: allowance for impairment			(935 311)	(935 311)
			3	302 229	183 350

_	 	 	,	 									
										R			R
									20	18		20	17

6. Trade and other receivables (continued)

The Councillors consider that the carrying amount of trade and other receivables approximates their fair value. No trade and other receivables were pledged as security for liabilities.

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to historical information about counterparty default rates. No external credit rating is performed.

The SANC raises allowance for impairment for all receivables that are 90 days and over. Where there is objective evidence that a receivable which is past due is not impaired then it is not included in the allowance for impairment. Objective evidence includes receipts immediately after the financial year end, among other factors.

Trade and other receivables impaired

As of 31 March 2018, trade and other receivables of R935 311 were impaired and provided for and the ageing of impaired trade and other receivables is as follows:

Greater than 90 days	935 311	935 311
	935 311	935 311
Reconciliation of provision for impairment of trade and other receivables	;	
Provision at beginning of the year	935 311	688 446
Impairment during the year	555 511	246 865
	935 311	
Provision at end of the year	935 311	935 311
7. Cash and cash equivalents		
·		
Cash on hand and in bank	458 871 683	385 005 968
8. Financial instruments		
Categories of financial instruments		
Financial assets		
 Cash and cash equivalents 	458 871 683	385 005 968
 Loans and receivables 	3 302 229	183 350
Louis did receivables	0 002 223	100000
Available for sale	1 390 129	1 139 312

Fair value of financial assets and liabilities

As at 31 March 2018, the carrying amount of cash and cash equivalents, trade and other receivables, trade and other payables and short-term borrowings approximated their fair values due to the short-term maturities of these assets and liabilities. The available for sale financial asset constitute listed equity instruments which are fairly valued by reference to published prices quoted in an active market.

	2018 R	2017 R
8. Financial instruments (continued)		
The fair values together with the carrying amounts shown in the balar Other financial assets Trade and other receivables Cash and cash equivalents Trade and other payables Deferred Income	nce sheet are as follow 1 390 129 3 302 229 458 871 683 14 261 466 156 125 832	ws: 1 139 312 183 350 385 005 968 10 585 236 142 777 918

Liquidity risk

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

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

Trade and other payables (less than one (1) year)

14 261 466 10 585 236

Credit risk

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

Credit risk arises mainly from cash deposits, cash equivalents, and trade receivables. The Council only deposits cash with major banks with high quality credit standing, and limits exposure to any one counter-party.

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

Financial instrument

 Trade and other receivables
 3 302 229
 183 350

 Cash and cash equivalents
 458 871 683
 385 005 968

Price risk

The Council is exposed to equity securities price risk because of investments held by the Council and classified on the statement of financial position as available-for-sale. The Council is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Council approves all investment decisions.

Gains or losses on equity securities classified as available-for-sale would result in an increase or decrease in other components of equity.

	2018 R	2017 R
9. Reserve		
Revaluation reserve		
 Opening balance 	85 351 715	85 351 715
 Revaluation of land and buildings 	(13 647 826)	-
	71 703 889	85 351 715
Fair value adjustment assets-available-for-sale reserve		
 Opening balance 	808 143	893 922
Fair value adjustment of available for sale financial assets	250 816	(85 779)
	1 058 959	808 143
Total Reserves	72 762 848	86 159 858
10. Retirement benefits		

Defined benefit plan

The Council provides post-retirement medical aid benefits to former employees, 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 at 31 March 2018 reported a contractual liability amounting to R24 507 986 (2017: R24 113 048).

Carrying value		
Present value of the defined benefit obligation-wholly unfunded	24 507 986	24 113 048
Non-current liabilities	24 507 986	24 113 048
Changes in the present value of the defined benefit obligation are as fo	llows:	
Opening balance	24 113 048	24 637 398
Benefits paid	(2 567 839)	(2 402 628)
Interest cost	1 953 505	2 076 879
Remeasurement (gains) / losses - Actuarial (gains)/ losses	1 009 272	(198 601)
	24 507 986	24 113 048
Amount recognised in profit or loss		
 Interest cost 	1 953 505	2 076 879
Amount recognised in other comprehensive income		
Remeasurement (gains) / losses - Actuarial (gains)/ losses	(989 307)	(198 601)
	964 198	1 878 278
Key assumptions used		_
Assumptions used on valuation as at 31 March:		
 Health care cost inflation rate 	7.75%	7.00%
Discount rate	6.57%	6.00%
Net effective discount rate	1.11%	1.00%
 Average retirement age (years) 	60	60

2018	2017
R	R

10. Retirement benefits (continued)

Sensitivity analysis

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

Increase (decrease) in defined benefit obligation

394 398

534 350

Valuation

The effective date of the valuation was 31 March 2018. The valuation was performed by Mr N. Fourie of *ARCH Actuaries Consulting CC* who is a member of the Actuarial Society of South Africa with 20 years of experience. He is not connected to the Council.

11. Trade and other payables		
Trade payables	6 075 854	3 153 478
Other payables	8 185 612	7 431 758
Accruals	1 996 461	1 113 878
Sundry payables	6 189 151	6 317 880
Total trade and other payables	14 261 466	10 585 236
12. Deferred income		
Annual fees	81 759 645	75 226 355
Donor funds	2 888 776	2 888 776
Other deferred income	71 477 411	64 662 787
	156 125 832	142 777 918
13. Revenue		
Revenue from services	139 093 856	126 549 639
 Annual fees 	106 707 632	98 622 635
 Restoration fees 	17 111 338	9 985 758
Examination fees	7 865 878	9 964 317
 Registration fees 	5 620 339	6 225 385
 Accreditation fees 	33 675	57 631
Other fees	1 754 994	1 693 913
Revenue from products	3 250 130	3 695 322
 Sale of distinguishing devices 	3 250 130	3 695 322
	142 343 986	130 244 961

	2018 R	2017 R
14. Other income		-
Sundry income Sale of printed matter	130 275	96 908 753
out of printed matter	130 275	97 66
15. Net surplus before tax		
Operating surplus for the year is stated after accounting for the follow	ing:	
Audit remuneration (external) - fees	772 783	105 987
Audit remuneration (internal) - fees	1 321 267	434 239
Consulting fees	4 270 068	2 066 078
Depreciation and amortisation	3 274 564	4 791 22
 Depreciation on property, plant and equipment (note 2) 	3 185 113	4 717 62
 Amortisation of intangible assets (note 3) 	89 451	73 60
Employment costs	62 794 983	57 275 23
 Salaries 	58 775 229	53 764 22
 Pension costs - defined contribution plans 	4 019 754	3 511 00
Operating lease expense	458 889	567 25
16. Investment revenue		
Dividend revenue	7 390	56 20
 Listed financial assets 	7 390	56 20
Interest revenue	28 309 349	22 943 48
Short term deposits	27 705 867	22 494 68
Bank	603 482	448 80
	28 316 739	22 999 68
17. Finance costs		
Employee benefit obligations	1 953 505	2 076 87
Other	7 577	6 30
	1 961 082	2 083 182

	2018 R	2017 R
18. Cash generated from operations		
Profit before taxation	60 008 945	61 739 262
Adjustments for:		
Depreciation, amortisation and impairment	3 274 564	4 791 226
Asset written off	-	1 327
Dividends received	(7 390)	(56 204)
Interest received	(28 309 349)	(22 943 480)
Finance costs	1 961 082	2 083 182
Movements in retirement benefit assets and liabilities	(594 370)	(523 153)
Changes in working capital:		
Inventories	(268 457)	50 766
Trade and other receivables	(3 118 879)	892 199
Trade and other payables	3 676 230	(1 628 072)
Deferred income	13 347 913	18 205 854
	49 970 289	62 612 907

19. Contingencies

The Council is defending litigation and claims from the following:

- Action brought by the Nursing Education Institutions. While the liability is not admitted, if defence
 against the action is unsuccessful, the claim against the SANC could amount to R12.6 million and
 should the SANC lose the case there will be added legal costs.
- Applicants who filed civil applications pertaining to the phasing out of legacy qualifications. While the liability is not admitted, if defence against the action is unsuccessful, legal costs could amount to R0.35 million.
- Civil application for remarking of a foreign examination brought by a foreign national who is seeking registration with the Council. While the liability is not admitted, if defence against the action is unsuccessful, legal costs could amount to R0.2 million.
- An Institution accredited with HWSETA sought a declaratory order for the Community Health Work training course it offers to be declared as sufficient for entry into the new nursing programmes.
 While the liability is not admitted, if defence against the action is unsuccessful, legal costs could amount to R0.4 million.

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

2018 2017 R

20. **Commitments**

Less than one year

Expenditure contracted for but not recognised in the financial statements

679 085

21. **Related parties**

Relationships

Members of key management National Department of Health Refer to note 22

455 972

697 775

During the financial year ended 31 March 2018, the National Department of Health (the Department) seconded one of its employees as Acting Registrar and CEO of SANC for part of the financial year. The remuneration of the seconded Acting Registrar and CEO was partly paid by the Department.

22. Key management remuneration

Key management personnel	Annual salary	Allowances	Contributions to medical and pension funds	Total
2018				
Registrar & Chief Executive Officer	1 073 092	23 277	45 961	1 142 330
Chief Financial Officer	1 437 277	14 400	-	1 451 677
Senior Manager: Legal Affairs	946 921	450	72 200	1 019 571
Senior Manager: Human Resource	991 281	-	27 840	1 019 121
Senior Manager: Communications	946 921	-	72 200	1 019 121
Senior Manager: Education & Training	929 641	2 717	89 480	1 021 838
Senior Manager: Information Management	339 609	3 400	33 770	376 779
	6 664 742	44 244	341 451	7 050 437

Key management personnel	Annual salary	Allowances	Contributions to medical and pension funds	Total
2017				
Acting Registrar & CEO	836 856	8 173	-	845 029
Interim Chief Information Officer	1 348 290	-	-	1 348 290
Chief Financial Officer	1 348 290	14 400	-	1 362 690
Senior Manager: Legal Affairs	886 672	-	69 352	956 024
Senior Manager: Human Resource	389 063	-	9 280	398 343
Senior Manager: Communications	369 065		29 278	398 343
Senior Manager: Education & Training	680 108		44 075	724 183
	5 858 344	22 573	151 985	6 032 902

	2018 R	2017 R
23. Non-executive Councillors		
Bhengu BR (Chairperson)	-	33 253
Chauke MN	56 203	124 410
Cloete JC	53 290	67 345
Davhana-Maselesele M (Deputy chairperson)	59 758	159 752
Dzebu MJ	-	6 077
Gihwala DI	82 350	59 646
Harper G	127 340	66 203
Human SP	91 980	53 355
Isaacs- Raiss N	-	10 826
Jeftha G	-	10 895
Manamela TM	-	-
Mdlalose TR	82 976	106 298
Mkhonza TL	82 670	152 771
Mokale SI	59 678	40 244
Mchunu SA	-	4 176
Mokoape NC	136 484	158 174
Ndlovu BC	-	228
Ngidi DQ	6 432	26 433
Nyalunga FO	-	44 480
Pienaar AJ	89 546	91 862
Mnisi PJ	-	-
Santho P	66 998	22 085
Thupane A	76 020	53 204
Vasuthevan S (Former Deputy Chairperson)	-	49 661
Seerane D	13 548	-
Gumede NR	6 882	-
	1 092 155	1 341 378

22. Going concern

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

23. Events after the reporting period

Subsequent to the financial year end, the Council, after due consideration, rescinded its decision to award the tender for the provision of membership management system software, implementation, support and maintenance. Apart from this matter, the Councillors are not aware of any other material event which occurred, after the reporting date and up to the date of this report.

24. Current tax

The Council is exempt from taxation in terms of section 10(1) (cA)(i) of the Income Tax Act.

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

	Note(s)	2018 R	2017 R
Revenue			
Sale of distinguishing devices		3 250 130	3 695 322
Annual fees - registered and enrolled nurses		106 707 632	98 622 635
Restoration fees		17 111 338	9 985 758
Examination fees		7 865 878	9 964 317
Application fees		373 808	390 015
Accreditation visits		33 675	57 631
Registration fees		5 620 339	6 225 385
Enrolment fees		237 907	229 456
Confirmations and duplications		326 082	337 292
Verification fees		817 197	737 150
	13	142 343 986	130 244 961
Other income			
Sundry income		130 275	96 908
Sale of printed matter		_	753
	14	130 275	97 661
Fixed and administration expenses			
Advertising		(335 793)	(81 101)
Utility charges		(1 654 880)	(1 493 475)
Auditors remuneration (external)		(772 783)	(105 987)
Internal audit fees		(1 321 267)	(434 239)
Bad debt		-	(246 865)
Bank charges		(1 592 049)	(2 137 747)
Catering and refreshments		(485 589)	(475 920)
Cleaning		(462 394)	(524 915)
Computer expenses		(259 726)	(244 764)
Consulting fees		(4 280 267)	(2 066 078)
Depreciation, amortisation and impairment		(3 274 564)	(4 791 226)
Employee costs		(58 775 229)	(53 764 225)
Functions, seminars and workshops		(467 203)	(50 891)
General expenses		(407 365)	649 210
Gifts		(1 980)	(1 354)
Hire of equipment and venue		(303 590)	(426 847)
Insurance		(129 950)	(116 135)
Lease rentals on operating lease		(458 888)	(567 251)
Legal expenses		(2 479 784)	(520 579)
Meeting expenses- accommodation		(750 133)	(679 472)
Meeting expenses- examiners and invigilators		(2 421 068)	(3 496 169)

No	ote(s)	2018 R	2017 R
Meeting evenence, general			(35 420)
Meeting expenses- general Meeting expenses- members' allowances		(1 780 041)	(35 420)
Meeting expenses- members allowances Meeting expenses- translation and transcribing services		(55 620)	(74 304)
Meeting expenses- translation and transcribing services Meeting expenses- transport allowances		(1 298 045)	(1 265 582)
Motor vehicle expenses		(4 300)	(32 257)
·		(948 706)	(829 232)
Postage Printing and stationery		(998 070)	(686 327)
Provident fund administrative costs		(4 019 753)	(3 511 005)
Publications		(7 017)	(6 140)
Purchase of materials		(1 783 807)	(2 022 378)
Recruitment costs		(678 068)	(984 892)
Repairs and maintenance		(314 402)	(285 923)
Security		(829 779)	(642 100)
Software expenses		(323 032)	(692 188)
Subscriptions		(525 032)	(8 339)
Telephone and fax		(658 207)	(682 403)
Training		(106 263)	(20 861)
Transport and freight		(11 309 856)	(1 676 960)
Travel		(3 066 384)	(3 092 088)
riavei		(108 820 973)	(89 519 862)
Peoulto from energing activities	15	33 653 288	40 822 760
Results from operating activities Dividends received	16	7 390	56 204
	16	28 309 349	
Interest received			22 943 480
Finance cost	17	(1 961 082)	(2 083 182)
Net surplus for the period		60 008 945	61 739 262

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APC - Annual Practicing Certificate

ATR - Annual Training Report

CEO - Chief Executive Officer

CFO - Chief Financial Officer

CAPEX - Capital Expenditure

CCMA - Commission for Conciliation, Mediation and Arbitration

CIA triad - Confidentiality, Integrity and Availability of systems and data

CPD - Continuing Professional Development

DHET - Department of Higher Education

ERP - Enterprise Recourse Planning

FYR - Financial Year

HEQSF - Higher Education Qualifications Sub-Framework

HR and REMCO - Human Resources and Remuneration Committee

ICT - Information Communication Technology

IEC - Independent Electoral Commission

IFRS - International Financial Reporting Standards

IRBA - Independent Regulatory Board for Auditors

NEIs - Nursing Education Institutions

OSDs - Occupational Specific Dispensations

OPEX - Operational Expense

PABX - Private Automatic Branch Exchange

PMO - Project Management Office

RFP - Request for Proposal

SANC - South African Nursing Council

VAT - Value Added Tax

WAN - Wide Area Network

WSP - Workplace Skills Plan





Contact Information

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