Dear Colleagues

**Routine Inspections and Inspection fees**

I received only five responses to the previous request for input on inspection fees.

A. During the Council’s scheduling of the routine inspections for 2016 nine members voiced their concerns with regard to the inspection fees and wanted an explanation as to how the SAVC arrived at the fees. Please click on this link to see what the concerns were.

B. Council wishes to explain the reasons and the process behind the decisions taken by Council:

**Firstly, what dispensations exist currently?**

1. Members who contacted the Registrar and informed her that they were unable to pay for the routine inspections in 2016 were given an option to have their facilities inspected at the end of the financial year i.e. in February or March 2017, which option would give the member/s time to make payment of the inspection fee.
2. Any member can still submit a request that, based on the costs of the inspection, his/her facility can be inspected at the end of the financial year;

**Background and process leading up to routine inspections in response to members who stated that they were never consulted.**

3. For more detailed background information and the run-up to routine inspections please click on this link.

4. A short summary of events [run-up to routine inspections] since 2012 is reflected below -

   - In the June 2012 Newsletter: Council requested the members of the veterinary professions to make input on the budget, specifically as follows:” Routine inspections and accreditation will become a regular function as the Amendment Bill will soon
be enacted. What is your opinion? Must a facility accreditation fee be charged to fund the inspections and the activities of the Inspections Committee?"

- In the September 2012 Newsletter:
  Council informed the profession that an audit of nine hundred facilities registered with Council at that time was finalised and that routine inspections were to be introduced in 2013. One hundred and fifty facilities would be inspected annually and that every facility would be inspected once in a six-year cycle.

- Council invited input as follows: “Members have been requested to make input on future budgets of Council and the question was posed as to whether a facility registration or an inspection fee should be charged. Your input on the question will be appreciated” Furthermore, members were informed of the outcome of the audit and the requirements at that stage;

- In the November 2012 Newsletter members were again advised to make input on the budget and a statement was then made that:” …Routine Inspections will fund themselves as they are based on the user-pays principle.”

- In the March 2013 Newsletter: Council announced -
  -the routine inspections again and provided answers to frequently asked questions i.e. Which facilities would be inspected and which facilities would be inspected first; How it would be funded. How the principal will be informed of the inspection and who will qualify as inspectors;
  -members who practiced as consultants and herd health practitioners were invited to make input on the minimum standards, complementary veterinary services, checklists for facilities, mobile facilities and exemption as well as training for vetshop staff members;

- In the March 2014 Newsletter: Members were invited to comment on the review of the rules and a reminder given that veterinary services may only be rendered from registered facilities;

- In the June 2014 Newsletter: Council invited members to the workshops on Highly scheduled medicines and Minimum Standards for facilities and a report was published in Newsletter September 2014, together with another invitation to members to comment;

- In the November 2014 Newsletter: Council published an alert on “…veterinarians practicing from unregistered facilities and/or from no “structured” facilities and other important things!!!”

- In the September and December 2015 Newsletters Council informed members on -requirements for laboratories and research facilities as well as for the new categories
  -Council provided an explanation on “Routine Inspections” including that it would be a self-funded process.

From the above it is patently clear that members have been more than adequately informed and have been given ample opportunity to comment.
Very few comments were received from the members of the profession (it varied from nil to under five responses.) The only comment received from the profession in 2013 indicated that the Newsletter should be placed on the website to save printing costs and that the inspections fees should then not be charged. The costs of the Newsletter were funded at that time by advertising space.

5. Calculation of expenditure per inspection

- What had to be taken into consideration when the inspection fees were determined?
  - As the number of registered facilities increased by nearly 30%, annual routine inspections increased from what was thought to be one hundred and fifty per annum to two hundred and fifty per annum to ensure that all facilities would be inspected within a six-year cycle;
The two hundred and fifty facility inspections were translated into eighty-four inspection days. Taking into consideration the outcomes of the pilot project, three inspections can take place per day depending on the distances between practices.

The inspection fee paid by the principal of a facility amounts to R 3970.

In the event that all three inspections cannot be held in one day due to distances provision had to be made for extra inspection days and additional inspection day fees.

The day fee paid to the inspector amounts to R 3376.

An additional staff member, involved with the coordination [responsible for liaison between inspectors and principals] of these inspections had to be appointed.

Inspectors will need training and a training workshop had to be funded.

Travel and accommodation, if required, and other costs such as toll fees had to be considered. The most cost effective travel expenses are paid. In the event that the inspector prefers to use his/her own vehicle and a rental vehicle would cost less than the kilometers paid then only the rental vehicle costs are paid.

Travel routes are worked out to ensure that the shortest route is taken.

The Inspections Committee who will receive the inspection reports and make recommendations thereon to Council will be funded.

Printing of certificates, stationary, telephone, and computer, costs had to be considered.

- Council discussed the inspection fees and referred it back to the Inspections and Finance Committees for input. One of the options was that the inspector charges for time and travel. Your comments will be appreciated.

6. The table below provides budget summary for annual routine inspections

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>Day fee</th>
<th>3 facilities per day</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inspectors</td>
<td>R 3376</td>
<td>84 days</td>
<td>283584</td>
</tr>
<tr>
<td>Km</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>500 km</td>
<td>84 Days</td>
<td>6.4</td>
</tr>
<tr>
<td>Committee meetings and remuneration for members</td>
<td></td>
<td>@84 inspection Days</td>
<td>R 6.4 per km</td>
</tr>
<tr>
<td>Annual Training: six committee members &amp; 13 inspectors</td>
<td>R 3376</td>
<td>@19</td>
<td>64144</td>
</tr>
<tr>
<td>Travel for training</td>
<td>250 kms</td>
<td>@19</td>
<td>R 6.4 per km</td>
</tr>
<tr>
<td>workshop</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INCOME TO COVER EXPENSES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accreditation /inspection fee</td>
<td>3970</td>
<td>250</td>
<td>992 500</td>
</tr>
</tbody>
</table>

The amount of R 156 516 [difference between income and expenditure] is in part allocated to the salary of a staff member, printing, administration costs, extra day fees and travel or costs not provided for.
7. **Who are the Inspectors?**
Registered members who applied to become inspectors following invitations in the Newsletters and who have credentials as follows:

- Conversant in at least two official languages;
- Have at least five years’ experience;
- Do not have any transgressions recorded against their names;
- Are available during normal office hours;
- Do not have any conflict of interest with the facility or principal of the facility.

8. **Categories for facilities, how they came about and what was required to applications for exemption**-

- Since 9 November 2015 specific categories were developed for facilities, other than consulting rooms, clinics and hospitals, to streamline registrations and to make it easier for veterinarians to comply with the minimum standards for their specific facilities.
- In the past members had to apply for exemption as the minimum standards for facilities did not always apply to their practices. Application for exemption was cumbersome and the minimum standards for each facility type were developed to make it more relevant to the various fields of practice.
- There are currently fourteen different categories for registration of facilities, which include clinical-, herd health-, research-, CCS, regulatory, welfare-, laboratory-, consultancy- and vetshop facilities.

C. **Concerns of the veterinary professions**

Taking into account the above information, please provide us with your input.

Clive Marwick
President