

2015 | ANNUAL
REPORT



IN THE YEAR 1 JULY 2014 TO 30 JUNE 2015 WE WORKED TO KEEP THE PUBLIC SAFE.

KEY ACHIEVEMENTS

- **Published new Competence Standards for the Pharmacy Profession, supporting the delivery of safe and effective pharmacy practice**

- **Reviewed and developed a number of policies, statements and guidelines, including:**
 - **Pharmacist Prescribers and Medicines Management Services Statement**
 - **Pharmacist Vaccinator Statement**
 - **Telehealth Statement**
 - **Promotion and Supply of Medicines over the Internet Statement**

- **Undertook a governance review to identify areas in which to enhance performance and ensure appropriate succession plans are in place**

- **Developed an information technology strategic plan to guide our technology investments and improve our digital capability with the aim of enhancing our efficiency and effectiveness**

- **Colocated with four other Responsible Authorities to optimise operational efficiencies, improve collaboration and enhance the way we regulate**

KEY NUMBERS

- **Registered a total of 217 new pharmacists**

- **Issued 3,782 annual practising certificates (including 15 pharmacist prescribers) in the pharmacist scope of practice**

- **Issued 267 annual practising certificates in the intern pharmacist scope of practice**

- **Audited 550 pharmacists for recertification requirements**

- **Received 27 complaints about pharmacists from various sources**

- **Managed 14 Professional Conduct Committee cases**

- **The Health Practitioners Disciplinary Tribunal found three pharmacists guilty of professional misconduct**

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The Pharmacy Council (Council) is pleased to submit this report for the year ended 30 June 2015 to the Minister of Health. This report is presented in accordance with section 134 of the Health Practitioners Competence Assurance Act 2003 (HPCAA).

VISION

Safe, effective pharmacy practice.

MISSION

To protect the health, safety, and wellbeing of the public by ensuring pharmacists are competent and fit to practise.

PRINCIPLES

- Consistent, fair, reasonable and transparent processes
- Assisting pharmacists to perform to the highest standards
- Accountable to the public and the profession
- Effective, best practice governance
- Proportionate regulation

VALUES

Accountable, collaborative, consistent, effective, fair, high quality, trusted, impartial, independent, integrity, natural justice, proactive, future focussed, proportional, respectful, robust, transparent, public, whānau, patient centred.

DUTIES AND FUNCTIONS OF THE PHARMACY COUNCIL

Council has a duty to strive to ensure the highest standards of excellence in the practice of pharmacy are met and that proper standards of integrity, conduct, and concern for the public good are maintained.

The functions of Council under section 118 of the Health Practitioners Competence Assurance Act 2003 (HPCAA) are to:

- a) prescribe the qualifications required for scopes of practice within the profession, and, for that purpose, accredit and monitor educational institutions and degrees, courses of studies, or programmes
- b) authorise the registration of health practitioners under the Act and maintain registers
- c) consider applications for Annual Practising Certificates (APC)
- d) review and promote the competence of health practitioners
- e) recognise, accredit and set programmes to ensure the ongoing competence of health practitioners
- f) receive and act on information from health practitioners, employers, and the Health and Disability Commissioner about the competence of health practitioners
- g) notify employers, the Accident Compensation Corporation, the Director-General of Health, and the Health and Disability Commissioner that the practice of a health practitioner may pose a risk of harm to the public
- h) consider the cases of health practitioners who may be unable to perform the functions required for the practice of the profession
- i) set standards of clinical competence, cultural competence, and ethical conduct to be observed by health practitioners of the profession
- j) liaise with other authorities appointed under the Act about matters of common interest
- k) promote education and training in the profession
- l) promote public awareness of the responsibilities of the authority
- m) exercise and perform any other functions, powers, and duties that are conferred or imposed on it by, or under this Act or any other enactment

COUNCIL MEMBERS

AT 30 JUNE 2015



Dr Andrew Bary BPharm (Hons), PhD (Chair)

Andrew is a community pharmacist with 19 years' experience. As proprietor of Queenstown Pharmacy and member of the Pharmacy Council, he enjoys a mix of hands-on pharmacy practice and governance work to help make positive changes at both local and national levels.

Andrew is the Chair of Council, now in his third term with almost nine years' service on Council. He is also active on the Complaints Screening Committee, the Examination and Assessment Centre Appeals Committee and FARMC (Finance Audit and Risk Management Committee).

Third term appointed 8 November 2012



Mark Bedford DipPharm, RegPharmNZ, AFNZIM (Deputy Chair)

Mark jointly owns a busy seven-day medical centre pharmacy employing six pharmacists and four technicians.

Mark is an Associate Fellow of the New Zealand Institute of Management, was Deputy Chair of the Central Institute of Technology Council for 13 years, and has chaired Consumer NZ and the Waipuna Hospice boards for seven years. Mark was appointed to the Pharmacy Council in 2009 and is completing his second three-year term. He is Deputy Chair of Council, Chair of FARMC and the Professional Standards Committee, a member of the Complaints Screening Committee and Chair-elect.

Second term appointed 8 November 2012



Keith Crump MPharm, PG Dip Pop Health, RegPharmNZ

Keith is pharmacist facilitator at ProCare Health (an Auckland PHO). In addition to his key role Keith is a member of the Ministry Pharmacy Steering Group, Secretary of Clinical Pharmacists Association, and a member of the ProCare Clinical Directorate.

Keith is in his ninth year at Pharmacy Council, where he is Chair of the Health Committee, and Chair of the Pre-Registration Assessment Board.

Third term appointed 11 April 2013



Dr Te Kani Kingi B.Soc Sci, M.Soc Sci (honours), PGDip Mdev, DipTM, PhD (*lay member*)

Te Kani is Director Māori and Associate Professor at Massey University and also Director of the Research Centre for Māori Health and Development, and the Academy for Māori Research and Scholarship.

Te Kani advises on our Health Committee and is in his final term on Council. His role on Council is to provide a different perspective and to help improve pharmacy practice in Aotearoa, while making a positive difference to the lives of others.

Second term appointed 11 April 2013



Leanne Te Karu (Muaūpoko/Whanganui) DipPharm (Distinction), PG Cert Pharm (Prescribing), PG Cert Pharm (Herbal Meds), PG Dip ClinPharm (Distinction), MHSC (Hons), RegPharmNZ

Leanne is a pharmacist prescriber with 25 years' experience of pharmacy practice in both hospital and primary care.

Leanne is a clinical advisor for the Best Practice Advocacy Centre, an advisor for the Health Quality Safety Commission, a member of the Ministry of Health appointed Pharmacy Steering Group Committee, and is on the Executive of the Māori Pharmacists' Association. Leanne has been a member of Council for over three years and has chaired the Health Committee.

First term appointed 25 August 2011



Marie Bennett Dip Pharm (Distinction), MNZCP, FPS, RegPharmNZ

Marie is a community pharmacist with 30 years' experience. She is passionate about improving the pharmacy profession, training, mentoring, smoking cessation and developing new pharmacy services and making them 'fly'.

She is a previous board member of the Pharmacy Guild, various Waitemata DHB committees, and was the community pharmacist on the Quality Use of Medicines Group for the Waitemata DHB. Marie is the community pharmacist on the Waitemata DHB Smokefree Advisory Group.

Marie was appointed to the Pharmacy Council in November 2012. She is seconded to FARMC and is also Council's representative to the Board of Studies for Auckland University Pharmacy programme.

First term appointed 8 November 2012



Viv Gurrey (lay member)

Viv is Chief Executive Officer of Parents Centres, the largest parenting network and provider of education and support services for parents in New Zealand. She has over 35 years global experience as a management and operations specialist in the commercial, corporate, and social sectors, having spent a good portion of that time in executive roles particularly in technology and strategic planning and business consulting.

Viv is nearing the end of her first term with the Council, having served for three years. She is on the Complaint Screening Committee and FARMC.

First term appointed 8 November 2012



Dr Jeff Harrison BSc Hons (Pharmacy) PG Dip Clin Pharm PhD (Surgery) PG Cert (Clin Ed)

Jeff is a senior lecturer in Clinical Pharmacy at The University of Auckland, with an attachment to Waitemata DHB hospital pharmacy, primarily advising on research. His university research focusses on cardiovascular disease, diabetes and the increased risk of these in people with mental illness. He has been a pharmacist for 25 years, applying his knowledge of pharmacotherapy to solve unique patient problems.

Jeff has been with the Pharmacy Council for almost three years and has enjoyed the challenges of his first term on the Health Committee. His goal is to achieve good governance, to help ensure public safety, and to raise the standards and aspirations of all pharmacists relating to patient care.

First term appointed 8 November 2012

CORPORATE GOVERNANCE

The role of Council is to ensure that the requirements of the HPCAA are met. To ensure these requirements are met, Council members set the organisation's strategic direction and monitor the performance of management. The Minister of Health appoints Council members, and the Council is accountable to the Minister, the profession and the public in the performance of its functions.

COUNCIL MEETINGS

Dates for Council meetings are set in advance and are confirmed at the end of a calendar year for the following 12 months. In the period 1 July 2014 to 30 June 2015, Council met five times for full Council meetings. Two additional special meetings were held (one via audio conference).

CHAIR AND CHIEF EXECUTIVE/ REGISTRAR REPORT

We are delighted to present this annual report for the year ending 30 June 2015. Over the past 12 months, we have continued to build on our strong foundations, enhancing how we fulfil our functions under the Health Practitioners Competence Assurance Act 2003 (HPCAA). We have achieved this through better governance, improved business operations and our commitment to public safety and high quality pharmacy practice.

Key achievements aligned to Council's strategic objectives included:

1. publishing new *Competence Standards for the Pharmacy Profession*, supporting the delivery of safe and effective pharmacy practice
2. co-locating with four other Responsible Authorities to optimise operational efficiencies, improve collaboration and enhance the way we regulate through inter-professional learning
3. developing an information technology strategic plan to guide our technology investments and improve our digital capability with the aim of enhancing our efficiency and effectiveness.

During the second half of this financial year we began significant work in developing our 2016-2020 strategic plan. The strategy firmly focusses on the future and how Council can, through taking a broad approach, support excellence in pharmacy practice to improve health outcomes. We look forward to reporting our progress in future annual reports.

We continue to engage with key stakeholders, in particular the Pharmaceutical Society of New Zealand and the Australian Pharmacy Council, who undertake examination and accreditation services for Council. We recognise that strong relationships are essential for effective regulation.

As part of Council's focus on quality governance, we carried out a scheduled governance effectiveness review in late 2014, which provided the opportunity to identify areas for development at a governance level.

In early 2015, Council farewellled Chief Executive and Registrar Claire Paget-Hay. Over many years, Claire has made a significant contribution to Council and was instrumental in supporting a seamless leadership transition. We sincerely thank Claire for her dedication and commitment.

We also acknowledge the many individuals who provide their time to enable Council to deliver its many functions. They include our Assessment Centre assessors, law and ethics interviewers, recertification auditors, committees and working group members. Their contributions play a valuable role in ensuring we continue to support high quality pharmacy practice and keep the New Zealand public safe.

We are confident that through our combined skills and capability, we are in a strong position as an organisation. We would not be in this position without the passion and commitment of our experienced staff and for this we are extremely grateful.

We also thank the members of Council for their commitment to setting Council's strategy, their valuable contribution to decision making, and their continued support throughout the year.



Dr Andrew Bary
Chair

David Simpson
Chief Executive Officer/Registrar

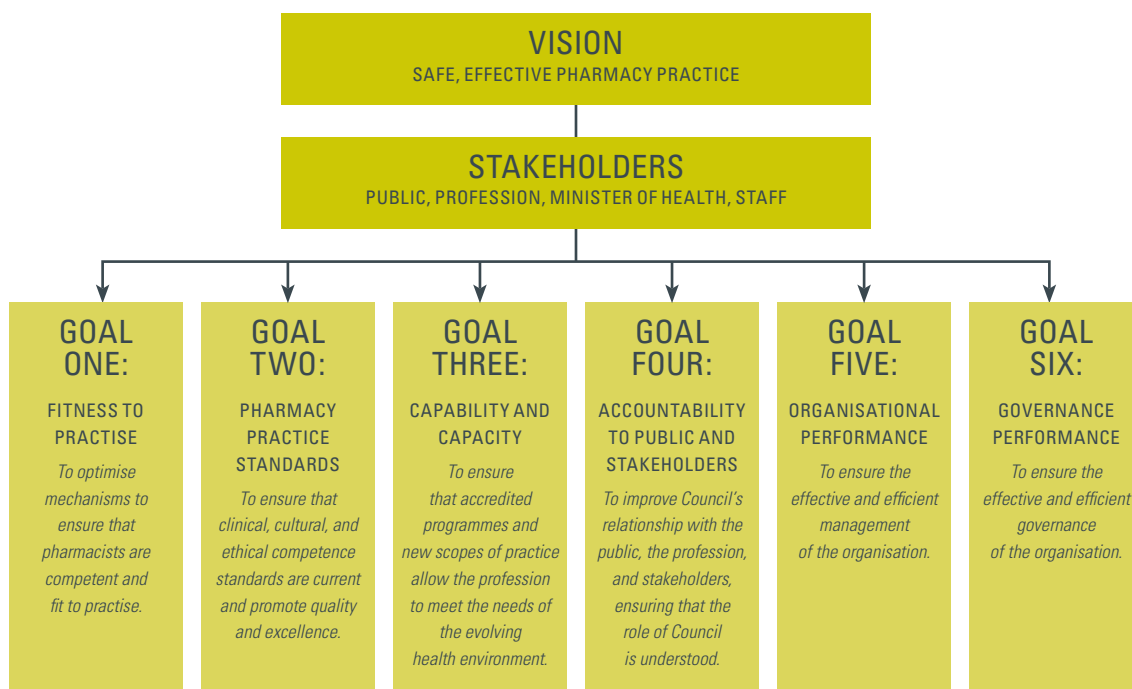


STRATEGIC GOALS AND KEY PROJECTS 2014-2015

STRATEGIC PLAN

Council's overarching vision is to ensure safe, effective, pharmacy practice. This vision is reflected in the 2010-2015 Strategic Plan with six goals focussing on the requirements for scopes of practice, standards and competencies for pharmacists, efficient organisation and risk management, and governance. The strategy sets a clear direction and through its flexibility, enables new goals and initiatives to be developed in response to a changing environment.

COUNCIL STRATEGIC PLAN 2010 – 2015



GOAL ONE – FITNESS TO PRACTISE

To optimise mechanisms to ensure that pharmacists are competent and fit to practise.

Recertification audit

Council's 2012 recertification framework became effective in 2013. It requires pharmacists to participate in continuing professional development that is relevant to their practice of pharmacy, and provides Council with a measure of confidence that competence is being maintained and enhanced.

Practising pharmacists must use the approved online ENHANCE programme to document professional learning. It is expected that much of a pharmacist's professional development learning emerges from personal reflection on practice, with reference to the Professional Standards of Competence for the Pharmacy Profession. Participation in the programme and the meeting of recertification requirements are audited in two parts using the records of a sample group of pharmacists.

Part 1 of the recertification audit is undertaken in March/April to confirm that requirements for recertification have been met. A pharmacist must pass the Part 1 audit to be granted an Annual Practising Certificate (APC). Results from the 2015 Part 1 audit are detailed on page 21.

During the year a smaller sample of records was reviewed by contracted reviewers for Part 2, the quality review. The primary purpose of this quality review is to inform Council about the quality of participation in continuing professional development across the profession.

Examinations and assessments

New Zealand intern pharmacists

In 2012, Council consulted on proposed changes to the summative assessment of interns. Three years on, we have successfully implemented the Intern Written Examination and Assessment Centre.

The approach has proven robust, responsive and continues to be refined and enhanced as part of our continuous quality improvement cycle. We would not have achieved this success if it was not for the participation and significant contribution of the pharmacy profession, which has been instrumental in creating assessments that capture 'real to life' pharmacy practice.

GOAL TWO – PHARMACY PRACTICE STANDARDS

To ensure that clinical, cultural and ethical competence standards are current and promote quality and excellence

KEY PROJECTS :

Competence Standards for the Pharmacy Profession

During 2014/15 Council achieved a significant milestone by ratifying the revised competence standards and scopes of practice for the profession. The new standards came into effect on 1 January 2015.

The key changes include:

- grouping competencies into more contemporary clusters (Domains)
- combining dispensing and extemporaneous compounding into one Domain
- combining primary care and medicines management competencies into a single Domain
- removing the evidence examples but including guidance sections and adding a number of new competencies e.g. quality improvement.

Some Domains are mandatory i.e. Domains M1 (Professionalism in Pharmacy) and M2 (Communication and Collaboration) while others are optional. This allows for academic pharmacists working in non-traditional roles to retain an APC without having to maintain competence in areas not relevant to their practice.

There are four optional Domains (O1-O4). Most competencies in these Domains will effectively become mandatory for pharmacists who are in direct patient care roles. A significant change from the previous standards is that a single competency may be selected from these optional Domains where appropriate; Council's expectation is that peer input for the practice review, according to the recertification framework, will ensure pharmacists are working in Domains and competencies relevant to their area of practice, and that their continuing professional development (CPD) reflects this.

Council also worked with the Pharmaceutical Society of New Zealand to:

- incorporate the new competence standards into the CPD platform, ENHANCE
- develop self-assessment tools that enables pharmacists to identify which of the Domains are pertinent to their practice and which require some additional learning to maintain practice competencies.

Council wishes to acknowledge everyone who took time to attend the regional and focus group meetings to give feedback, and those who responded to the consultation. Council also thanks the review group for providing input and oversight of the project. The final document would not be as robust and future-proofed as it is without their contribution.

Pharmacist prescribers, MUR and MTA

In 2014/15, Council engaged an independent expert to map the pharmacist prescriber competencies against Medicines Use Review (MUR) and Medicines Therapy Assessment (MTA) requirements, and report on the findings. After carefully considering the report, Council agreed that:

- pharmacist prescribers are eligible to provide MUR, MTA, and future medicines management services without the need to complete the MUR course or submit a portfolio for MTA accreditation
- MTA pharmacists are eligible to provide MUR services without the need to complete a full MUR course
- future pharmacist prescribers, or similarly accredited pharmacists, are eligible to provide MUR and MTA services without the need to complete the Pharmaceutical Society MUR/MTA course requirements.

Following this review, Council released a *Pharmacist Prescribers and Medicines Management Services Statement* which enables pharmacist prescribers to provide MUR and MTA services without further requirements.

Vaccinations

The administration of vaccines that have been reclassified as pharmacist-only medicines when administered by an accredited pharmacist vaccinator is now included under the Administration of Medicines Domain in the new Competence Standards for the Pharmacy Profession, effective January 2015. Council revised their *Pharmacist Vaccinator Statement* to recognise this and provide clear guidelines to the Immunisation Standards outlined in the Immunisation Handbook 2014. Council is supportive of government's initiative to include pharmacists in the improved delivery of public health initiatives, integration with primary care and the promotion of safer patient services.

Telehealth Statement

A revision of Council's *Telehealth Statement* was undertaken to ensure the guideline is aligned with current pharmacy practice and use of technology. Council recognises that within New Zealand, geographical isolation and patient disability or mobility may prevent optimal face-to-face patient contact and telecommunication has a role in improving access to timely healthcare. The statement sets a clear expectation that the standard of care and professional requirements of a telehealth interaction should be no different than a comparable face-to-face patient interaction.

Supply and promotion of medicines over the internet

In response to evolving pharmacy practice and the use of technology, Council developed guidelines to assist pharmacists in the sale or promotion of medicines over the internet. The *Promotion and Supply of Medicines Over the Internet Statement* sets the legal, ethical and clinical standards required when undertaking these activities.

Guidance on practice issues

During the year, Council received information on practice issues that relate to new innovations, changes in pharmacy practice or regulations, and dispensing incidents from which lessons can be learned. Communicating these matters to the profession assists with the improvement of public safety. This year Council's communications with the profession included:

- Pharmacist prescribers, MUR and MTA
- Pharmacy Accuracy Checking Technicians (PACT) Project
- Methadone dispensing errors
- Opioid substitution treatment practice guidelines 2014
- Sildenafil reclassification and training
- Reporting on adverse events or medication errors
- Can I dispense repeats for another pharmacy?
- Selling Pharmacist Only Medicines
- OTC diclofenac sales to purchasers from the UK
- Eye drop instructions
- Serious adverse events with metoprolol 11.875mg
- The new Competence Standards for the Pharmacy Profession
- Changes to pharmacist vaccinator resuscitation requirements

GOAL THREE – CAPABILITY AND CAPACITY

To ensure that accredited programmes and new scopes of practice allow the profession to meet the needs of the evolving health environment

KEY PROJECTS :

Accreditation and monitoring of qualifications and programmes

Five New Zealand pharmacy education programmes have been accredited by Council:

- EVOLVE Intern Training Programme, provided by the Pharmaceutical Society of New Zealand
- Bachelor of Pharmacy programme, provided by Auckland and Otago universities
- Pharmacist Prescriber programme, provided by Auckland and Otago universities.

Each programme undergoes a periodic re-accreditation evaluation. Council makes accreditation decisions after consideration of recommendations from its contracted evaluation agency, the Australian Pharmacy Council.

In 2015, Otago University's Bachelor of Pharmacy programme was re-accredited, the first New Zealand programme to be evaluated against the updated Accreditation Standards, which came into effect in 2014. Accreditation standards apply across New Zealand and Australia. They provide responsible authorities in both countries with assurance that programmes are of comparable quality.

GOAL FOUR – ACCOUNTABILITY TO PUBLIC AND STAKEHOLDERS

To improve Council's relationship with the public, the profession and stakeholders, ensuring that the role of Council is understood

Contribution to sector issues

Council contributes to discussions on relevant issues and policy development, and takes part in consultations and submissions where appropriate. During 2014/15 Council consulted on a number of issues and policies, including:

- Medicine Classification Committee – reclassification consultations:
 - paracetamol and ibuprofen liquids to general sales
 - sildenafil 100mg tablets to restricted medicine
 - losec capsules to general sales
 - selected oral contraceptives from prescription medicine to restricted medicine when supplied for oral contraception by a pharmacist accredited to supply oral contraception, in accordance with the approved protocol for supply
- Australian Health Practitioner Regulation Agency (AHPRA) consultation on common codes and guidelines
- New Zealand District Health Board pharmacy services framework
- Code of Ethics and Conduct for Dietitians
- Proposed Amendments to Midwives' and Nurse Practitioners' Prescribing of Controlled Drugs
- Accreditation Standards for Dental Practitioner Programmes
- Medical Council Statement on Good Prescribing Practice
- Advertising Standards Authority
- Health Workforce New Zealand – Voluntary Bonding Scheme 2016 Terms and Conditions Consultation
- Health Workforce New Zealand – Provision of Workforce Data Consultation

Communication with the profession and the public

Council has engaged with the sector, profession and public throughout the 2014/15 year including contributing to a number of sector committees and working groups. During the year, Council also had significant engagement through phone calls and emails to our Professional Standards Advisor, Assessment and Examination Manager and Registrations team on a variety of topics. Engaging with these key stakeholders provides us with valuable information on current and emerging trends. It also increases understanding of the importance of Council in protecting the health, safety and well being of the public, and of its role as regulator.

GOAL FIVE – ORGANISATIONAL PERFORMANCE

To ensure the effective and efficient management of the organisation

Review of policies

Council regularly reviews its policies and procedures as part of its process of continuing quality improvement. During the year, the delegations to the Registrar and the Deputy Registrar were reviewed and changes made as recommended by Council's legal advisors. Reviews of the delegations to the Professional Standards, Complaints Screening and Health Committees were also undertaken and amendments ratified.

A review of the following policies was undertaken and amendments made and ratified:

- Recertification
- Failure to renew APC
- Minutes and release of minutes
- Electronic resolutions of Council
- English language policy for Non-REQR Pharmacists
- English language policy for pharmacy graduates
- Assessments and examinations appeals policy

A new accreditation policy was also approved.

Information technology strategic plan

During the year, Council developed and approved a three-year strategic information technology plan. The plan focusses on achieving greater efficiency by adopting information systems that improve operational processes while delivering better end user experiences through intuitive, consistent and contemporary interfaces.

Colocation with other responsible authorities

In 2014/15 Council made the decision to progress with the colocation of offices with four other health regulators (Physiotherapy Board, Dental Council, Medical Sciences Council and Medical Radiation Technologists Board). Two of the strategic objectives for the colocation were to facilitate greater collaboration on joint topics of interest and to maximise operational efficiencies between organisations. Council has already experienced the benefits of working together with the other regulators.

GOAL SIX – GOVERNANCE PERFORMANCE

To ensure the effective and efficient governance of the organisation

Relationship management

Council continued to maintain strong relationships with key stakeholders in the 2014/15 year. In particular, we engaged closely with the Chief Pharmacist Advisor from the Ministry of Health, Pharmaceutical Society of New Zealand, the Australian Pharmacy Council and other responsible authorities. As part of our important relationship with our Australian counterparts through the Trans-Tasman Mutual Recognition Arrangement, we have met with the Pharmacy Board of Australia and continue to discuss matters of common interest. At an operational level we have worked collaboratively with the Pharmaceutical Society of New Zealand (Inc) and continued to foster our relationships with various business units within the Ministry of Health, including Medicines Control and Health Workforce New Zealand.

Governance and planning

During the year, Council conducted an internal governance review and began developing the organisation's future strategy which will set the vision, strategic priorities and investments over the next five years (2016-2020). As part of its overall governance strategy, Council considered and developed succession plans for the 2014/15 year, which included undertaking training in governance and stakeholder management.



REGISTRATION

PROTECTION OF PUBLIC SAFETY IS A PRIMARY RESPONSIBILITY OF COUNCIL.

Registration of pharmacists and issue of Annual Practising Certificates (APC) is the method by which Council ensures public safety. A pharmacist may not practise unless they are registered and hold an APC.

Council prescribes qualifications and requirements for registration in each of the three scopes of practice it regulates: intern pharmacist, pharmacist and pharmacist prescriber. Once registered, ongoing recertification requires that pharmacists demonstrate they are maintaining their competence. Council requires that they participate in an approved continuing professional development programme.

SCOPES OF PRACTICE

Council is responsible for specifying scopes of practice that define what a pharmacist may do. There are three scopes of practice.

1. Intern pharmacist scope of practice

This is a provisional scope of practice that leads to registration as a pharmacist. It provides for a period of practice under supervision for Bachelor of Pharmacy graduates from New Zealand or Australia, and overseas qualified pharmacists from countries other than Australia, Canada, Ireland, Northern Ireland, the UK and the USA (which are recognised as having similar qualifications). Refer to page 17 for the number of registrants in the intern pharmacist scope over the last five years.

2. Pharmacist scope of practice

Graduates who have met the requirements or completed the prescribed qualifications may apply for registration as a pharmacist. Pharmacists who have been registered in Australia, Canada, Ireland, Northern Ireland, the UK or the USA, or who were previously registered in New Zealand and wish to be reinstated to the Register, can apply for registration directly into the pharmacist scope. Refer to page 17 for the number of registrants in the pharmacist scope over the last five years.

The *Competence Standards for the Pharmacy Profession* describes the standards to which New Zealand pharmacists are held.

In accordance with the Health Practitioners Competence Assurance Act 2003 (HPCAA), Council employs a range of mechanisms to address issues of the fitness to practice of individual pharmacists when these are brought to its attention.

Although the practice of pharmacy goes beyond work with patients and clients to include roles that influence clinical practice and public safety – such as teaching, advising, research, policy development, and management – the intern pharmacist and the pharmacist scopes of practice cover:

- custody, preparation, and dispensing of medicines and pharmaceutical products
- provision of advice on health and wellbeing, including health screening
- selection and provision of non-prescription medicine therapies and therapeutic aids.

3. Pharmacist prescriber scope of practice

Pharmacist prescribers have specialised clinical, pharmacological and pharmaceutical knowledge, skills and understanding relevant to their area of prescribing practice. They work in a collaborative health team environment with other healthcare professionals and are not the primary diagnostician. They can write a prescription for a patient in their care to initiate or modify therapy (including discontinuation or maintenance of therapy originally initiated by another prescriber). Pharmacist prescribers are required to complete a post-graduate program in prescribing that has been accredited by the Council leading to a Certificate in Pharmacist Prescribing. Refer to page 17 for the number of registrants in the pharmacist prescriber scope over the last three years.

Prescribed qualifications

Qualifications are prescribed by Council for each scope of practice. They are listed below as programmes and assessments.

• Bachelor of Pharmacy (BPharm)

Two four-year New Zealand Bachelor of Pharmacy degree programmes are accredited. The University of Otago Bachelor of Pharmacy and the University of Auckland Bachelor of Pharmacy.

• Intern Training Programme (ITP)

One intern training programme, EVOLVE®, is accredited by the Council. It is provided by the Pharmaceutical Society of New Zealand. The ITP is a supervised, workplace-based training programme completed in the fifth year of training, following graduation with the Bachelor of Pharmacy. It is also prescribed for:

- overseas qualified pharmacists from countries other than Australia, Canada, Ireland, Northern Ireland, the UK and the USA
- New Zealand qualified and registered pharmacists returning to practise after a period of 8 years or more.

• Post-graduate qualification in pharmacy prescribing

Two post-graduate certificate prescribing qualifications are accredited: Postgraduate Certificate in Pharmacist Prescribing (Otago) and Postgraduate Certificate in Clinical Pharmacy in Prescribing (Auckland).

ASSESSMENTS

Intern Written Examination and Assessment Centre

Intern pharmacists and category 4 pharmacists returning to practice must complete Council's summative assessments – the Intern Written Examination and the Assessment Centre. The Assessment Centre consists of a 10 station OSCE¹. The Intern Written Examination and the Assessment Centre both focus on demonstration and application of knowledge.

Intern pharmacist summative assessments 2014/15	Number assessed	Number passed
Assessment Centre (November 2014)	194	167
Assessment Centre (May 2015)	44	34
Written Exam (July 2014)	203	162
Written Exam (September 2014)	36	27
Written Exam (March 2015)	11	10

Other examinations and assessments

Council prescribes the registration requirements for overseas qualified pharmacists and local pharmacists returning to practice. Examinations and assessment requirements vary depending on where the pharmacy qualifications were attained and the length of time away from pharmacy practice. These include:

1. Knowledge Assessment of Pharmaceutical Sciences (KAPS)

Overseas qualified pharmacists from countries other than Australia, Canada, Ireland, Northern Ireland, the UK and the USA are required to pass this exam before applying to practise in New Zealand as intern pharmacists.

2. Competency Assessment of Overseas Pharmacists (CAOP)

Overseas qualified pharmacists from Canada, Ireland, Northern Ireland, the UK and the USA are required to sit this examination before registering as pharmacists.

3. Law and Ethics Interview Assessment

Overseas qualified pharmacists from countries with qualifications that are recognised as similar to New Zealand's (Australia, Canada, Ireland, Northern Ireland, the UK and the USA) are required to complete a Law and Ethics Interview following a period of supervised practice.

Pharmacists returning to practice after three or more years, but fewer than eight years, are also required to complete the Law and Ethics Interview following a period of supervised practice.

Other exams and assessments 2014/15	Number assessed	Number passed
KAPS	18	5
CAOP	14	13
Law and Ethics Interview Assessment (overseas recognised, equivalent qualification pharmacists)	16	16
Law and Ethics Interview Assessment (return-to-practice pharmacists)	19	19

1 OSCE- Objective Structured Clinical Examination, assessing the ability to deal with common pharmacy situations, with an actor role-playing the patient.

4. Pharmacist prescribers assessment

The prescriber qualification for this scope of practice is a university based post graduate qualification at either Auckland or Otago University. This qualification is assessed by the Universities.

Number of pharmacists completing Post Graduate Certificate in pharmacist prescribing	Number
2012	14
2013	4
2014	0

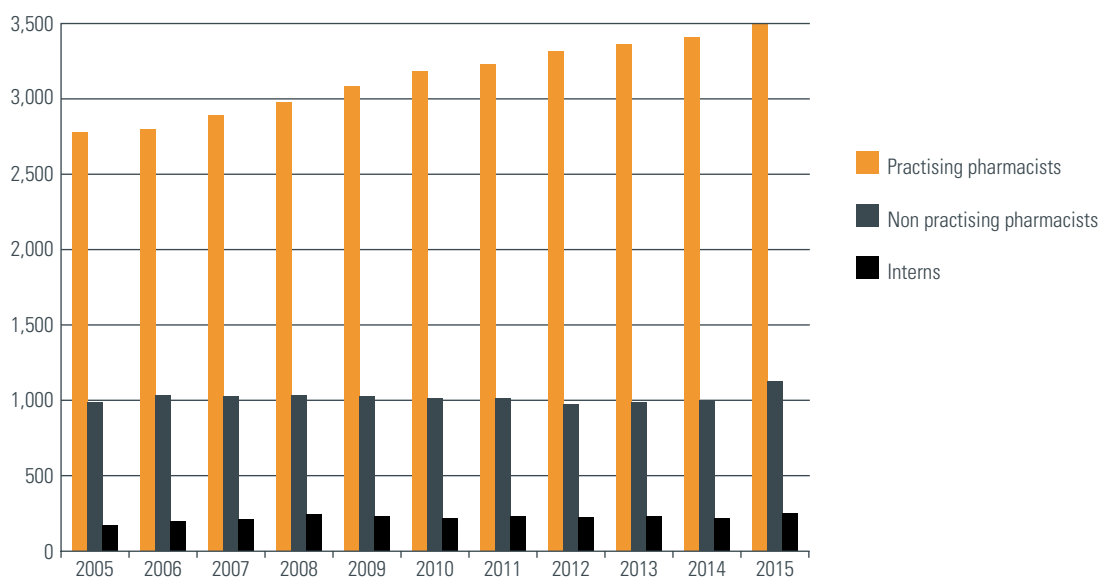
REGISTER

Register totals

As at 30 June 2015 the number of practising pharmacists was 3,502; up 96 (2.8 percent) from 30 June 2014.

Register numbers as at 30 June 2015	2011	2012	2013	2014	2015
Practising pharmacists	3,223	3,304	3,351	3,406	3,502
Non practising pharmacists	996	968	978	1,005	1,112
Interns	221	215	223	218	235
TOTAL	4,440	4,487	4,552	4,629	4,849

Register numbers as at 30 June 2015



Additions to the register

Two hundred and seventeen new registrations in the pharmacist scope were processed in the year ended 30 June 2015.

New registrations in the pharmacist scope of practice as at 30 June 2015					
Registrations route	2011	2012	2013	2014	2015
New Zealand BPharm and ITP graduates registered in the pharmacist scope of practice	170	197	186	200	194
Australian pharmacists registered under the Trans-Tasman Mutual Recognition Agreement	4	4	10	8	4
Ireland, Northern Ireland and UK pharmacists registered through the Recognised Equivalent Qualifications Route (REQR)	12	8	5	9	11
Canada/USA pharmacists registered through REQR	2	3	3	2	1
Registrations from other overseas qualified pharmacists (non-REQR)	10	12	11	6	7
TOTAL	198	224	215	225	217

Removals from the register

In the year ended 30 June 2015, 158 pharmacists and 16 interns were removed from the register.

Pharmacist practising register as at 30 June 2015					
	2011	2012	2013	2014	2015
Removed at own request s.142	43	71	43	39	31
Revision of register s.144	31	28	21	18	1
Deceased s.143	4	5	2	3	1
<i>Sub Total</i>	78	104	66	60	33
Pharmacist non-practising register					
Removed at own request s.142	46	70	39	59	82
Revision of register s.144	44	78	66	43	42
Deceased s.143	1	–	–	–	1
<i>Sub Total</i>	91	148	105	102	125
Intern pharmacist register					
Revision of register s.144	–	–	–	–	13
Removed at own request s.142	–	–	1	–	3
<i>Sub Total</i>	–	–	1	–	16
Total	169	252	172	162	174

Pharmacists leaving New Zealand to practise overseas

In the 12 months ended 30 June 2015, 67 requests for statements of good standing were processed for pharmacists registering with overseas registration boards and other professional organisations, no change from the previous year. Australia continues to be the main destination for New Zealand pharmacists, accounting for just over half of the statements issued.

REGISTER DEMOGRAPHICS

A full Workforce Demographics as at 30 June 2015 report is available on Council's website under publications/workforce demographics.

ANNUAL PRACTISING CERTIFICATES (APC) AND SPECIAL SERVICES

An APC provides assurance that a pharmacist has maintained their professional competence. A pharmacist providing any of the services described in the scope of practice must have a practising certificate and demonstrate they are maintaining competence in their individual practice by participating in the approved recertification programme.

When pharmacists apply each year for their practising certificate, they complete a section on the type of work, total weeks worked, and average hours worked per week in the last 12 months. This information, along with other demographic data, is collated to provide a comprehensive report on the pharmacy workforce. The report makes an important contribution to health policy development, service delivery planning and research. Key information is available on page 3 of the Workforce Demographics as at 30 June 2015 report on Council's website under publications/workforce demographics.

Pharmacist scope – Annual Practising Certificates

A total of 3,782 (including 15 pharmacist prescribers) APCs were issued in the pharmacist scope of practice. This included 213 new registrations, 113 returns to practice, and 3,456 renewals.

Council issued APCs with conditions to 43 pharmacists during the period 1 July 2014 to 30 June 2015². A change in the return to practice policy during the year allows pharmacists to apply to practise in a limited scope, which does not include direct patient care. Since January 2015, pharmacists registering via the Trans-Tasman Mutual Recognition Agreement route no longer have a condition on their practising certificate. Instead they must complete a competence programme within three months of registration.

Pharmacists issued with APC with conditions 2014 /15	
Condition added at time of application as a result of policy	
Supervision – overseas qualified (Recognised Equivalent Qualification Route and Trans-Tasman Mutual Recognition Agreement)	14
Supervision – return to practice (>3 years)	20
New or existing condition on practising certificate	
Health	1
Competence	5
Health Practitioner Disciplinary Tribunal	1
Interim Measure (section 69 of the Act)	1
Continued practice in a limited scope	1
Total	43

Intern pharmacist scope – Annual Practising Certificates issued

A total of 267 APCs were issued in the intern pharmacist scope of practice during the year 1 July 2014 to 30 June 2015.

APCs issued 2014/15	
BPharm graduates from New Zealand Schools of Pharmacy	213
Graduates from Australian Schools of Pharmacy	1
Re-issues	50
Overseas qualified pharmacists	3
Total	267

² Some pharmacists had the same condition included over the timeframe for two practising certificates as these are renewed annually on 1 April.



COMPETENCE AND FITNESS TO PRACTISE

RECERTIFICATION

Recertification is a mechanism provided by the Health Practitioners Competence Assurance Act 2003 (HPCAA) to ensure pharmacists maintain their competence through continuing professional development. Each year, when applying for an Annual Practising Certificate (APC), a pharmacist must complete a declaration to confirm they have met the requirements.

RECERTIFICATION PROGRAMMES

Implementation of new recertification programme

Council implemented a new recertification framework in 2013 (strategic goal – one). By March 2014, all practising pharmacists were required to be enrolled in the approved recertification programme, ENHANCE, and meet the requirements. The programme is delivered by the Pharmaceutical Society of New Zealand (Inc).

Consequences of non-participation in recertification programme

Under Council's *Recertification for Practising Pharmacists* policy, if a practising pharmacist is not meeting the recertification requirements, the Registrar may propose to decline an application for an APC or propose a condition of supervision. Pharmacists whose APC applications are received after 31 March are automatically included in the recertification audit.

Recertification audit

The recertification audit is conducted in two parts. In 2015, at the time of renewal of APCs, the ENHANCE records of a large sample of pharmacists were checked to confirm that the recertification requirements had been met. Forty-two pharmacists were exempt, and of the remainder, 86.8 percent passed this first part of the audit.

The records of a smaller sample of pharmacists who passed Part 1 then underwent a quality review by contracted pharmacist auditors to provide information about the quality of the profession's participation in continuing professional development. This was the second such quality review conducted since the framework was introduced. Most pharmacists are using the ENHANCE programme in accordance with its guidelines and in line with the intentions of Council's recertification framework. Reviewers found that engagement is relevant and broad across the profession. Feedback and further support was made available to all reviewed pharmacists. Council works collaboratively with the ENHANCE programme provider throughout each review and significant findings of each review are provided to them annually.

PRACTICE BELOW THE REQUIRED STANDARD OF COMPETENCE

When the Pharmacy Council receives a notification that a pharmacist may pose a risk of harm to the public by practising below the required standard of competence, it may determine that a review of that pharmacist's competence is required. The review process determines whether or not the pharmacist is practising competently, and identifies the areas where the pharmacist is practising below the required standard. The findings may result in Council ordering the pharmacist to undertake a competence programme.

A competence programme is rehabilitative and not punitive in nature. It is designed to assist and support the pharmacist to improve his or her practice. Council may also deem it appropriate:

- to order a condition on the pharmacist's practising certificate, or
- that an examination be sat and passed, or
- that the pharmacist be counselled or assisted, or a combination of these.

• **Competence notifications**

One new competence notification, under section 34(3), was received during the year from an employer. The pharmacist's practising certificate expired soon after the notification and the pharmacist did not apply for this to be renewed. Council will consider the notification in the future if the pharmacist applies for a practising certificate.

• **Competence reviews**

The competence of two pharmacists was reviewed during the year, resulting in Council ordering a competence programme in both cases, as neither of the pharmacists met the required standard of competence. Both reviews were ordered prior to 1 July 2014.

• **Competence programmes**

Three competence programmes started before 1 July 2014 and are ongoing as at 30 June 2015. Two further competence programmes were ordered in late 2014.

Competence referrals 2014/15

Source	HPCAA Section (s)	Number
Health Practitioner (Under RA)	s.34 (1)	0
Health and Disability Commissioner	s.34 (2)	0
Employer	s.34 (3)	1
Other	s.36 (4)	0
Total		1

Outcomes of competence referrals 2014/15

Outcomes	HPCAA Section (s)	Numbers			
		Existing	New	Closed	Still active
(Total number) Initial inquiries	s.36	5	1	0	6
No further action			1 [#]		
Notification of risk of harm to public	s.35				
Orders concerning competence	s.38				
Interim suspension/conditions	s.39				
Competence programme	s.40	3	2	0	5

– no action as the pharmacist is not practising

HEALTH AND FITNESS TO PRACTISE

One of the mechanisms by which Council protects the health and safety of the public is through the monitoring of pharmacists who are unwell and therefore may not be fit to practise. Council's Health Committee is responsible for working with a pharmacist to enable him or her to continue to practise safely where possible. Pharmacists who come under the Health Committee are managed in a considerate, caring and confidential manner.

The Health Committee engages independent medical practitioners to advise on the pharmacist's fitness to practise and to recommend any measures that may be required to ensure ongoing safety of the public. The process is rehabilitative and may include limiting the pharmacist's practice by imposing a condition such as working under supervision, working with a mentor, testing for the presence of drugs, or working in a non-dispensing role.

During 2014/15, three new health cases were received. Medical examinations were ordered for one intern pharmacist and one pharmacist. Twelve pharmacists and two intern pharmacists continued to be monitored by the Health Committee. Three cases were closed during the year and six other pharmacists are practising under voluntary agreements³.

Notifications of inability to perform required functions due to mental or physical (health) condition 2014/15

Source	HPCAA Section (s)	Numbers			
		Existing	New	Closed	Still active
Health service	s.45 (1) a				
Health practitioner	s.45 (1) b	8	0	2	6
Employer	s.45 (1) c	2	2	1	3
Medical officer of health	s.45 (1) d				
Any person	s.45 (3)	2	0		2
Person involved with education	s.45 (5)		1		1

Outcomes of health notifications 2014/15

Outcomes	HPCAA Section (s)	Number of practitioners
No further action		
Order medical examination	s.49	2
Interim suspension	s.48	1
Conditions	s.48	
Restrictions imposed	s.50	2

³ "Definition of Voluntary Agreement" – Voluntary agreement is a confidential agreement between a pharmacist or intern and Council that relates to the monitoring and/or management of a health or related condition.



COMPLAINTS AND DISCIPLINE

The Council receives and addresses complaints about the conduct of pharmacists. Any complaints that allege the conduct or service provided by a pharmacist has adversely affected a patient must be forwarded to the Health and Disability Commissioner.

COMPLAINTS SCREENING COMMITTEE

The Complaints Screening Committee (comprising Councillors and management) is responsible for the triage of concerns and complaints received when a pharmacist's practice or conduct has not had an effect on a health consumer. Complaints related to health consumers are referred to the Health and Disability Commissioner under section 64(1) of the Health Practitioners Competence Assurance Act 2003 (HPCAA).

The Committee may decide to:

- take no further formal action – on occasions, the Committee may decide to provide further feedback to the pharmacist by letter or telephone conversation; *or*
- make a referral to the Council Health Committee; *or*
- make a referral to the Council Professional Standards Committee to consider a competence review; *or*
- make a referral to an independent Professional Conduct Committee for investigation.

Almost half of the complaints received in the year to 30 June 2015 involved dispensing or labelling errors. This highlights the need to ensure all pharmacy standard operating procedures are current and pharmacy staff are fully conversant, and comply, with these. During the year, Council engaged with the Health Quality Safety Commission and published information to raise awareness of the importance of safe dispensing practices.

The Health and Disability Commissioner referred 15 complaints to Council for action and 12 were received from other sources.

Of the 27 complaints received, no further action was taken by Council against 13 pharmacists and three were referred to the Health and Disability Commissioner. Eleven pharmacists were referred for investigation to the independent Professional Conduct Committee, one pharmacist was referred twice. Four pharmacists who had received convictions were referred directly to the Professional Conduct Committee as required under the HPCAA, without a triage decision by the Complaints Screening Committee.

Complaints from various sources and outcomes 2014/15

Source	Number	Outcome		
		No further action required ⁴	Referred to Professional Conduct Committee	Referred to the Health and Disability Commissioner
Consumers	3			3
Health and Disability Commissioner	14	12	2	
Registered Health Practitioner	4		4	
Courts notice of conviction	4		4	
Employer	2	1	1	

⁴ In most cases the Health and Disability Commissioner recommended a review of the pharmacy's Standard Operating Procedures.

PROFESSIONAL CONDUCT COMMITTEES

Professional Conduct Committees are statutory committees with specific functions set out under the Health Practitioners Competence Assurance Act 2003 (HPCAA). These committees have wide ranging powers and are independent of Council, although the membership for each committee must be appointed by Council.

The committees collect information and appraise objectively the facts relevant to the subject of the investigation. Natural justice is ensured as committees must:

- listen to both sides of the matter; *and*
- avoid bias or any appearance of bias; *and*
- act promptly while allowing reasonable time for each party to be heard; *and*
- exercise their powers under the HPCAA fairly and independently.

Once a committee has completed its investigation it must make a recommendation, a determination, or both, as provided for under section 80 of the HPCAA. Such a decision may include a determination to:

- take no further action; *or*
- lay a charge with the Health Practitioners Disciplinary Tribunal; *or*
- submit the matter for conciliation; *or*
- make a recommendation that Council:
 - reviews the competence of the pharmacist; *or*
 - reviews the fitness to practise of the pharmacist; *or*
 - reviews the pharmacist's scope of practice; *or*
 - refers the matter to the police; *or*
 - directs that the pharmacist be counselled.

There were 14 Professional Conduct Committee investigations in progress during 2014/15. Of these cases, three investigations had commenced in the previous year. Four investigations are ongoing and ten matters were concluded during the year, four of which resulted in charges being laid with the Health Practitioners Disciplinary Tribunal.

Professional Conduct Committee cases 2014/15

Nature of issue	Sources	Number	Outcome
Concerns about standards of practice, legal and professional obligations and conduct including honesty and integrity	Statutory organisation	6	2 – No further action
	Practitioner		1 – Monitor practitioner
	Employer		3 – Ongoing
Practising while suspended or without an APC	Statutory organisation	2	2 – Health Practitioners Disciplinary Tribunal
Driving offence – conviction (Land Transport Act 1998)	Practitioner	3	3 – No further action
	Statutory organisation		
Conviction (Misuse of Drugs Act 1975 – possession of controlled drugs)	Statutory organisation	1	1 – Health Practitioners Disciplinary Tribunal
Conviction (Crimes Act 1961 – theft by person in a special relationship and punishment of theft)	Statutory organisation	1	1 – Health Practitioners Disciplinary Tribunal
Conviction (Crimes Act 1961 – Use of document for pecuniary advantage)	Statutory organisation	1	1 – Ongoing

Number of Professional Conduct Committee cases 2014/15

Cases	Number
New Professional Conduct Committee cases	11
Existing Professional Conduct Committee cases	3
Total cases managed	14
Professional Conduct Committee finalised	10

HEALTH PRACTITIONERS DISCIPLINARY TRIBUNAL (THE TRIBUNAL)

Charges with the Tribunal were laid against four pharmacists by independent Professional Conduct Committees in the 2014/15 year.

- The Tribunal made a finding against one pharmacist who was convicted for theft of pharmaceutical products, pursuant to sections 220 (theft by a person in a special relationship) and 223 (punishment of theft) of the Crimes Act 1961. The Tribunal found that the convictions, either separately or cumulatively, reflected adversely on the practitioner's fitness to practise pursuant to section 100(1)(c) of the HPCAA.
- The Tribunal found the convictions for numerous offences against the Medicines Act 1981 reflected adversely on one pharmacist's fitness to practise as a pharmacist. The Tribunal also found the same pharmacist had breached provisions of the Code of Ethics 2004 and 2011 which amounted to professional misconduct.
- The Tribunal made a finding against one pharmacist who was convicted for possession of class C controlled drugs for the purpose of sale and class B controlled drugs for the purpose of supply. The Tribunal found that the convictions, either separately or cumulatively, reflected adversely on the practitioner's fitness to practise pursuant to section 100(1)(c) of the HPCAA.

The full decisions of the above cases can be viewed on the Tribunal's website under decisions/pharmacists at: www.hpdt.org.nz

Health Practitioner Disciplinary Tribunal (HPDT) cases 2014/15

Cases	Number
New Health Practitioner Disciplinary Tribunal cases	4
Existing Health Practitioner Disciplinary Tribunal cases	1
Total cases managed	5
Health Practitioner Disciplinary Tribunal cases finalised	3

COSTS AND FINES AWARDED BY THE TRIBUNAL

Each year Council meets a large percentage of the costs for pharmacist hearings at the Tribunal. These costs are met by the profession through their discipline levy, which is included in their APC application fees. The following is a summary of the costs incurred from 2005 to 2015.

Year of Tribunal hearing	Total PCC and Tribunal costs \$	PCC and Tribunal costs included \$	Costs and fines awarded by Tribunal ⁵ \$	Costs and fines recovered \$	Recoveries as a % of total PCC & Tribunal costs
30 June 2005	60,686	60,523	42,052	41,173	68%
30 June 2006	70,882	48,579	29,388	24,388	34%
30 June 2007	57,545	36,427	10,928	10,927	19%
30 June 2008	87,432	75,907	41,738	41,738	48%
30 June 2009	136,404	101,831	45,549	45,549	33%
30 June 2010	239,949	88,394	64,938	25,050	10%
30 June 2011	338,482	266,894	73,978	14,300	4%
30 June 2012	200,735	117,654	32,150	25,843	13%
30 June 2013	167,334	142,145	57,525	57,525	34%
30 June 2014	213,959	183,372	69,900	69,900	33%
30 June 2015	350,452	187,907	34,130	0	0%
TOTAL	1,923,860	1,309,634	502,276	356,393	19%

The ability to recover the awarded costs and fines is impacted by the financial standing of the person ordered to pay the costs.

⁵ Costs that the Tribunal includes in its calculation of costs and fines to be awarded.



FINANCIAL OVERVIEW 2015

Council has returned an operating deficit of \$(129,621) for the year ended 30 June 2015. This is a positive result compared to the budgeted deficit of \$(290,000). After adjustments due to the adoption of the new accounting standards (PBE IPSAS), Council's accumulated funds total \$1,948,218. The General Fund has a retained balance of \$1,525,798 and the Disciplinary Fund has a retained balance of \$422,420.

Council continues to carefully manage pharmacist funds through prudent budgeting, forecasting and by rationing and prioritising resources. The total Annual Practising Certificate (APC) fee increased to \$550 (including GST) from 1 April 2015. This is the first increase (with the exception of a GST adjustment) since 2006.

Current financial projections indicate Council will generate a small surplus for 2015/16.

Accumulated funds

Council's accumulated funds are separated into a General Fund and a Disciplinary Fund. The separate Funds provide greater transparency to stakeholders and the net movement in each Fund is shown in Note 16 of the financial statements.

Total Annual Practising Certificate fees

For the APC year commencing 1 April 2015 the total APC fee, which comprises the APC fee and disciplinary levy, increased from \$506.00 to \$550.00 (GST inclusive). Operational costs are recorded in the General Fund and disciplinary costs are recorded in the Disciplinary Fund.

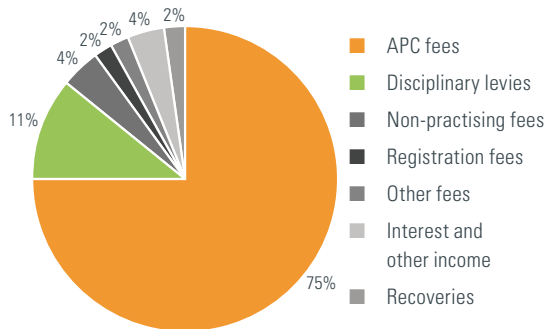
Annual Practising Certificate fees

APC fees are received from interns and pharmacists and represent 75 percent of total revenue. The APC fee covers all operational and policy setting costs and is included in the General Fund.

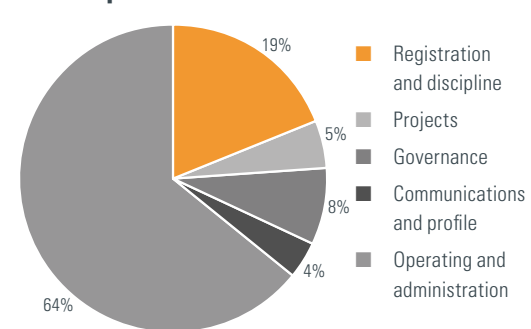
Disciplinary levy

The disciplinary levy is charged to fund the costs of Professional Conduct Committees and Health Practitioners Disciplinary Tribunal hearings. The disciplinary levy is currently set at \$71.87 (GST inclusive) and represents 11 percent of total revenue. Increases to the disciplinary levy are likely to be necessary in the future as Council is seeing an increase in the volume and complexity of disciplinary cases.

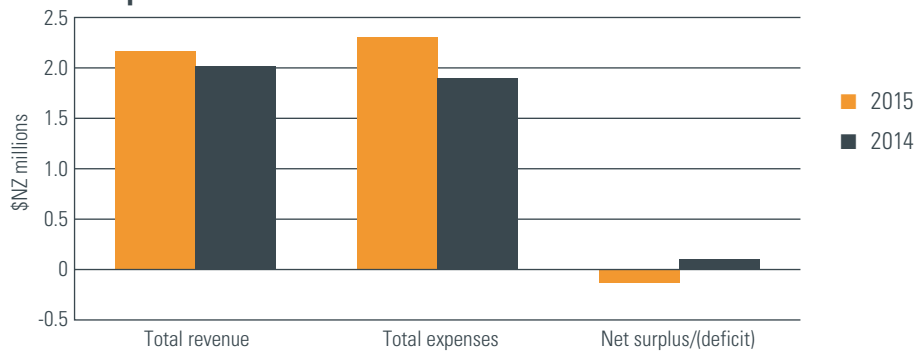
2015 Revenue



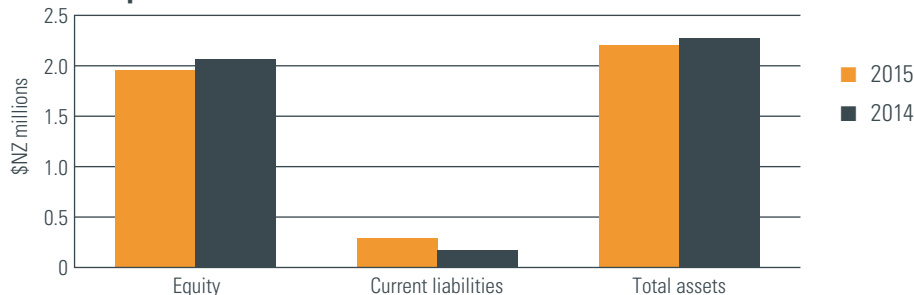
2015 Expenditure



Financial performance 2015



Financial position 2015



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF PHARMACY COUNCIL OF NEW ZEALAND'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

The Auditor-General is the auditor of Pharmacy Council of New Zealand (the Council). The Auditor-General has appointed me, Robert Elms, using the staff and resources of Staples Rodway Wellington, to carry out the audit of the financial statements of the Council on her behalf.

Opinion

We have audited the financial statements of the Council on pages 33 to 49, that comprise the statement of financial position as at 30 June 2015, the statement of comprehensive revenue and expenses, statement of changes in net assets and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the Council:

- present fairly, in all material respects:
 - its financial position as at 30 June 2015; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Tier 2 Public Sector Public Benefit Equity Accounting Standards.

Our audit was completed on 23 September 2015. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Council's financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of the disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. Also, we did not evaluate the security and controls over the electronic publication of the financial statements.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

The Council is responsible for the preparation and fair presentation of financial statements for the Council in accordance with Tier 2 Public Sector Public Benefit Entity Accounting Standards.

The Council's responsibilities arise from the Health Practitioners Competence Assurance Act 2003.

The Council is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the financial statements, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 134(1) of the Health Practitioners Competence Assurance Act 2003.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Council.



Robert Elms
Staples Rodway Wellington
On behalf of the Auditor-General
Wellington, New Zealand

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$
Revenue			
Revenue from non-exchange transactions			
Annual Practising Certificate fees		1,621,207	1,416,177
Disciplinary levies		235,427	228,079
Fines		0	18,000
Disciplinary recoveries		34,130	51,900
Bad debt recoveries		500	36,518
		1,891,264	1,750,674
Revenue from exchange transactions			
Registration fees		46,311	45,903
Non-practising fees		78,827	79,943
Overseas pharmacist fees		37,635	38,216
Other fees		11,608	12,059
Interest income		73,118	66,748
Credit card recoveries		17,442	12,913
Other income		237	82
		265,178	255,864
Total revenue		2,156,442	2,006,538
Expenses			
Registration and discipline	6	429,013	348,655
Projects		124,620	105,409
Governance	13	175,628	147,485
Communication and profile		78,481	91,096
Operating and administration	7	1,478,321	1,200,069
Total expenses		2,286,063	1,892,714
Total (deficit) / surplus for the year		(129,621)	113,824
Other comprehensive revenue and expenses		—	—
Total comprehensive revenue and expenses		(129,621)	113,824
Total comprehensive revenue and expenses for the year		(129,621)	113,824

These financial statements should be read in conjunction with the notes to the financial statements.

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2015

	Accumulated comprehensive revenue and expenses \$	Total equity \$
Opening balance 1 July 2014	2,077,839	2,077,839
Deficit for the year	(129,621)	(129,621)
Other comprehensive income	–	–
Closing equity 30 June 2015	1,948,218	1,948,218
Opening balance 1 July 2013	1,964,015	1,964,015
Surplus for the year	113,824	113,824
Other comprehensive income	–	–
Closing equity 30 June 2014	2,077,839	2,077,839

These financial statements should be read in conjunction with the notes to the financial statements.

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$	2013 \$
Current assets				
Cash and cash equivalents	9	703,351	1,267,515	1,183,640
Investments	10	1,200,000	900,000	850,000
Receivables from non-exchange transactions		35,106	2,688	388
Prepayments and other receivables		53,450	60,280	51,484
		1,991,907	2,230,483	2,085,512
Non-current assets				
Intangible assets	11	23,139	167	2,008
Property, plant and equipment	12	187,020	12,918	21,466
		210,159	13,085	23,474
Total assets		2,202,066	2,243,568	2,108,986
Current liabilities				
Accounts payable		54,948	40,376	42,511
Other payables and accruals		151,430	72,865	56,535
Employee entitlements		47,470	52,488	45,925
Total liabilities		253,848	165,729	144,971
Net assets		1,948,218	2,077,839	1,964,015
Equity				
Accumulated comprehensive revenue and expenses	16	1,948,218	2,077,839	1,964,015
Total net assets attributable to the owners of the controlling entity		1,948,218	2,077,839	1,964,015

These financial statements should be read in conjunction with the notes to the financial statements.

Signed for and on behalf of Council members who authorised these financial statements for issue on 23 September 2015:



Chair of Council



Chief Executive and Registrar

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
<i>Receipts</i>			
Receipts from APC fees		1,594,916	1,413,877
Receipts from disciplinary levies		235,427	228,079
Receipts from other exchange transactions		174,381	176,121
Receipts from other non-exchange transactions		34,130	106,418
Interest received		71,500	67,204
		2,110,354	1,991,699
<i>Payments</i>			
Payments to suppliers and employees		2,195,986	1,855,947
		2,195,986	1,855,947
Net cash flows from operating activities		(85,632)	135,752
Cash flows from investing activities			
<i>Receipts</i>			
Sale of property, plant and equipment		204	—
		204	—
<i>Payments</i>			
Purchase of property, plant and equipment and intangibles		178,736	1,877
Investments in short term deposits		300,000	50,000
		478,736	51,877
Net cash flows from investing activities		(478,532)	(51,877)
Net cash flows from financing activities			
Net increase/(decrease) in cash and cash equivalents		(564,164)	83,875
Cash and cash equivalents at 1 July 2014		1,267,515	1,183,640
Cash and cash equivalents at 30 June 2015	9	703,351	1,267,515

These financial statements should be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

The reporting entity is the Pharmacy Council of New Zealand ("Council"). Council was established under the Health Practitioners Competence Assurance Act 2003 (HPCAA) on 18 December 2003 and commenced operations on 18 September 2004.

Council is a statutory body and has a duty to protect the public and promote good pharmacist practice. Council is responsible for the registration of pharmacists, the setting of standards for pharmacists, accreditation of education programmes and ensuring pharmacists are competent to practice.

These financial statements have been approved and were authorised for issue by Council members on 23 September 2015.

2. STATEMENT OF COMPLIANCE

The Financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Public Sector Entities. For the purposes of complying with NZ GAAP, Council is a public sector public benefit entity and is eligible to apply Tier 3 Public Sector PBE IPSAS on the basis that it does not have public accountability and its expenditure is less than \$2m in the two preceding financial years.

Council members have elected to report in accordance with Tier 2 Public Sector PBE Accounting Standards and in doing so have taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions, except for the exemption from presenting a third balance sheet on transition to PBE IPSAS.

3. EFFECT OF FIRST-TIME ADOPTION OF PBE STANDARDS ON ACCOUNTING POLICIES AND DISCLOSURES

This is the first set of financial statements of Council that is presented in accordance with PBE standards. Council has previously reported in accordance with "Old NZ GAAP".

The accounting policies adopted in these financial statements are consistent with those of the previous financial year, except for instances when the accounting or reporting requirements of a PBE standard are different to requirements under "Old NZ GAAP" as outlined below. The changes to accounting policies and disclosures caused by first time application of PBE accounting standards are as follows:

PBE IPSAS 1 – presentation of financial statements

There are minor differences between PBE IPSAS 1 and the treatment under "Old NZ GAAP". These differences have an effect on disclosure only. The main changes in disclosure resulting from the application of PBE IPSAS 1 are the following:

Accounting for exchange and non-exchange transactions:

In the financial statements of the previous financial year, revenue and receivables were presented as single totals in the statement of comprehensive revenue and expenses and the statement of financial position. However, PBE IPSAS 1 requires revenue and receivables from non-exchange transactions and receivables from exchange transactions to be presented separately in the statement of comprehensive revenue and expenses and the statement of financial position. This requirement affected the presentation of both current and comparative receivables figures.

PBE IPSAS 23 – revenue from non-exchange transactions

PBE IPSAS 23 prescribes the financial reporting requirements for revenue arising from non-exchange transactions. There was no equivalent financial reporting standard under "Old NZ GAAP". The application of this standard affected Council's accounting for APC and disciplinary levies.

Prior to the adoption of PBE IPSAS, APC fees and disciplinary levies received were recognised over the 12 month period to which the revenue related. However, PBE IPSAS 23 requires revenue from non-exchange transactions, such as APC fees and disciplinary levies, to be recognised as revenue in full as it is received, unless the income meets the definition of, and the recognition criteria for, a liability.

Non-exchange transactions meet the definition of, and the recognition criteria for, a liability where revenue received must be applied to a specific purpose, and the entity is required to return funds received in the event the funds are not applied to the purpose specified.

APC fees and disciplinary levies do not meet the above criteria, and accordingly the revenue is recognised on receipt in full.

The current year and comparative figures in the statement of financial performance and statement of financial position for 2013 and 2014 have been amended accordingly, as shown below:

Impact on statement of financial performance:

	2014 \$
Net surplus for the period (pre-transition)	96,928
Net increase in fee revenue	16,896
Net surplus for the period (post-transition)	113,824

Impact on net assets/equity:

	2014 \$	2013 \$
Total net assets/equity (pre-transition)	864,044	767,116
Increase in opening accumulated comprehensive revenue and expenses	1,196,889	1,177,687
Increase in net surplus	16,896	19,212
Adjusted balance on net assets/equity	2,077,839	1,964,015

Impact on financial position:

	2014 \$	2013 \$
Total liabilities (pre-transition)	1,379,524	1,341,870
Decrease in revenue in advance	1,213,795	1,196,899
Adjusted balance on liabilities	165,729	144,971

4. SUMMARY OF ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

4.1 Basis of measurement

These financial statements have been prepared on the basis of historical cost.

4.2 Functional and presentational currency

The financial statements are presented in New Zealand dollars (\$), which is Council's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

4.3 Revenue

Revenue is recognised to the extent that it is probable the economic benefit will flow to Council and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised:

Revenue from non-exchange transactions

Disciplinary levies and fines

Disciplinary levies and fines are recognised as revenue at the time of invoicing.

APC and all other fees

APC fee revenue is recognised in full upon the commencement of the practising year to which it relates. Revenue from the provision of other services is recognised when the service has been provided. Where provision of services is extended over a period of time the stage of completion is estimated and revenue recognised when the degree of service has been provided.

Disciplinary recoveries

Disciplinary recoveries represent fines and costs awarded to Council by the Health Practitioners Disciplinary Tribunal (HPDT). The amount awarded represents a percentage or a portion of the Professional Conduct Committees (PCC) and HPDT costs.

Once awarded by the HPDT, disciplinary recoveries are reflected in the accounts at the time those costs were incurred and at the amount determined by the HPDT.

Revenue from exchange transactions

Overseas pharmacist fees

Overseas pharmacist fees includes the Application for Initial Consideration, CAOP and KAPS fee.

Other fees

Other fees include the Certificate of Identity, Transfer within Register and Interview Assessment fee.

Interest income

Interest revenue is recognised as it accrues, using the effective interest method.

Other income

All other revenue from exchange transactions is recognised when earned and is reported in the financial period to which it relates.

4.4 Financial instruments

Financial assets and financial liabilities are recognised when Council becomes a party to the contractual provisions of the financial instrument.

Council derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or Council has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- Council has transferred substantially all the risks and rewards of the asset; or
- Council has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial assets

Financial assets within the scope of PBE IPSAS 29 (PS) Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. Council's financial assets are classified as loans and receivables. Council's financial assets include: cash and cash equivalents, short-term investments, receivables from non-exchange transactions and receivables from exchange transactions.

All financial assets are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets described below:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. Council's cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions and non-equity investments fall into this category of financial instruments.

Impairment of financial assets

Council assesses at the end of each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there is any objective evidence of impairment, Council first assesses whether there is objective evidence of impairment of financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If Council determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

Financial liabilities

Council's financial liabilities include trade and other creditors (excluding GST and PAYE) and employee entitlements.

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

4.5 Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.6 Short-term investments

Short-term investments comprise term deposits which have a term of greater than three months and therefore do not fall into the category of cash and cash equivalents.

4.7 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged on a straight line basis over the useful life of the asset, except for land and buildings. Land and buildings are not depreciated. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

- Leasehold improvements 10 years
- Furniture and fittings 10 years
- Office equipment 5 years
- Computer equipment 3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

4.8 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets.

Council does not hold any intangible assets that have an indefinite life.

The amortisation periods for Council's assets are as follows:

- Website 3 years
- Computer software 3 years

4.9 Leases

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

4.10 Employee benefits

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, annual leave and accumulating sick leave are recognised in surplus or deficit during the period in which the employee provided the related services. Liabilities for the associated benefits are measured at the amounts expected to be paid when the liabilities are settled.

4.11 Income Tax

Council is exempt from Income Tax. Council was registered as a charitable entity under the Charities Act 2005 on 30 June 2008 to maintain its tax exemption status.

4.12 Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except for receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a net basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, Inland Revenue is classified as part of the operating cash flows.

4.13 Equity

Equity is measured as the difference between total assets and total liabilities and is made up of the following components:

Accumulated comprehensive revenue and expense

Accumulated comprehensive revenue and expenses is Council's accumulated surplus or deficit since its formation.

5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Council's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying Council's accounting policies, management has not made any significant judgements that would have a material impact on the financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Council based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of Council. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to determine potential future use and value from disposal:

- the condition of the asset
- the nature of the asset, its susceptibility and adaptability to changes in technology and processes
- the nature of the processes in which the asset is deployed
- availability of funding to replace the asset
- changes in the market in relation to the asset.

The estimated useful lives of the asset classes held by Council are listed in Note 4.7 and 4.8.

6 REGISTRATION AND DISCIPLINE

Registration and discipline expenses include the following specific expenses:

	2015 \$	2014 \$
Registration	63,067	103,093
Discipline	313,737	219,063
Competence and health	52,209	26,499
Total registration and discipline	429,013	348,655

7 OPERATING AND ADMINISTRATION

Operating and administration expenses includes the following specific expenses:

	Note	2015 \$	2014 \$
Accountancy advice		5,500	–
Amortisation costs		1,528	1,841
Audit fees		11,190	10,890
Bank fees		710	524
Depreciation	12	14,486	10,390
Eftpos fees		20,615	21,315
Information technology costs		43,550	26,616
Insurance		16,433	18,875
Legal costs		24,904	29,102
Loss on disposal of assets		3,248	35
Premises and occupancy costs		177,959	116,268
Sundry costs		15,987	26,764
Personnel costs		1,092,573	912,129
Printing and stationery		23,256	5,000
Postage and courier		11,864	9,091
Telecommunications		14,518	11,229
		1,478,321	1,200,069

8 AUDITOR'S REMUNERATION

Staples Rodway provides audit services to Council. The audit fees charged for the 2015 audit were \$11,190 (2014: \$10,890).

No non-audit services are provided by Staples Rodway.

9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	2015 \$	2014 \$
Cash at bank	203,351	167,515
Short-term deposits with maturities of less than 3 months	500,000	1,100,000
Total cash and cash equivalents	703,351	1,267,515

10 INVESTMENTS

	2015 \$	2014 \$
Term deposits – maturing within 12 months of balance date	1,200,000	900,000
Total investments	1,200,000	900,000

11 INTANGIBLE ASSETS

2015	Website \$	Software \$	Total \$
Cost	44,644	53,653	98,297
Accumulated depreciation	44,644	30,514	75,158
Net book value	–	23,139	23,139

2014	Website \$	Software \$	Total \$
Cost	44,643	29,153	73,796
Accumulated depreciation	44,476	29,153	73,629
Net book value	167	–	167

Reconciliation of the carrying amount at the beginning and end of the period:

2015	Website \$	Software \$	Total \$
Opening balance	167	–	167
Additions	–	24,500	24,500
Disposals	–	–	–
Amortisation	167	1,361	1,528
Closing balance	–	23,139	23,139

12 PROPERTY PLANT AND EQUIPMENT

2015	Computer equipment \$	Furniture and fittings \$	Leasehold improvements \$	Office equipment \$	Total \$
Cost	94,151	58,994	152,039	12,513	317,697
Accumulated depreciation	70,374	51,144	1,267	7,892	130,677
Net book value	23,777	7,850	150,772	4,621	187,020

2014	Computer equipment \$	Furniture and fittings \$	Leasehold improvements \$	Office equipment \$	Total \$
Cost	70,601	57,533	0	10,188	138,322
Accumulated depreciation	66,151	51,490	0	7,763	125,404
Net book value	4,450	6,043	0	2,425	12,918

2015	Computer equipment \$	Furniture and fittings \$	Leasehold improvements \$	Office equipment \$	Total \$
Opening balance	4,450	6,043	0	2,425	12,918
Additions	31,459	5,202	152,039	3,266	191,966
Disposals	(7,909)	(3,742)	0	(941)	(12,592)
Depreciation	(4,223)	347	(1,267)	(129)	(5,272)
	23,777	7,850	150,772	4,621	187,020

13 RELATED PARTY TRANSACTIONS

Description of the transaction	Related party	2015 Value \$	2014 Value \$	2015 Amount outstanding	2014 Amount outstanding
Assessment Centre Working Group	Keith Crump (Council member)	0	352	0	0
Complaints Screening Committee	Andrew Bary (Council Chair), Mark Bedford (Council Deputy Chair), Viv Gurrey (Council member), Te Kani Kingi (Council member)	724	1,763	0	70
Heads of Schools Professional Organisations of Pharmacy	Mark Bedford (Council Deputy Chair)	527	0	0	0
Health Committee	Keith Crump (Council member), Jeff Harrison (Council member), Te Kani Kingi (Council member), Leanne Te Karu (Council member)	2,010	543	0	70
Integrated Pharmacy Advisory	Andrew Bary (Council Chair)	0	402	0	0
Pharmacist Prescriber Quality Advisor Group	Te Kani Kingi (Council member), Leanne Te Karu (Council member)	919	0	0	0
Pharmacy Reference Group for the Implementation of the Strategy for Māori Health	Te Kani Kingi (Council member)	0	302	0	80
Pre-Registration Assessment Board	Keith Crump (Council member)	1,017	884	0	0
Professional Standards Committee	Mark Bedford (Council Deputy Chair), Te Kani Kingi (Council member), Leanne Te Karu (Council member)	0	567	0	0
Recertification Audit Working Party	Leanne Te Karu (Council member)	1,518	0	0	0
University of Auckland, School of Pharmacy Board of Studies	Marie Bennett (Council member)	358	0	0	0
Total		7,073	4,813	0	220

Council members are paid fees for attending to Council, as disclosed below:

	2015 \$	2014 \$
Council member fees*	112,206	86,170
Council member expenses	33,559	61,315
	145,765	147,485
*Fees paid to Council members		
A Bary	42,495	39,471
J Harrison	8,380	4,906
K Crump	8,260	5,261
L Te Karu	10,666	6,207
M Bedford	15,003	9,730
M Bennett	8,500	6,940
T K Kingi	6,688	6,000
V Gurrey	12,214	7,655
Total fees paid to Council members for attending to Council	112,206	86,170

Certain Council members are also practising pharmacists and deal with Council on the same basis as other pharmacists.

There were no other related party transactions (2014: nil).

Key management personnel

The key management personnel, as defined by PBE IPSAS 20 PS Related Party Disclosures, are the members of the governing body comprising Council members, the Chief Executive/Registrar and the Finance Manager. The remuneration paid to Council members is set out above. The aggregate remuneration of key management personnel and the number of individuals, determined on a headcount basis, receiving remuneration is as follows:

	2015	2014
Total remuneration	\$394,105	\$311,884
Number of persons	2.4	2.3

Remuneration and compensation provided to close family members of key management personnel

During the reporting period, total remuneration and compensation of \$2,003 (2014: \$Nil) was provided by Council to employees who are close family members of key management personnel.

14 LEASES

As at the reporting date, Council members have entered into the following non-cancellable operating leases:

	2015 \$	2014 \$
Not later than one year	62,079	106,389
Later than one year and no later than five years	316,877	8,780
Later than five years	255,561	—
	634,516	115,169

Council is jointly and severally liable for the premises lease. The total liability is:

Total premises lease	2015 \$	2014 \$
Not later than one year	47,820	–
Later than one year and no later than five years	1,268,706	–
Later than five years	1,030,824	–
	2,347,349	–

15 CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

Financial assets	2015 \$	2014 \$
Loans and receivables		
Cash and cash equivalents	703,351	1,267,515
Short-term investments	1,200,000	900,000
Receivables from non-exchange transactions	35,106	2,688
	1,938,457	2,170,203
Financial liabilities		
At amortised cost		
Accounts payable	47,781	35,110
Employee entitlements	47,470	52,488
	95,251	87,598

16 ACCUMULATED COMPREHENSIVE REVENUE AND EXPENSES

Council's accumulated comprehensive revenue and expenses were separated into a General Fund and a Disciplinary Fund during the 2010/2011 year. This was done in response to an increase in disciplinary costs and also to provide greater transparency to stakeholders.

General Fund	2015 \$	2014 \$
Opening balance	1,534,613	1,499,060
Movements during the year	(8,815)	35,553
Closing balance	1,525,798	1,534,613

Disciplinary Fund	2015 \$	2014 \$
Opening balance	543,226	464,955
Movements during the year	(120,806)	78,271
Closing balance	422,420	543,226
Total accumulated comprehensive revenue and expenses	1,948,218	2,077,839

17 CAPITAL COMMITMENTS

There were no capital commitments at the reporting date (2014: \$Nil).

18 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities at the reporting date (2014: \$Nil).

19 EVENTS AFTER THE REPORTING DATE

Council members and management are not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements, that have significantly or may significantly affect the operations of the Pharmacy Council of New Zealand (2014: \$Nil).

COMMITTEES AND APPOINTMENTS

Finance Audit and Risk Management Committee (FARMC)

Members

Mark Bedford (Chair)
Andrew Bary
Viv Gurrey
Marie Bennett (*alternate member*)

Complaints Screening Committee (CSC)

CSC assesses complaints referred from the HDC, pursuant to section 34(1)(a) of the HDC Act, and discharges Council's obligations pursuant to sections 65 and 68 of the HPCAA. The Committee considers the nature and circumstances of the complaint or concern and determines what, if any, action or actions are appropriate to be taken to respond to the complaint or concern. CSC has delegated authority under section 17 of Schedule 3 of the HPCAA.

Members

Andrew Bary, (Council and Committee Chair) alternate Mark Bedford (Council Deputy Chair)
Viv Gurrey, Lay Council member
Claire Paget-Hay, Chief Executive/Registrar (up to February 2015)
David Simpson, Chief Executive/Registrar (from February 2015) alternate Owain George, Deputy Registrar
Barbara Moore, Professional Standards Advisor (to 12 February 2015)
Pam Duncan, Professional Standards Advisor (from 25 May 2015)

Health Committee

The Health Committee has delegation from Council to consider notifications made under section 45 of the HPCAA, concerning pharmacists who may be unable to perform the required functions of a pharmacist owing to health conditions. The Committee monitors and assesses pharmacists.

Members

Keith Crump (Committee Chair)
Te Kani Kingi, Lay Council member
Leanne Te Karu, Council member, alternate Jeff Harrison, Council member
David Simpson, Chief Executive/Registrar (from February 2015)
Claire Paget-Hay, Chief Executive/Registrar (up to February 2015)

Professional Conduct Committee (PCC)

PCC receives complaints referred from Council with respect to professional conduct issues as well as notices of conviction received by Council under section 67 of the HPCAA. A PCC is established to address individual issues and each PCC adopts and follows procedures that ensure the pharmacist, Council and the complainant are kept informed about the progress of the complaint. PCC may receive evidence relevant to the complaint, appoint legal advisors and/or investigators as necessary and make recommendations and determinations on completion of its investigation. The membership of a PCC comprises three persons: two pharmacists and one layperson.

Pharmacist members

Debbie Wallace
Nikki Anderson
Muhammad Naseem (Joe) Asghar
David Mitchell
Peter Cooke
Kirsty Croucher
Pamela Duncan (to May 2015)

Rachel Eaton
John Munn
Charlotte Schimanski

Lay members

Judith Johnston (Convenor)
Karen Harvey (Convenor)

Professional Standards Committee (PSC)

PSC has delegation from Council to make enquiries into, and decides whether or not to review, the competence of pharmacists. This is a function described under s. 36 of the HPCAA. This is in response to notifications made to Council that suggest that a pharmacist may pose a risk of harm to the public by practising below the required standard of competence.

Members

Mark Bedford, (Committee Chair and Council Deputy Chair) alternate Leanne Te Karu, Council member
Te Kani Kingi, Lay Council member
Owain George, Deputy Registrar
Pam Duncan, Professional Standards Advisor (from 25 May 2015)
Barbara Moore, Professional Standards Advisor (to 12 February 2015)

Pre-Registration Assessment Board (PRAB)

The purpose of PRAB is to monitor the assessment methodology and tools of the Intern Training Programme (ITP), and to review the evidence gathered on individual intern pharmacists completing the programme. ITP is a prescribed qualification for registration in the pharmacist scope of practice.

PRAB has delegation from Council to determine whether intern pharmacists meet the standard required to register in the pharmacist scope of practice.

Members

Keith Crump (Chair)
Hesham Al-Sallami
Janie Sheridan
Murray Adams
Mary-Anne O'Rourke (Chair of moderation sub-committee)
Anna Kurth
Dianne Wright

Law and Ethics Interview Assessors

Pharmacists are required to complete supervised practice on return to practice, as well as those registering under the Trans-Tasman Mutual Recognition Arrangement from Australia or under REQR (UK, Ireland, USA and Canada). They are assessed for their knowledge and understanding of New Zealand Pharmacy law and ethics. Council has appointed the following pharmacists to undertake these interviews on its behalf.

Members

Vicki Hollings, Northland	Debbie Wallace, Wellington (to January 2015)
Jenny Cade, Auckland	Chris Budgen, Nelson
Julie Earwaker, Auckland	Daryl Sayer, Christchurch
Anne Davies, Hamilton, Derek Lang, Rotorua	Kate Shaw, Christchurch
Daphne Earles, Mt Maunganui	Patricia Napier, Dunedin
Di Vicary, Hawkes Bay	Bernie McKone, Gore
Catherine Keenan, New Plymouth	Julie Bunn, Hamilton (from 1 October 2014)
Glen Caves, Palmerston North	Androulla Kotrotsos, Wellington (from 27 February 2015)
Amanda Stanfield, Wellington	

Competence Review Team and practice counsellors

The Competence Review Team determines whether a pharmacist is practising to the required standard of competence when concerns have been raised about their competence to practise. The competence of the pharmacist being reviewed is assessed against the seven competence standards. The standards are set by Council, and are a written description of the skills, knowledge and attitudes a pharmacist must demonstrate to be deemed competent.

A number of pharmacists have been appointed as competence reviewers by Council. Some of these pharmacists have also been appointed as practice counsellors, who oversee and provide support to a pharmacist's practice, and monitor and report to Council on their performance in the pharmacist scope of practice.

Health Practitioners Disciplinary Tribunal (HPDT)

Tribunal members are appointed by the Minister of Health. Three pharmacists and one layperson are selected for each Tribunal hearing. For further details see www.hpdt.org.nz

Chair

David Carden

Deputy Chairs

Maria Dew

Ken Johnston

Pharmacists

Mary-Anne Baker

John Dunlop

Daphne Earles

Kas Govind

Mary-Anne O'Rourke

Daryl Sayer

Dianne Vicary

Pharmacy Council Representation on outside bodies

Heads of Schools and Professional Organisations in Pharmacy (HOSPOP) – *Andrew Bary*

Otago University School of Pharmacy, Board of Studies – *Keith Crump*

Otago University School of Pharmacy, Admissions Committee – *Jane Moginie* (from November 2014)

University of Auckland School of Pharmacy, Board of Studies – *Marie Bennett*

Australian Pharmacy Council Accreditation Committee – *Jane Moginie* (from November 2014)

Health Regulatory Authorities of New Zealand (HRANZ) – *Andrew Bary*

Pharmacy Accuracy Checking Technicians Project Steering Group – *Pam Duncan* (from May 2015)

Bpac NZ Clinical Advisory Group – *Barbara Moore* (to February 2015)

Community Pharmacy Services Agreement Audit Sub-group – *Pam Duncan* (from May 2015)

Community Pharmacy Anticoagulant Management Service Steering Group – *Pam Duncan*

Pharmacy Reference Group for the Implementation of the Strategy for Maori Health (PRISM) – *Dr Te Kani Kingi, Claire Paget-Hay*, Chief Executive/Registrar (to February 2015), *David Simpson* (from February 2015), *Barbara Moore* (to February 2015)

GENERAL CONTACT DETAILS

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Wellington 6146

Prior to 19 June 2015:

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Web: www.pharmacycouncil.org.nz

Email: enquiries@pharmacycouncil.org.nz

Barristers and Solicitors

Kensington Swan

PO Box 10246
Wellington 6143

Claro Law

PO Box 11455
Wellington 6142

Bankers

ANZ Banking Group (New Zealand) Ltd
215 – 229 Lambton Quay
Wellington 6011

Auditors

Staples Rodway, Wellington
PO Box 1208
Wellington 6140



Te Pou Whakamana Kaimatu o Aotearoa