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AIDS HELPLINE: 0800-0123-22 Prevention is the cure

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GOVERNMENT NOTICE

DEPARTMENT OF HEALTH

No. R. 909

21 September 2001

PHARMACY ACT, 1974 (ACT NO 53 OF 1974)

REGULATIONS RELATING TO THE APPOINTMENT AND FUNCTIONS OF OFFICE BEARERS, THE REGISTRAR AND COMMITTEES OF THE COUNCIL, MEETING PROCEDURES AND FINANCIAL MANAGEMENT OF THE COUNCIL

The Minister of Health intends, in terms of section 4 and 49(1)(b) and (c) of the Pharmacy Act, 1974 (Act 53 of 1974), as amended, in consultation with the South African Pharmacy Council, to make the regulations in the Schedule.

Interested persons are invited to submit, within three months after the date of publication of this notice, substantiated comments on or representations regarding the proposed regulations to the Director-General of Health, Private Bag X828, Pretoria 0001 (for attention of the Chief Director: Pharmaceutical Services).

DEFINITIONS

1 In these regulations, unless the context otherwise indicates:

"Act" means the Pharmacy Act, 1974, (Act No 53 of 1974), as amended, and regulations promulgated in terms thereof;

"council" means the Council as established in terms of section 2 of the Act;

"debts" mean amounts owing to the Council;

"executive committee" means the Executive Committee of the Council appointed in terms of section 4 of the Act;

"management team" means the Registrar, heads of departments and such other persons as may be determined by the Registrar from time to time;

"personnel cost management" means systems, procedures and processes which the accounting officer must put in place to ensure the effective, efficient, economical and transparent management of the human resources of the Council and includes provision for personnel appointments and resignations, remuneration and service conditions, payments to personnel, and the recording of related transactions.

"provisional agenda" means the list of items which the Registrar places before the Council for the purposes of finalisation and which accompanies the notice of the meeting;

"supplementary agenda" means the list of items appearing on the provisional agenda as supplemented in terms of regulation 23;

"written notice" means a written document of intent irrespective of the manner in which it was rendered or delivered.

ELECTION OF OFFICE BEARERS

2. At the first meeting of every newly constituted council, the members of the Council must elect a president, a vice president and a treasurer from amongst themselves, in terms of the procedure as prescribed in regulations 3 and 4.
3. The following procedure must be adopted when the members of Council elect a president, a vice president and a treasurer:
 - (a) the members present must elect a temporary chairperson, by ballot if necessary, the ballot to be taken by the registrar;
 - (b) the chairperson elected in terms of sub-regulation 3(a) shall not have a deciding or casting vote;
 - (c) the members present must then proceed to elect a president by ballot;
 - (d) any member may nominate a member by ballot for the office of president;
 - (e) the temporary chairperson must announce the names of members so nominated and proceed to take a ballot;
 - (f) if only two members are nominated, the voting on the first ballot is final, except in the event of an equality of votes;
 - (g) if more than two persons are nominated, the candidate obtaining the lowest number of votes at the first ballot is eliminated and thereafter successive ballots must be taken and candidates eliminated on the foregoing basis until only two remain, in which event the ballot is final, except in the case of an equality of votes, whereupon a further ballot must be taken and, if that be indecisive, the election must be decided by drawing lots;
 - (h) every vote given at such a ballot for a person who has not been nominated shall be invalid.
4. As soon as the president has been elected he or she must take the chair and members present must then proceed to elect successively a vice president and a treasurer in accordance with the procedure prescribed in regulation 3 above, the ballot to be taken by the registrar.
5. The president, vice-president and treasurer holds office for the term of office of a council, unless the president, vice-president or treasurer shall sooner resign from such office or cease to be a member of council.

FUNCTIONS OF OFFICE BEARERS

President

6. The President -
 - (1) presides, subject to regulations 7 and 9, at all meetings of council and the Executive Committee of the Council;
 - (2) is an *ex officio* member of all other committees of the Council, excluding the

committees referred to in regulations 39(6), (7) and (8), but he or she shall not preside at meetings of such other committees unless he or she is chairperson of those committees in terms of regulation 40 or in terms of any other regulations made under the Act.

Vice President

7. The vice-president must, if the president is absent or for any reason unable to act as president perform all the functions and exercise all the powers of the President referred to in regulation 6 or in terms of any other regulations made under the Act.

Treasurer

8. The Treasurer must superintend the financial management of the Council and must, at the meeting held in March every year and, if he or she deems it necessary, at the meeting held in October every year, submit a report on the Council's financial position, including details of income and expenditure.

Leave of absence

9. If both the president and the vice-president have been given leave of absence, the members of the council must elect one of their number to act as president until the President or the Vice President resumes duty or vacates office.
10. If both the president and vice-president are absent from any meeting, the members present must elect one of their number to preside at that meeting and the person so presiding may, during that meeting and until the president or the vice-president resumes duty, perform all the functions and exercise all the powers of the president.

Vacancies

11. If the office of president, vice president or treasurer becomes vacant, the members of the council must, at the first meeting after such vacancy occurs or as soon thereafter as may be convenient, elect from among themselves a president, vice president or treasurer, as the case may be, and the member so elected shall hold office for the unexpired portion of the period for which his or her predecessor was elected.
12. A president or a vice president or a treasurer may vacate such office without terminating his or her membership of the Council.

FUNCTIONS OF THE REGISTRAR

13. The registrar acts as chief executive and accounting officer of the Council and he or she must perform the functions and carry out the duties assigned to or imposed upon him or her by the Act, as well as such functions and duties as may from time to time be assigned or delegated to or imposed upon him or her by the Council.
14. Without limiting the general executive powers of the registrar in terms of regulation 13, the registrar is specifically authorised to:
 - (1) employ and dismiss members of staff or officers in accordance with the Council's general conditions of employment applicable from time to time as he or she may deem necessary, subject to regulation 83;
 - (2) delegate his or her authority to any member of staff or officer employed by the

Council or to any other person or institution specifically nominated by the Council in terms of a resolution of the Council.

- (3) exercise the powers of the Council in terms of sections 4(zH) and section 38A of the Pharmacy Act, 1974, for which purpose the Registrar shall have the specific delegated authority:
- (a) to consult with and obtain professional advice;
 - (b) to appoint any natural or juristic person, to exercise the authority and/or power on behalf of or in terms of the registrar's delegated authority with the specific authority to authorise any juristic person to nominate its own employee(s) to exercise such delegated authority;
 - (c) to appoint any natural person as officer or inspector on behalf of the Council or as specifically authorised and/or determined by the Council, and to delegate to such officer or inspector the powers of the council in terms of section 4(zH) and section 38A of the Pharmacy Act, 1974.
15. Without limiting the general authority or powers of the registrar in terms of regulation 13 or the specific delegated powers and authorities in terms of regulation 14, the registrar has the authority to issue, sign and seal all certificates and/or letters of appointment and/or letters of authority in the name of the Council.

MEETINGS OF THE COUNCIL

Ordinary meetings

16. The Council must hold at least two meetings in each year at venues to be determined by the Council, and may in addition hold such further meetings as the Council may from time to time determine.
17. A meeting of the Council must be convened by the registrar by way of a written notice to members of the Council, including a provisional agenda.

Special meetings

18. The President may at any time convene a special meeting of the Council to be held on such date and at such place as he or she may determine, and he or she must, upon a written request by the Minister or a written request signed by at least seven members, convene a special meeting of the Council, to be held within thirty days after the date of receipt of the request, on such date and at such place as he or she may determine: Provided that such written request must state clearly the purpose for which the meeting is to be convened.
19. The President must determine the procedure to be followed at a special meeting.

Quorum

20. The majority of the members of the Council shall form a quorum at any meeting of the Council

Agenda

21. The registrar must compile the provisional agenda for ordinary meetings of the Council.
22. A member of the Council may have an item placed on the agenda for consideration by notifying the registrar in writing thereof, which notification must reach the registrar at least 7 days before the meeting.
23. The president may, after the commencement of the meeting, add any item which does not appear in the provisional or supplementary agenda and which in his or her opinion requires the urgent attention of the Council, to the supplementary agenda prepared and finalised by the registrar prior to the relevant meeting as an item for consideration at such meeting, which agenda must be the final agenda for a particular meeting of the Council.

Motions

24. A motion must be in writing and be signed by the proposer and a seconder.
25. The chairperson must determine the procedure with regard to the consideration of the motion as he or she deems it fit, with observance to:
 - (1) the right of members to pose questions;
 - (2) the right of a member of the Council, excluding the proposer, to speak once with regard to a motion;
 - (3) the right of a member of the Council to propose an amendment and discuss it, or to withdraw a motion;
 - (4) the manner in which, in his or her discretion, the resolution should be adopted;
 - (5) the right to deviate from any procedure in the event of an unanimous resolution or decision.
26. A motion may be dealt with by way of it being circulated amongst members of the Council and without any discussion thereof, on condition that it is submitted at the next meeting for confirmation thereof.
27. If a motion is considered at a meeting of the Council, the subject matter of the motion must not be discussed again for a period of 6 months, except in the event of consensus amongst members of the Council that the matter be raised.

Taking of decisions

28. The President must decide whether an item on the agenda ought to be dealt with by way of voting by show of hands or voting by ballot paper.
29. Voting by ballot paper may also be arranged electronically or by mail.
30. The secretary must take responsibility for recording the result of voting or any objection in the minutes.
31. A member of the Council shall not be entitled to insist that a particular manner of voting be followed.

32. A decision of the majority of the members of the Council present at any meeting constitutes a decision of the Council and, in the event of an equality of votes, the member presiding at the meeting shall have a casting vote in addition to his or her deliberative vote.

Functions of the Chairperson

33. The chairperson of council meetings must:
- (1) ensure that the meeting is duly convened;
 - (2) ensure that the members present constitute a quorum at all times;
 - (3) determine the order in which items on the final agenda must be dealt with;
 - (4) regulate the meeting procedure;
 - (5) maintain order and see to it that the meeting is conducted in a proper manner;
 - (6) give or make rulings with regard to any dispute which may arise;
 - (7) if, in his or her opinion it is appropriate, adjourn the meeting to a place and time as he or she may determine;
 - (8) if an item(s) on the agenda is not finalised, defer the resolution(s) in respect thereof to a subsequent meeting or a committee of the Council.

Functions of the Secretary

34. The registrar shall act as secretary to the Council and its committees, but may delegate such function in terms of regulation 14 to a member of staff.
35. The secretary must:
- (1) see to it that documents which pertain to an item on the agenda are available during the meeting;
 - (2) keep the minutes of the proceedings and resolutions;
 - (3) take responsibility for ascertaining whether a proposal or motion was carried or not carried;
 - (4) keep an attendance register;
 - (5) act as the official source of resolutions adopted or rejected;
 - (6) circulate draft minutes to members of the Council before the next meeting.

Accessibility

36. All meetings of the Council shall be open to the public, unless a member of the Council at any stage of the proceedings, proposes that the consideration of an item at the meeting be proceeded with or finalised in committee or the Act requires otherwise.

General

37. If the regulations relating to meetings of the Council do not make provision for any procedure or matter, the President's ruling with regard to such procedure or matter shall be final and binding on the meeting or any proposer and Secondor.

APPOINTMENT OF COMMITTEES

38. Subject to the Council's powers in terms of section 4(o) of the Act the Council must at its first meeting each year appoint the following committees:
- (1) An executive committee;
 - (2) An education committee;
 - (3) A practice committee;
 - (4) A pharmacy registration and permits committee;
 - (5) An examinations and adjudicating committee;
 - (6) A committee of formal inquiry;
 - (7) A committee of informal inquiry;
 - (8) A committee of preliminary investigation consisting of members who shall not also be members of the committees referred to in regulations 39(6) and (7);
 - (9) A health committee;
 - (10) An appeal committee.
39. Subject to the provisions of regulation 6, the chairpersons of the various committees referred to in regulation 38, except the Committees of Formal and Informal Inquiry, must be elected by the Council by ballot, the ballot to be taken by the registrar.
40. The members of the Committees of Formal and Informal Inquiry must elect a chairperson from amongst themselves.
41. The majority of the members of a committee shall form a quorum at any meeting of the committee.
42. For the purposes of appointment of committees, "members" shall also mean persons other than members of the Council: Provided that the majority of the members of a committee shall be Council members, unless the Council decides otherwise in terms of its powers under sections 4(o) and (q) of the Act.

TERMS OF REFERENCE OF COMMITTEES AND PROCEDURES FOR MEETINGS**Executive committee**

43. The Executive Committee must consider and deal with matters which, in the opinion of

the president, require urgent attention and any act performed or decision taken by the Executive Committee is of force and effect unless it is set aside or amended by the Council at its next meeting.

44. The Executive Committee must exercise the powers and functions given to the Council by section 39 (2) of the Act.
45. The Executive Committee must Consider and report on and, if necessary, deal with matters relating to conditions of employment, finance and any other matters which fall outside the terms of reference of other committees: Provided that, if a matter falling within the terms of reference of another committee requires urgent attention, the Executive Committee may deal with it.

Education committee

46. The Education Committee must consider and report on all matters relating to the establishment, development, maintenance and control of universally acceptable standards in pharmaceutical education and training, including the approval of providers and assessors of education and training and it may deal with matters delegated to it by the Council from time to time.

Practice committee

47. The Practice Committee must consider and report on all matters relating to the establishment, development, maintenance and control of universally acceptable standards of practice of the various categories of persons required to be registered in terms of the Act, as well as the promotion of pharmaceutical care which complies with universal norms and values, both in the public and the private sector, and it may deal with matters delegated to it by the Council from time to time.

Pharmacy registrations and permits committee

48. The Pharmacy Registrations and Permits Committee must consider and report on all matters relating to the registration of pharmacies, as well as the issuing of permits in terms of the Act or medicine related legislation, and it may deal with matters delegated to it by the Council from time to time.

Examinations and adjudicating committee

49. The Examinations and Adjudicating Committee must consider and report on all matters relating to the results of examinations in terms of the Act, the evaluation of educational qualifications, exemptions from examinations, and it may deal with matters delegated to it by the Council from time to time.

Committee of formal inquiry

50. The Committee of Formal Inquiry must Conduct formal inquiries in terms of Chapter IV of the Regulations Relating to the Conduct of Inquiries held in terms of Chapter V of the Act: Provided that no person who served on the Committee of Preliminary Investigation or the Committee of Informal Inquiry in connection with a complaint may serve on the Committee of Formal Inquiry in respect of the same complaint.

Committee of informal inquiry

51. The Committee of Informal Inquiry must conduct informal inquiries in terms of Chapter III of the Regulations Relating to the Conduct of Inquiries held in terms of Chapter V of the Act: Provided that no person who served on the Committee of Preliminary Investigation in connection with a complaint may serve on the Committee of Informal Inquiry in respect of the such complaint.

Committee of preliminary investigation

52. The Committee of Preliminary Investigation must consist of members who shall not also be members of the committees referred to in regulations 51 and 52 and must conduct preliminary investigations in terms of Chapter II of the Regulations relating to the Conduct of Inquiries held in terms of Chapter V of the Act.

Health committee

53. The Health Committee must assess or investigate the ability of a person registered in terms of the Act to practice in terms of the Regulations Relating to the Management of a Person registered in terms of the Pharmacy Act, 1974, unfit to be Registered to Practice or to Practice independently for Reasons other than Unprofessional Conduct.

Appeal committee

54. The Appeal Committee must consider and deal with representations made by any person who is aggrieved by a decision of the Registrar to remove his, her or its name from the register in terms of the Regulations Relating to the Registration and Maintenance of Registers

Procedures for meetings of committees

55. The standing orders relating to the conduct of meetings of the Council must apply, *mutatis mutandis*, to meetings of committees: Provided that meetings of the Committee of Preliminary Investigation, Committees of Formal and Informal Inquiry and the Health Committee must be conducted in accordance with the Regulations relating to the Conduct of Inquiries held in terms Chapter V of the Act or the Regulations Relating to the Management of a Person registered in terms of the Pharmacy Act, 1974, unfit to be Registered to Practice or to Practice independently for Reasons other than Unprofessional Conduct, as the case may be.
56. The committees shall meet at venues and on dates determined by their respective chairpersons, in consultation with the Registrar.
57. Meetings of committees, except the Committee of Formal Inquiry and the Appeal Committee, shall not be open to the public.

MINUTES OF MEETINGS

58. The proceedings of meetings of the Council shall be preserved in the form of typewritten minutes, authenticated, after confirmation, at the next meeting by the signature of the president.
59. Save as otherwise provided in these regulations -

- (1) the minutes of each meeting shall contain a summary of the subjects dealt with and of such motions and amendments as have been proposed and adopted or negatived, with the names of the proposer and seconder, but without any comment or observation by the members;
 - (2) the minutes of committees of the Council shall contain a summary of the subjects dealt with and of the resolutions adopted, but without any comment or observations by the members.
60. The registrar shall forward a copy of the minutes of each meeting, including the minutes of the standing committees of the Council, to members of the Council as soon as reasonably possible after the meeting.
61. The minutes may be taken as read: Provided that any member may move that a certain minute shall be read with a view to such correction therein or addition thereto as may be found necessary.

FINANCIAL MANAGEMENT OF THE COUNCIL

62. The accounting officer must appoint a member of staff as chief financial officer (CFO) to serve in the management team of the Council.
63. Without limiting the right of the accounting officer to assign specific responsibilities, the general responsibility of the CFO is to assist the accounting officer in discharging the duties and responsibilities relating to financial management in accordance with these regulations.
64. In exercising his or her duties and responsibilities, the CFO is directly accountable to the accounting officer.

Internal audit

65. The accounting officer must establish an internal audit unit.
66. Internal audit must be conducted in accordance with the standards set by the Institute of Internal Auditors.
67. The Internal Audit Unit must prepare in consultation with, and for approval by, the Executive Committee:
- (1) a rolling three-year strategic internal audit plan based on its assessment of key areas of risk for the Council, having regard to its current operations, those proposed in its strategic plan and its risk management strategy;
 - (2) an annual internal audit plan for the year in prospect;
 - (3) plans indicating the proposed scope of each audit in the annual internal audit plan;
 - (4) a *modus operandi*, with management inputs, to guide the audit relationship; and
 - (5) a quarterly report to the Executive Committee detailing its performance against the plan, to allow effective monitoring and possible intervention.

68. The Internal Audit Unit must be independent, with no limitation on access to information.

Income management

69. The regulations relating to income management apply to the identification, collection, recording and safeguarding of all income for which the Council is responsible.
70. All registration fees and other fees payable under the Act must be paid to the council and constitute its funds and the Council must utilise its funds for defraying expenses incurred in connection with the performance of its functions.
71. The accounting officer must manage income efficiently and effectively by developing and implementing appropriate processes that provide for the identification, collection, safeguarding, recording and reconciliation of information about income.
72. Income management processes may include arrangements for accepting credit card payments, a facility for electronic funds transfer and any other facility for receipting amounts.
73. The accounting Officer must annually review all fees, charges or the rates, scales or tariffs of fees and charges that are not, or cannot, be fixed by any law and that relate to income of the Council. The Council must approve the proposed tariff structure.

Management of debtors

74. The regulations relating to the management of debtors apply to all debts accruing to the Council and include any amount owing to or receivable by the Council such as accounts for charges for goods or services, fees, fines or cost orders outstanding.
75. The accounting officer must take effective and appropriate steps to collect all money due to the Council including, as necessary:
- (1) maintenance of proper accounts and records for all debtors, including amounts received in part payment; and
 - (2) referral of a matter to the council's legal advisers to consider a legal demand and possible legal proceedings in a court of law.
76. Unless otherwise prescribed, debts owing to the council (except cases where the conditions of payment are determined by law or agreement) may, at the discretion of the accounting officer, be recovered in instalments

Expenditure management

77. The accounting officer must ensure that internal procedures and internal control measures are in place for payment approval and processing.
76. A member of staff or member of the Council may not spend or commit to spending

Council funds except with the express approval in writing of a properly delegated or authorised person.

79. Before approving expenditure or incurring a commitment to spend, the delegated or authorised person must ensure that any limitations or conditions attached to the delegation or authorisation are complied with.
80. Should a dispute occur over the expenditure on a particular budgetary item allocation, the accounting officer has to determine against which budgetary item the expenditure should be charged.
81. No contract (excluding personnel contracts) can be cancelled or changed to the detriment of the Council without prior approval of the Executive Committee.

Control of personnel costs

82. Personnel cost management must be in accordance with powers delegated by or authorisations issued by the accounting officer, and he or she must ensure adequate separation of duties and supervision.
83. The accounting officer must ensure that the personnel cost of all appointees, as well as promotion and salary increases can be met within the budgetary allocation by the Council.
84. When a member of staff resigns, any amounts owed to and goods of the Council must be recovered immediately.
85. Paying personnel costs includes:
 - (1) ensuring that the personnel cost has been duly authorised by a duly delegated or authorised person;
 - (2) ensuring that any deductions from remuneration are authorised and correctly calculated;
 - (3) making the payment by secure means when it is due according to the cash management process.
86. Recording personnel costs includes:
 - (1) the identification and recording of all related transactions,
 - (2) the monthly reconciliation of salary and personnel costs,
 - (3) maintenance of an adequate audit trail; and
 - (4) safeguarding personal data against unauthorised use.

Unauthorised, irregular, fruitless and wasteful expenditure

87. The accounting officer must exercise all reasonable care by implementing effective, efficient and transparent processes of financial and risk management to prevent and detect unauthorised, irregular, fruitless and wasteful expenditure.
88. When the accounting officer or a member of staff or a member of the Council discovers instances of unauthorised, irregular, fruitless and wasteful expenditure, these must be reported immediately in writing to the Executive Committee. Where irregular expenditure was incurred in contravention of standard operating procedures, the accounting officer must be notified.
89. Nothing in these regulations prevents the accounting officer from acting against persons responsible for unauthorised, irregular, fruitless or wasteful expenditure.
90. The accounting officer must submit all documents and other information concerning unauthorised or irregular expenditure, as well as irregular expenditure incurred in contravention of approved tender procedures to the Executive Committee.
91. In the case of unauthorised expenditure, the following steps must be taken:
 - (1) the Executive Committee must conduct a thorough investigation into the matter;
 - (2) after the investigation, the Executive Committee may initiate disciplinary action against the accounting officer or any other member of staff or member of the Council;
 - (3) wherever possible, the Executive Committee must initiate steps to recover any amounts it deems necessary.
92. The Executive Committee may in the case of irregular expenditure and after thorough investigation, condone the non-compliance with these regulations. If such condonation is not granted, the steps prescribed in regulation 91 must be followed.
93. The accounting officer must implement any corrective steps recommended by the Executive Committee or the Council.

Asset management

94. The accounting officer must ensure that control systems over all current assets are in accordance with best practice and that preventative mechanisms are in place to eliminate theft, losses, wastage and misuse.
95. The accounting officer must ensure that processes (whether manual or in electronic form) and procedures are in place for the effective, efficient, economical and transparent use of the Council's assets.

Movable and immovable asset management

96. Any sale of movable or immovable Council property must be at market value (based on a willing buyer or willing seller in an orderly market situation) or, if market value cannot be obtained, a valuation based on the average of two valuations by independent valuers.
97. The letting of immovable Council property must be at market-related tariffs unless determined otherwise by the Executive Committee. No letting of Council property shall be rendered free of charge without prior approval of the Executive Committee.

98. All fees, charges, rates, tariffs or scales of fees or other charges relating to the letting of council property must be reviewed annually by the accounting officer to ensure sound financial planning and management.

Assets accruing to the council by operation of any law

99. Where any money, property or right accrues to the council by operation of law the accounting officer may exercise all powers, authority and prerogatives and fulfil any obligation on behalf of the Council.

Borrowings, guarantees and contingent liabilities

100. The accounting officer may not enter the Council into a liability in a foreign currency or concluded on a foreign financial market.
101. No member of staff or member of the Council may borrow money on behalf of the Council, or issue an unauthorised guarantee, security or indemnity without the prior approval of the Executive Committee. The accounting officer must ensure that misconduct and criminal proceedings are instituted against any member of staff or member of council responsible. Should the accounting officer be involved in borrowing money on behalf of the Council without prior approval, the Executive Committee must proceed with misconduct and, if applicable, criminal proceedings against the accounting officer.
102. The accounting officer must report on all contingent liabilities of the Council in its annual report.

Management of losses and claims

103. Subject to the provisions of these regulations or any other legislation or agreement, the Council will bear its own damages and accident risks and be responsible for all claims and losses of Council property where these arise from Council activities by a person who is or was employed by the Council and to which these regulations apply.
104. Notwithstanding the above regulation, the accounting officer may (if deemed economical and based on a risk assessment) insure movable or immovable assets.

Claims against the Council and deficiencies, losses or damages caused through acts or omissions

105. The Council may accept liability for any loss, damage or claim arising from an act of omission of a member of staff provided:
- (1) the act or omission was the cause of the loss, damage or reason for the claim;
 - (2) the act or omission did not involve the use of alcohol or drugs;
 - (3) the member of staff acted in the course of his or her employment;
 - (4) the member of staff did not fail to comply with or ignore standing instructions, of which he or she was aware or could reasonably have been aware of, which led to

the loss, damage or reason for the claim; and

- (5) in the case of a loss, damage or claim arising from the use of a Council vehicle, the member of staff;
- (a) used the vehicle with authorisation for official purposes;
 - (b) is in possession of a valid driver's licence or other appropriate licence;
 - (c) used the vehicle in the interest of the Council;
 - (d) did not allow unauthorised persons to handle the vehicle; and
 - (e) did not deviate materially from the official journey or route without prior authorisation.

106. Any amount paid by the Council for losses, damages or claims arising from the act or omission of a member of staff or a member of the Council must be recovered from the member of staff or the member of the Council, as the case may be, unless the Council accepts liability in terms of paragraph 105.

Claims by the Council against other persons

107. If the Council suffers a loss or damage, the accounting officer must take all necessary steps to recover such loss or damage including referring the matter to the Council's legal advisers for legal action.

Claims by members of staff against the Council

108. If an employee sustains a loss or damage in the execution of official duties and is not compensated the accounting officer may make good the loss or damage provided that the Council is liable in law for the loss or damage.

Losses or damages through criminal acts or omissions

109. When it appears that the Council has suffered losses or damages through criminal acts or omissions, the matter must be reported in writing, to the accounting officer and the South African Police Service. Where the person concerned is or was in the Council's employment, the accounting officer must recover the value of the loss or damage from the person responsible.

Losses and damages through *vis major* and other unavoidable causes

110. The accounting officer may write off losses and damages that result from unavoidable causes.

Recovery of losses

111. If an employee caused the Council a loss or damage for which that employee is liable in terms of regulation 112, the accounting officer must determine the amount and, in writing, order that employee to pay the amount within 30 days or in reasonable instalments.

Cash management and banking arrangements

112. The accounting officer is responsible for establishing systems, procedures, processes and training and awareness programmes to ensure efficient and effective banking and cash management.
113. For purposes of these regulations, sound cash management includes:
- (1) collecting income when it is due and banking it promptly;
 - (2) making payments, including transfers no earlier than necessary, with due regard for efficient, effective and economical programme delivery and the Council's normal terms for account payments;
 - (3) avoiding pre-payments for goods or services (i.e. payments in advance of the receipt of the goods or services), unless required by the contractual arrangements with the supplier;
 - (4) pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the Council are collected and banked promptly;
 - (5) accurately forecasting the council's cash flow requirements so that central cash management responsibilities (borrowing to cover cash shortfalls and investing cash surpluses) on behalf of the Council can be optimised;
 - (6) timing the inflow and outflow of cash;
 - (7) recognising the time value of money, i.e. economically, efficiently and effectively managing cash; and
 - (8) taking any other action that avoids locking up money unnecessarily and inefficiency, such as managing inventories to the minimum level necessary for efficient and effective programme delivery and selling surplus or underutilised assets.
114. All moneys received by the Council shall be deposited forthwith in the name of the South African Pharmacy Council in a current and deposit account at such bank as may be decided upon by the Executive Committee.
115. All cheques drawn on the Council's current or deposit account, as the case may be, must be signed by the accounting officer or, in his or her absence, by an authorised Senior Manager who is not the CFO and any one of the following: the president, the vice president or the treasurer.

Investment of surplus money

116. The accounting officer may invest any surplus money on such terms and conditions as may seem appropriate on deposit with any bank within South Africa as approved by the Executive Committee
117. The interest on investment must be treated as income of the Council.

Systems, accounting records, procedures and monitoring

118. The chief financial officer must ensure that the Council's systems, records and statements of procedures can meet the purposes of sound financial management.
119. The chief financial officer must monitor the Council's financial management performance on a regular basis and report to the accounting officer, in writing, at least monthly.

Private money, private bank accounts and cashing private cheques

120. Council money may not be paid into a private bank account, except for purposes of official remuneration
121. The safekeeping of private money or personal possessions in a Council safe or strongroom is prohibited. The accounting officer or a person authorised by the accounting officer may, however, approve arrangements for safeguarding personal effects reasonably held on official premises in the course of official duty (e.g. by providing lockable rooms for staff).
122. Council money may not be used to cash private cheques.

Cheques and electronic payments

123. The accounting officer must assign authority in writing to members of staff to approve cheques or electronic payments.
124. All cheques of more than R2000.00 must have at least a crossing of "NOT NEGOTIABLE" between parallel lines.
125. When a cheque is lost, stolen or damaged, an instruction to stop payment must immediately be issued to the responsible bank. The transaction must be reversed and a new cheque issued and accounted for.

Basic accounting records and related issues

126. All transactions must be supported by authentic and verifiable source documents, clearly indicating the approved accounting allocation.
127. Should it be necessary, in exceptional cases, to account for a transaction in a control account because the classification has not been resolved the accounting officer, or his or her designate, must ensure that:
 - (1) the sources of the transactions are readily identifiable;
 - (2) amounts included in the control accounts are each month, cleared and correctly allocated to the relevant expenditure debtor or creditor's account;
 - (3) monthly reconciliations are performed to confirm the balance of the account; and
 - (4) reports are provided to the chief financial officer about uncleared items that have been in the council's control accounts for more than six months

Availability of financial information

128. The accounting officer must, subject to the provisions of the National Archives of South Africa Act, 1996 (No. 43 of 1996), retain all financial information in its original form.
129. After the expiry of the above retention periods, the information may, if required, be secured in an alternative form that ensures the integrity and reliability of the data and ensures that the information can be reproduced, if necessary, as permissible evidence in a court of law.

Financial reports, annual financial statements and annual reports

130. The accounting officer must annually submit to the Council a breakdown of anticipated income and expenditure not later than the last working day of October preceding the financial year to which it relates.

Form and content of annual financial statements

131. For the financial year ending on 31 December, the following reporting standards comprise generally accepted accounting practice and must be adhered to:
 - (1) Annual financial statements must consist of
 - (a) a balance sheet;
 - (b) an income statement;
 - (c) a cash flow statement;
 - (d) notes to the annual financial statements; and
 - (e) such other statements as may be prescribed by the South African Institute of Chartered Accountants.
 - (2) The annual financial statements must be accompanied by the audit report of the independent auditors of the Council;
 - (3) The annual financial statements must, in conformity with *Statements of Generally Accepted Accounting Practice* issued by the South African Institute of Chartered Accountants, fairly represent the financial position, financial performance and cash flows of the council at the end of the financial year concerned.

Contents of annual report

132. In preparing the annual report of the Council the accounting officer must:
 - (1) include information about the council's efficiency, economy and effectiveness in delivering programmes and achieving its objectives and outcomes against the measures and indicators set out in any strategic plan for the year under consideration; and
 - (2) include any additional information required by the Council, the Minister or the Act.

Acceptance of gifts, donations and sponsorships to the Council

- 133. Approval must be obtained from the accounting officer before any gift, donation or sponsorship to the Council, whether in cash or kind, is accepted: Provided that there are no recurrent costs to the Council.
- 134. All gifts, donations or sponsorships in cash must be paid into the Council's current account.
- 135. Where it is not apparent for what purpose a gift, donation or sponsorship should be applied, the Executive Committee may decide how it must be utilised.
- 136. All gifts, donations or sponsorships received during the course of the financial year must be disclosed as a note to the annual financial statements of the Council.

Repeal

The regulations published under Government Notice No. R215 of 3 February 1978, Government Notice No R2108 of 2 October 1981, Government Notice No R1171 of 18 June 1982, Government Notice No R1180 of 15 June 1984, Government Notice No R2738 of 13 December 1985, Government Notice No ~493 of 14 February 1992, Government Notice No R2198 of 7 August 1992, and Government Notice No R912 Of 13 May 1994 are hereby repealed.


ME Tshabalala-Msimang
Minister of Health

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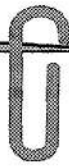
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