pharmacycouncil
OF NEW ZEALAND
Te Pou Whakamana Kaimatu o Aotearoa

2016 ANNUAL REPORT

COUNCIL AT A GLANCE

3,577	Practising pharmacists (as at 30 June 2016)
230	New pharmacists registered over the last year
238	Intern pharmacists registered over the last year
45%	The proportion of practising pharmacists under the age of 36
65%	The proportion of practising pharmacists that are female
7.46	Practising pharmacists per 10,000 population
8	Submissions made by Council in response to a variety of health policies and discussion papers
22	Formal complaints about pharmacist practice or conduct were triaged by Council
85	Informal queries or concerns about pharmacist practice or conduct were resolved
38	Cases from Health and Disability Commissioner (HDC) managed

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CHAIR AND CHIEF EXECUTIVE REPORT

We are delighted to present this annual report for the year ending 30 June 2016. Over the past 12 months we have continued to focus on fulfilling our functions under the Health Practitioners Competence Assurance Act 2003 (HPCAA), identifying areas where improvements can be made to enhance public safety while ensuring high quality pharmacy practice.

This included the following key achievements:

1. issuing 3,577 Annual Practising Certificates (APC) to practising pharmacists
2. improving operational excellence through creating the assessment manager database that enables better analysis and reporting of Assessment Centre results, which can then be shared with the undergraduate programmes accredited by Council
3. introducing policy and process for Reconsideration of a Council decision in line with our values of fairness and transparency.

In late 2015 Council placed considerable focus on the development of our 2016-2020 strategy. Our 2010-2015 strategy served us well and helped to successfully develop our strong operational and governance foundations. The current strategy (2016-2020) builds on these foundations by adopting a broader approach to regulating the pharmacy sector while ensuring we continue to maintain and improve professional standards and assure public safety.

The new plan outlines how we will achieve our goals by defining six key strategic themes that focus on current and evolving models of care, sound operational management and best practice governance – all designed to support our vision of promoting enhanced wellbeing through excellence in pharmacy practice.

This means a Council focused on taking a leadership role in helping our profession evolve, one that continues to be open and willing to listen, and driven to understand and represent the best interests of pharmacists to ensure they continue to be fit for practice, today and in the future.

We recognise that gaining the support of the profession, our partners and the New Zealand public will require leadership and collaboration with others. We appreciate that we must earn the respect and trust of those we regulate and serve. In doing so, we will make a significant difference to the health and wellbeing of the New Zealand public.

Recognising the importance of strong relationships for effective regulation, we continue to engage with key sector stakeholders, in particular the Ministry of Health, the Pharmaceutical Society of New Zealand (Pharmaceutical Society), and the Australian Pharmacy Council, who undertake examination and accreditation services for Council.

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

We are also extremely grateful for the ongoing passion and commitment of our experienced team. Without their support our organisation would not be as strong as it is.

In December 2015 outgoing Chair Dr Andrew Bary and Council members Keith Crump and Te Kani Kingi were farewelled from Council after many years' service. Andrew Bary and Keith Crump were first appointed in 2006 and served three terms, with Andrew Bary being elected Chair from September 2011. Te Kani Kingi was appointed in 2010 and served two terms.

Three new Council members, Arthur Bauld, Iain Buchanan and Lynnette Flowers were appointed by the Minister of Health in December 2015.

We want to thank all our Council members for their commitment to setting Council's strategy, their valuable contribution to decision making, and their continued support throughout the year. We are confident that, through our combined skills and capability, we can ensure the pharmacy profession continues to safely meet the health care needs of the public.

Mark Bedford
Chair

Michael Pead
Chief Executive

COUNCIL'S PURPOSE

TO PROTECT PUBLIC HEALTH AND SAFETY, AND ENHANCE HEALTH OUTCOMES BY ENSURING PHARMACISTS ARE COMPETENT AND FIT TO PRACTISE.

WHAT COUNCIL DOES

The Pharmacy Council ('Council') was established under the HPCAA and has a duty to protect public safety and promote good pharmacist practice.

> Our role is to protect and promote the health and safety of people who use pharmacy services.

We do this by:

- ensuring pharmacists are skilled, educated and qualified to practise safely within current models of practice and are adequately prepared for evolving models of care
- promoting and supporting collaboration and integration within the New Zealand health system
- strengthening our engagement with stakeholders and enhancing confidence in Council
- supporting safe innovation in pharmacy practice in response to New Zealand's changing health landscape
- driving operational excellence
- delivering best practice governance.

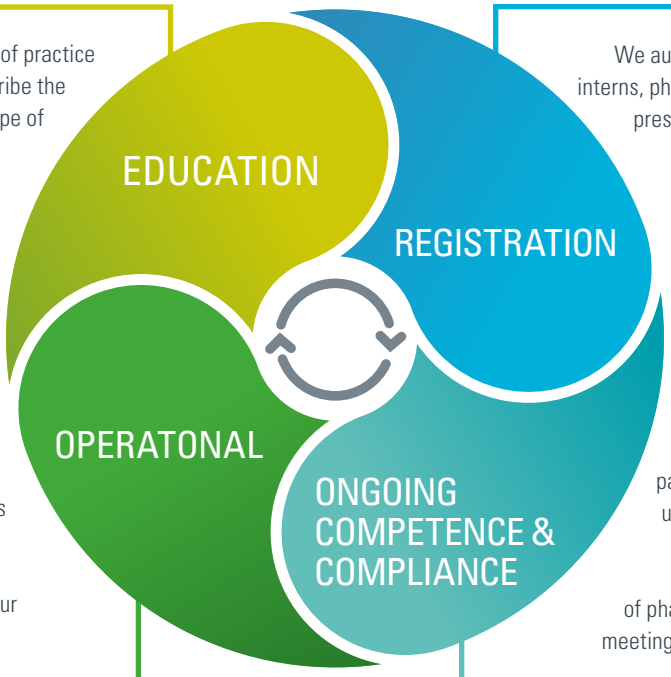
Council's key functions:

Education

We determine the scopes of practice for pharmacists and prescribe the qualifications for each scope of practice. We accredit and monitor the educational institutions and degrees, courses of studies, or programmes that deliver these qualifications.

Registration

We authorise the registration of interns, pharmacists and pharmacist prescribers under the HPCAA, and maintain the register of pharmacists.



We continue to focus on operational improvements and efficiencies, as well as promoting education and training in the profession, and public awareness of our responsibilities.

Operational

We set programmes to ensure the ongoing competence of pharmacists, and consider applications for Annual Practising Certificates. We protect patients and the public, and uphold public confidence in pharmacy. We do this by considering the cases of pharmacists who may not be meeting the required professional and ethical standards.

Ongoing Competence and Compliance

REGISTRATION AND BEYOND

In order to become registered as a pharmacist in New Zealand a person must complete qualifications prescribed by Council. If they have first qualified overseas, they must follow a pathway to registration that is specific to their country of initial qualification.

Council is required by law to set standards of clinical competence, cultural competence and ethical conduct to be observed by the profession. It has done this through developing Competence Standards for the Pharmacy Profession and the Code of Ethics.

Qualifications and recertification requirements (including continuing professional development) are geared to providing assurance that the profession is competent in all domains of the competence standards and is able to practise in accordance with the Council's Code of Ethics.

MEET THE PHARMACY COUNCIL

COUNCIL MEMBERS[1]:

Mark Bedford

DipPharm, RegPharmNZ, AFNZIM

Chair (from December 2015)
Third term, first appointed 1 October 2009, current term ends 30 September 2018

Marie Bennett

Dip Pharm (Distinction), MNZCP, FPS, RegPharmNZ

Deputy Chair
(from February 2016)

Second term, first appointed 8 November 2012, current term ends 16 December 2018

Leanne Te Karu,
Muaupoko/Whanganui

DipPharm (Distinction), PG Cert Pharm (Prescribing), PG Cert Pharm (Herbal Meds), PG Dip ClinPharm (Distinction), MHSC (Hons), RegPharmNZ

Second term, first appointed 25 August 2011, current term ends 15 April 2018

Viv Gurrey
Lay member

Second term, first appointed 8 November 2012, current term ends 16 December 2018

Jeff Harrison

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

Second term, first appointed 8 November 2012, current term ends 16 December 2018

Arthur Bauld

Ngāti Wai/Ngāpuhi/Te Rarawa/Ngāti Toa/Ngāti Raukawa

DipPharm, RegPharmNZ

First term, appointed 17 December 2015, current term ends 16 December 2018

Iain Buchanan

B.Pharm, RegPharmNZ

First term, appointed 17 December 2015, current term ends 16 December 2018

Lynnette Flowers
Lay member

First term, appointed 17 December 2015, current term ends 16 December 2018

1 Dr Andrew Bary was Chair (and served on the Finance Audit and Risk Management and Complaints Screening Committees) until December 2015. Keith Crump was a Council member and was Chair of the Health Committee and Pre-Registration Assessment Board until December 2015. Te Kani Kingi was a Council member and was on the Health and Professional Standards Committees until December 2015.

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 management performance. 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

In the period 1 July 2015 to 30 June 2016, Council met five times for full Council meetings. Additionally, Council met once for a special meeting and seven times via teleconference for special meetings.

GOVERNANCE COMMITTEE

Finance Audit and Risk Management Committee (FARMC) as at 30 June 2016.

FARMC's objectives are to assist Council in discharging its responsibilities relative to financial accountability, the control framework and risk management.	Jeff Galt *Independent member, Chair* Mark Bedford *Council Chair* Marie Bennett *Council Deputy Chair* Iain Buchanan *Council member* Leanne Te Karu *Alternate member, Council member*

PHARMACY COUNCIL REPRESENTATION ON OUTSIDE BODIES

- Heads of Schools and Professional Organisations in Pharmacy (HOSPOP) – *Mark Bedford*
- Otago University School of Pharmacy, Board of Studies – *Leanne Te Karu*
- University of Auckland School of Pharmacy, Board of Studies – *Marie Bennett and Education Advisor*
- Health Regulatory Authorities of New Zealand (HRANZ) – *Mark Bedford*
- Pharmacy Accuracy Checking Technicians Project Steering Group – *Professional Standards Advisor*
- Community Pharmacy Services Agreement Audit Sub-group – *Professional Standards Advisor*
- Preceptor Standards Working Group – *Professional Standards Advisor*
- Formulations Advisory Group – *Professional Standards Advisor*
- Pharmacy Reference Group for the Implementation of the Strategy for Māori Health (PRISM) – *Chief Executive*

COUNCIL TEAM

Michael Pead Chief Executive[2]

Overall responsibility for strategic and operational functions of the Pharmacy Council

Owain George Registrar

Overall responsibility for the regulatory functions under the HPCAA.

Professional Standards Advisor	Sets, reviews and monitors standards for pharmacy practice and prescribed qualifications for scopes of practice.
Assessment & Examinations Manager	Manages the quality of the Objective Structured Clinical Examination (OSCE) Assessment Centre and written exams for interns and overseas pharmacists seeking registration in New Zealand.
Education Advisor	Provides general education advice to Council, oversight of prescribed qualifications, recertification, and accreditation of education programmes.
Registrar Support	Receives information from health practitioners, employers and the Health and Disability Commissioner relating to the competence of health practitioners. Manages procedures for complaints, fitness to practise and notifications, and assists with registration and competence procedures.
Registrations Officers (x2)	Manages the annual practising certificate renewals process and applications for pharmacists seeking registration in New Zealand or returning to practice in New Zealand.
Registrar Assistant	Assists the Registrar and Registrar Support in implementing procedures relating to registrations, fitness to practise and complaints.
Finance Manager	Manages the finance team and is responsible for overall financial and accounting policies and procedures.
Accounts Assistant	Processes day-to-day accounting tasks including: accounts payable and receivable, payroll, general accounts and registrations assistance. Provides support to the Finance Manager.
Executive Assistant/Office Manager	Provides support to the Chief Executive and Council, and manages the office resources.

2 David Simpson – Chief Executive/Registrar: July 2015-February 2016, Claire Paget-Hay – Acting Chief Executive/Registrar: February-May 2016.

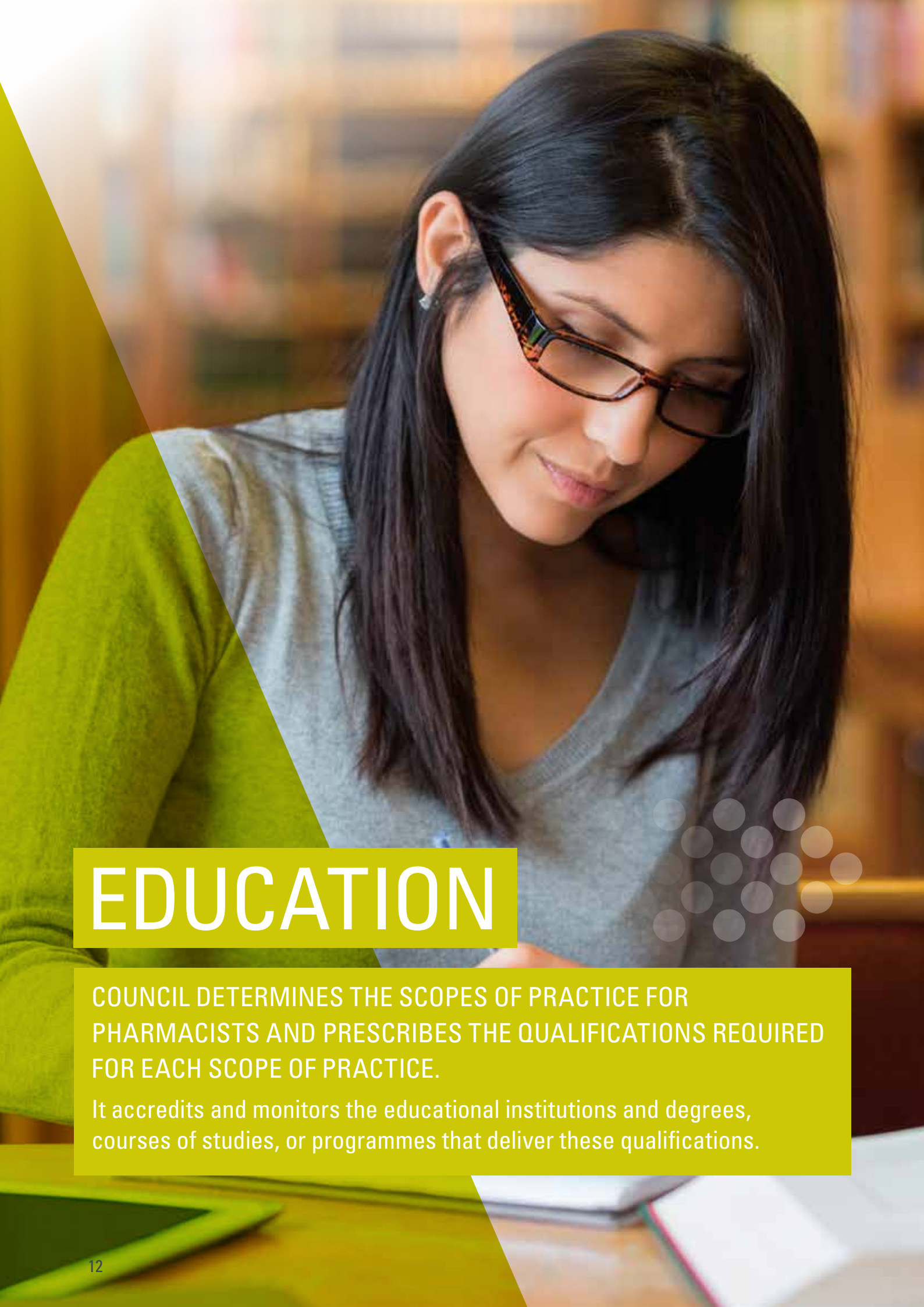
WHAT WE'VE ACHIEVED

ENSURING PUBLIC SAFETY AND WELLBEING

Our mission is to improve health outcomes by ensuring pharmacists are competent, fit to practise and progressive in delivering pharmacy practice.

In the year ended 30 June 2016 we continued to ensure public safety by delivering in the following key areas:

Education	Registration	Ongoing Competence and Compliance	Operational
We ensured that pharmacy education programmes remained fit for purpose and responsive to evolving pharmacy practice.	**We welcomed new interns and pharmacists to the Register.**	**We ensured the ongoing competence of pharmacists, and addressed pharmacist conduct and practice.**	**We continued to focus on operational improvements and efficiencies.**
During 2015 the University of Otago Bachelor of Pharmacy programme was re-accredited by Council. The following programmes were monitored as part of the accredication cycle: • Auckland University Bachelor of Pharmacy • Pharmaceutical Society EVOLVE Intern Programme • Auckland and Otago Universities Joint Prescriber Programme.	238 graduates were registered in the intern scope. 230 new pharmacists were registered. Two pharmacists were registered in the pharmacist prescriber scope. An assessment manager database was created to analyse and report Assessment Centre results. It can also be used to share information with the undergraduate programmes.	3,577 pharmacists received APCs. 40 pharmacists had conditions placed on their scope of practice. 85 informal queries or concerns regarding pharmacists practice or conduct were received and responded to. 28 formal complaints were received from the Health and Disciplinary Commissioner (HDC) for assessment and action. The Complaints Screening Committee (CSC) triaged 22 formal complaints, while 10 complaints were investigated by the Professional Conduct Committee (PCC) (in addition to four ongoing investigations). 14 pharmacists with health concerns were monitored.	We continue to reap the benefits from our coalescing with four other Responsible Authorities. Initial scoping has begun on our business capability improvement programme (BCIP), principally supported through improved integrated IT. System improvements are expected to be realised through online registration, better linkage with finance systems and so on.



EDUCATION

COUNCIL DETERMINES THE SCOPES OF PRACTICE FOR PHARMACISTS AND PRESCRIBES THE QUALIFICATIONS REQUIRED FOR EACH SCOPE OF PRACTICE.

It accredits and monitors the educational institutions and degrees, courses of studies, or programmes that deliver these qualifications.

UNDERGRADUATE PROGRAMMES

For New Zealand residents, the first prescribed qualification is a Bachelor of Pharmacy from one of the two Council-accredited university programmes.

Council is required by law to accredit and monitor pharmacy educational institutions and education programmes to assure the quality of the education and training. The Australian Pharmacy Council is contracted to evaluate education programmes and to provide an accreditation recommendation to Council.

Re-accreditation of each pharmacy education programme occurs periodically, usually every three or five years, and each programme is monitored throughout the accreditation period to ensure that it continues to meet the accreditation standards.

> "During 2015 the University of Otago Bachelor of Pharmacy programme was re-accredited by Council."

Auckland University's Bachelor of Pharmacy programme and the Joint Prescriber Programme are due for re-accreditation in 2017.

Both universities have appointed new heads of school this year and are in the process of introducing new curricula to ensure that graduates are prepared for new roles and services.

REGISTRATION AS AN INTERN PHARMACIST

The second prescribed qualification for pharmacist registration is successful completion of the intern training programme, EVOLVE, which is provided by the Pharmaceutical Society on behalf of Council.

Graduates must be registered in the Intern Pharmacist scope of practice before entering the intern training programme.

Intern registrations – year ended 30 June:

2015	2016	Change
235	238	1.3%

REGISTRATION

ONCE A PERSON HAS SUCCESSFULLY COMPLETED A BACHELOR OF PHARMACY QUALIFICATION, THEY CAN BEGIN THE PROCESS OF REGISTERING AS A PHARMACIST.

This involves completing a formal intern training programme and passing two Council Assessments.

COUNCIL ASSESSMENTS

Intern pharmacists are required to pass two Council assessments that are prescribed qualifications for pharmacist registration.

The two assessments are:

- Written Examination: intern pharmacists may sit the Written Examination after completing 50 percent of their supervised practice. The Written Examination is held three times a year and assesses clinical knowledge, application of pharmaceutical calculations, health and medicine management, supply and administration of medicines and professional practice in pharmacy.
- Assessment Centre: After completing the intern training programme and passing the Written Examination, an intern pharmacist may attend the Assessment Centre, which is a practical assessment in an Objective Structured Clinical Examination format. The Assessment Centre is held twice a year.

The material for these assessments is developed by New Zealand registered pharmacists currently practising in a variety of pharmacy environments and models of patient care.

Assessment results – year ended 30 June 2016

	Assessment Centre	Written Exam
Assessed	263	264
Passed	211	223
Pass Rate	80.2%	84.4%

Intern Assessment Advisory Committee (IAAC) as at 30 June 2016

Functions	Members
Provide assurance that assessments are appropriate for the qualification and registration in the scope of pharmacist Confirm the validity, consistency and procedural fairness of the summative assessments of interns Scrutinise the process as it relates to individual borderline Assessment Centre results Consider any complaints or appeals received from candidates or the profession regarding assessment Confirm the assessments have been based on the range of Competence Standards	Marie Bennett – *Committee Chair, Council Deputy Chair* Janie Sheridan – *Pharmacist* Anna Kurth – *Pharmacist* Di Wright – *Pharmacist*

OTHER EXAMINATIONS AND ASSESSMENTS

Council prescribes a number of registration requirements for overseas qualified pharmacists and New Zealand pharmacists returning to practice. The examinations and assessment requirements vary depending on where the pharmacy qualifications were attained and the length of time away from pharmacy practice. These include:

- **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
- **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.
- **Law and Ethics Interview Assessment:** Overseas qualified pharmacists from Canada, Ireland, Northern Ireland, the UK and the USA are also required to complete a Law and Ethics Interview following a period of supervised practice. Australian pharmacists can register automatically because of the Trans-Tasman Mutual Recognition Agreement, but must complete a competence programme within three months of registering. This programme includes the Law and Ethics Interview. Pharmacists returning to practice after between three and eight years away from New Zealand, are also required to complete the Law and Ethics Interview following a period of supervised practice.

The Australian Pharmacy Council is contracted by Council to develop questions for both the KAPS and CAOP examinations, while the Law and Ethics Interview Assessment is delivered by Council in collaboration with a pool of pharmacist interviewers contracted to Council.

Law and Ethics Interview Assessors

Functions	Assessors as at 30 June 2016
Pharmacists are required to complete supervised practice on return to practice, or when registering under the Trans-Tasman Mutual Recognition Agreement (TTMRA) from Australia or under the Recognised Equivalent Qualifications Route (REQR) (UK, Ireland, USA and Canada). Their knowledge and understanding of New Zealand pharmacy law and ethics is assessed at the end of the specified period.	Vicki Hollings, *Northland* Jenny Cade, *Auckland* Julie Earwaker, *Auckland* Derek Lang, *Rotorua (until 31 March 2016)* Daphne Earles, *Mt Maunganui* Di Vicary, *Hawkes Bay* Catherine Keenan, *New Plymouth* Glen Caves, *Palmerston North* Amanda Stanfield, *Wellington* Androulla Kotrotsos, *Wellington* Chris Budgen, *Nelson* Daryl Sayer, *Christchurch* Kate Shaw, *Christchurch* Patricia Napier, *Dunedin* Bernie McKone, *Gore* Julie Bunn, *Hamilton*

Examination and Assessment Results – year ended 30 June 2016

	KAPS	CAOP	Law and Ethics
Assessed	17	11	40
Passed	5	10	40
Pass Rate	29.4%	90.9%	100%

OTHER REGISTRATION REQUIREMENTS

The HPCAA requires Council to be satisfied that a pharmacist's ability to communicate in and comprehend English is sufficient to protect the health and safety of the public.

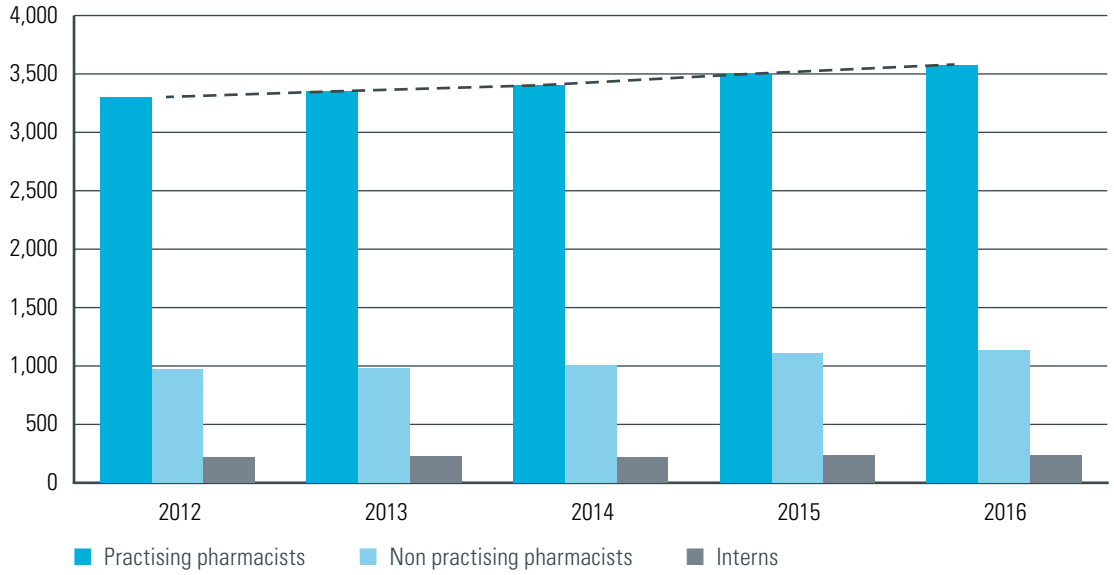
Council may require an intern pharmacist to provide additional evidence of their English competency. A small number of interns have undertaken remediation in English during the 2015-2016 year.

REGISTRATION AND MOVEMENTS ON AND OFF THE PRACTISING REGISTER

Council authorises the registration of health practitioners under the HPCAA, and is responsible for maintaining the Register of Pharmacists.

As at 30 June 2016, there were 4,947 pharmacists on the Register:

Register numbers as at 30 June	2012	2013	2014	2015	2016
Practising pharmacists (incl 15 pharmacist prescribers)	3,304	3,351	3,406	3,502	3,577
Non practising pharmacists (incl 1 pharmacist prescriber)	968	978	1,005	1,112	1,132
Intern pharmacists	215	223	218	235	238
TOTAL	**4,487**	**4,552**	**4,629**	**4,849**	**4,947**



The following table shows the numbers registered, by registration route, from 2012-2016:

Registrations route	2012	2013	2014	2015	2016
Graduates (New Zealand and Australia)	197	186	200	194	206
TTMRA (Australia)	4	10	8	4	9
REQR (Canada, Ireland, Northern Ireland, UK, USA)	11	8	11	12	9
Non REQR (other overseas)	12	11	6	7	6
TOTAL	**224**	**215**	**225**	**217**	**230**

Changes for the last year include:

- the number of practising pharmacists at 30 June 2015 increased to 3,577 – up 75 (two percent) from 30 June 2015
- 230 new registrations were processed – up 18 (8.5 percent) from the previous year
- 92 pharmacists returned to practice
- 156 pharmacists were removed from the Register. The reasons include personal request, retirement, death and Council revisions.

PROTECTING PUBLIC SAFETY

Council is responsible for determining whether or not a pharmacist is practising competently and, where they are deemed to be performing below the required standard, identifying specific areas where they need to raise their competence levels. The findings of an individual review may result in Council ordering the pharmacist to undertake a competence programme to remediate any areas identified.

A number of mechanisms are available to Council for determining whether or not a pharmacist is fit to practise.

Annual recertification

Recertification is a mechanism provided by the HPCAA to ensure pharmacists maintain their competence through continuing professional development.

Each year, when applying for an APC, a pharmacist must complete a declaration to confirm they have met Council's recertification requirements.

Issuing an APC signals that a pharmacist has provided assurance to Council they are maintaining their competence and that Council does not have concerns about the safety of their practice.

Council's recertification framework outlines the continuing professional development requirements that must be met by each practising pharmacist each year.

Recertification audit

Pharmacists' annual declarations of compliance with recertification requirements are checked in Council's (Part 1) recertification audit. If a pharmacist is found to be non-compliant, they may have a condition placed on their APC.

Council relies on pharmacists' engagement with relevant continuing professional development (CPD) to provide assurance that competence is being maintained in all the competence standard domains relevant to their area of pharmacy practice.

Council has approved the ENHANCE programme, an online platform provided by the Pharmaceutical Society for pharmacists to record their professional learning and CPD points for recertification.

A quality review (Part 2 Recertification Audit) is conducted mid-year to confirm that pharmacists' participation in CPD is meaningful and in line with the requirements and intention of the recertification framework. A small team of practising pharmacists is contracted by Council to review a sample of ENHANCE records and provide formative feedback to pharmacists.

The mid-2015 quality review found that most audited pharmacists are engaging in professional development that is relevant to their practice and aligns with the recertification framework.

Council used findings from this review, such as variation in the quality of documentation, to provide feedback to the Pharmaceutical Society for quality assurance purposes.

Conditions

Placing a condition on a pharmacist's scope of practice is another mechanism to ensure safe practice.

In the year ended 30 June 2016, 40 pharmacists practised with conditions on their scope of practice:

Conditions placed at time of application as a result of policy	
Supervision – overseas qualified	8
Supervision – return to practice (>3 years)	27
Conditions placed on case-by-case basis	
Health	3
Competence	1
Interim Measure (section 69 of HPCAA)	1
TOTAL	**40**

PRACTICE STANDARDS, STATEMENTS AND GUIDELINES

Council provides practice information to the profession through articles in its newsletters and guidelines published on our website. Inspiration for articles usually comes from practice queries through our website, telephone calls and HDC notifications. Throughout the 2015-2016 year, we published a number of pharmacy-related articles, including:

- Safety Concerns about Extemporaneously Compounded Formulations of Oral Liquid Medicines *(July 2015)*
- Complementary and Alternative Medicines – Best Practice Guidance for Pharmacists *(July 2015)*
- Methadone Labelling Errors *(July 2015)*
- Sale of Codeine Containing Analgesics *(November 2015)*
- Insulin Errors *(November 2015)*
- Inappropriate use of Patient Information *(November 2015)*
- Pharmacists Working as Pharmacy Technicians in New Zealand *(November 2015)*
- Privacy Statement *(March 2016)*
- Pharmacist Vaccinators *(March 2016)*
- Reclassified Medicines *(March 2016)*
- Locum Pharmacists *(March 2016)*
- Labelling and Expiry Dates *(March 2016)*
- Extemporaneously Compounded Formulations of Oral Liquid Medicines – further information *(March 2016)*
- Sale of Pharmacy Only Medicines – advice around appropriate quantities *(June 2016)*

Council also fielded practice queries from pharmacists and other health professionals. Many related to Council practice standards, legislation and pharmacist competence including:

- First aid requirements
- Pharmacist vaccinator requirements
- Controlled drugs – delivery and storage
- Pharmacist only codeine containing preparations
- Pharmacy only medicine sales – appropriate quantities
- Pharmacist workforce queries around post graduate qualifications
- Entry pre-requisites for Pharmacist Prescriber programme- both overseas and national queries
- Pharmacist concerns about prescription quality

Where practice queries related to common themes, educational material in the form of newsletter articles, joint sector guidelines or statements etc were placed on our website. Practice queries and feedback or concerns about pharmacy-related topics are welcome as they provide an opportunity to share information with the profession, improve practice standards and reduce patient risk. Council acknowledges the pharmacists who have contacted us over the past year, alerted us to practice concerns and enabled proactive management.

Regular review of guidelines and statements is vital to ensure content is current and accurate. During the year ended 30 June 2016 the following documents were updated:

- First Aid Statement and flowchart diagram
- Vaccinator Statement
- Telehealth Statement
- Complementary and Alternative Medicines Statement

Council collaborates with other organisations to develop joint guidelines or statements to optimise resources and expertise for the benefit of the pharmacy profession. For example, Council and the Pharmaceutical Society collaborated on a joint Codeine Statement to ensure best practice guidance around the sale of Pharmacist Only Medicines containing codeine.

Council also engaged with key pharmacy sector organisations to develop an article on "Best Prescribing Practice" for the Medical Council newsletter (*Medical Council News, May 2016*).

COLLABORATION WITH SECTOR ORGANISATIONS

The Council team regularly meets with pharmacy sector ogranisations and contributes to joint workstreams and projects to promote and optimise pharmacist practice and improve patient safety.

In addition, Council consulted on:

- Code of Ethics 2011 clause 6.9 relating to complementary and alternative medicines.

Council also responded to the following consultations:

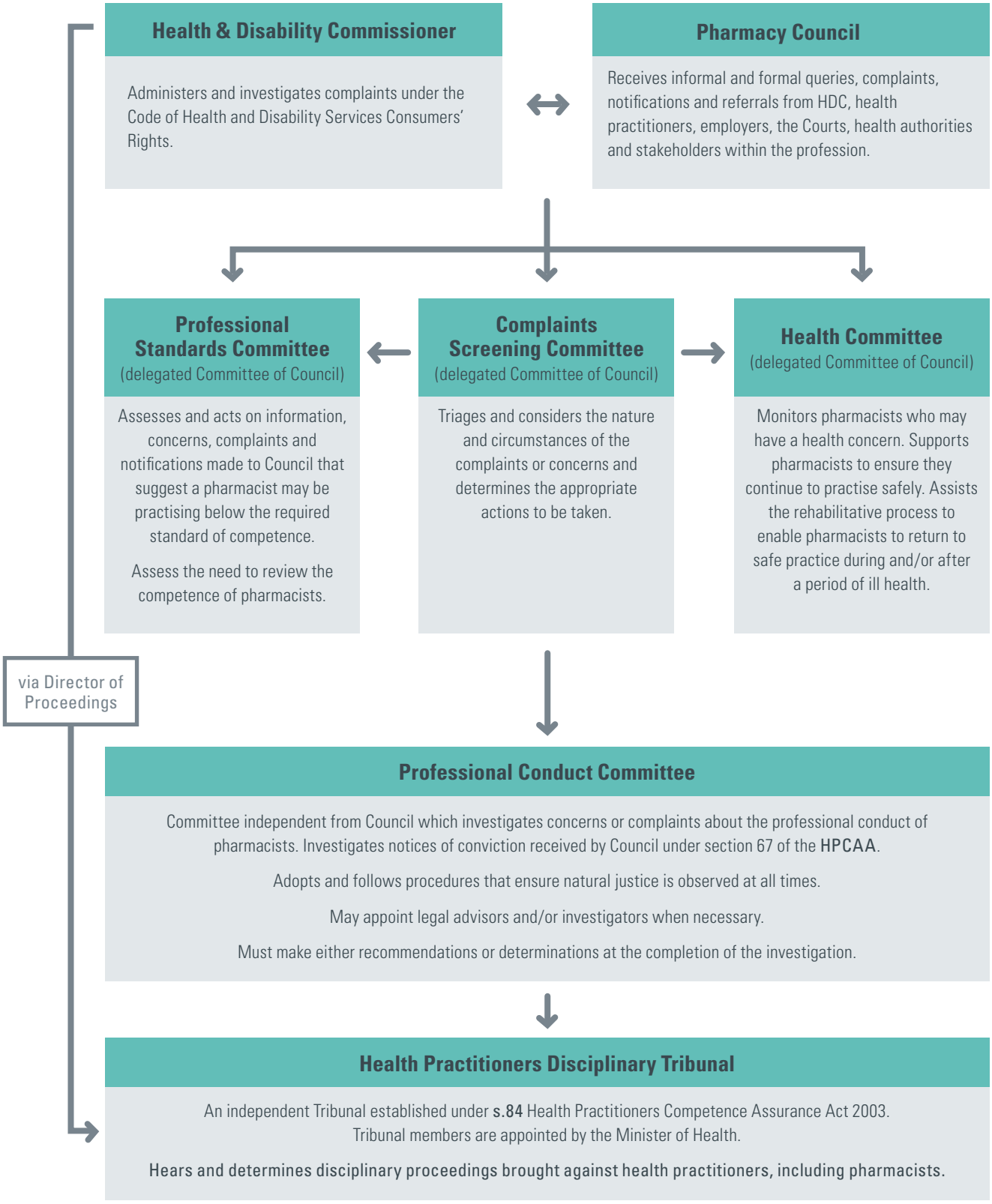
- Advertising Standards Authority Therapeutic Code Review *(August 2015)*
- Review of the Medical Council's statements on *"Good prescribing practice and prescribing drugs of abuse" (August 2015)*
- Pharmacy Action Plan *(November 2015)*
- Amendment of the Medicines (Standing Order) Regulations *(November 2015)*
- Draft New Zealand Health Strategy *(November 2015)*
- Draft Options for the Regulation of Prescribing and Dispensing of Medicines in New Zealand *(January 2016)*
- Mental Health and Addiction Workforce Action Plan 2016-2020 *(January 2016)*
- Quality Standards for Intern Training Programme Preceptors and Pharmacy Sites *(February 2016)*.

ONGOING COMPETENCE AND COMPLIANCE

COUNCIL IS RESPONSIBLE FOR DETERMINING WHETHER OR NOT A PHARMACIST IS PRACTISING COMPETENTLY AND, WHERE THEY ARE DEEMED TO BE PERFORMING BELOW THE REQUIRED STANDARD, IDENTIFYING SPECIFIC AREAS WHERE THEY NEED TO RAISE THEIR COMPETENCE LEVELS.

HEALTH AND CONDUCT

Health and conduct process



HEALTH, COMPETENCE, FITNESS TO PRACTISE AND CONDUCT

The HPCAA provides Council with the framework and mechanisms to act when information is received raising concern about a pharmacist's practice or wellbeing that may compromise public health or safety. This information may be disclosed to Council by the pharmacist or from a range of sources such as members of the public, pharmacists, health practitioners, employers or government health sector organisations.

Council has noted a significant increase in the number of concerns, queries or complaints received during the 2015/2016 year. Anecdotal evidence suggests this trend may be influenced by a greater public awareness of consumer rights and easier access to complaints processes through technology. It should be noted that this increase reflects the overall trend in complaints across the health sector as has been publicly reported by the Health and Disability Commissioner (HDC).

In the year ending 30 June 2016 a total of 85 informal queries or concerns regarding pharmacist practice or conduct were received, and fielded primarily by Council's Professional Standards Advisor (PSA): 18 from pharmacists; 3 from other health professionals and 64 from members of the public (see chart below).

In most cases the PSA was able to resolve these matters by contacting the pharmacist concerned, clarifying the situation and providing advice so the situation could be appropriately managed between both parties.

Of concern were the number of pharmacy practice complaints handled by Council, which included:

- generic dispensing when the original brand had been requested
- repeats withheld
- close control dispensing when three month's supply had been previously received in one dispensing
- short supplied medication
- refusals to provide emergency supplies
- prescription and service charges
- supply of codeine containing preparations to patients
- sub-standard patient care
- refusal to accept waste medication returns
- poor sensitivity around Emergency Contraceptive Pill supply.

Formal complaints received by Council that relate specifically to the health of a patient must be referred to the HDC under the provisions of the HPCAA. HDC also receives complaints from patients or consumers directly. HDC will assess and, when appropriate, investigate the complaint. At the completion of an investigation, HDC refers the investigation outcome to Council and may recommend a specific course of action to pursue, for example a review of the pharmacy's standard operating procedures or a review of the pharmacist's competence.

Council was advised of 28 complaints against pharmacists the HDC had responded to[3] during the year. Council assessed each case and agreed on the required course of action. A further eight complaints, received from HDC, were ongoing from the previous year. Of the total 36 complaints, 19 were resolved during the year and 17 are ongoing.

Seventy-five percent of the complaints related to pharmacy practice, for example dispensing and labelling errors, non-adherence to standard operating procedures and lack of clinical checking.

Of the 85 queries received:

18% related to professionalism

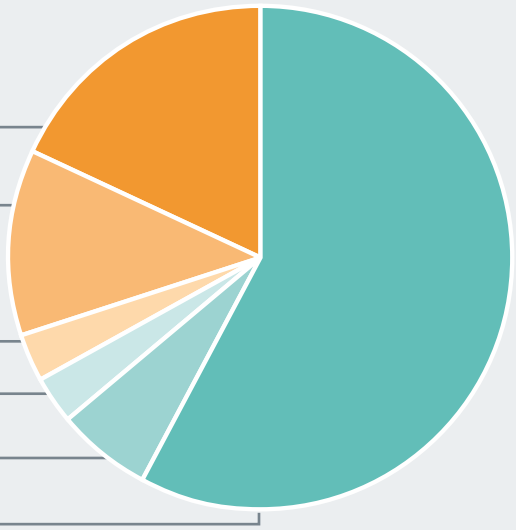
12% related to ethical behaviour

3% related to privacy concerns

3% related to health concerns

6% related to communication

58% related to pharmacy practice



How has Council managed these cases?

Status or outcomes of complaints from HDC	Number
Further information required and/or awaiting HDC publication of final investigation report	14
Professional Standards Advisor involvement including standard operating procedure review, pharmacy visit/practice assessment, advice and mentoring	8
Referred to the Professional Standards Committee	2
Referred to the Complaints Screening Committee	4
No further action required	7
Council decision – suspension under section 69 of HPCAA	1

Complaints Screening Committee (CSC)

Formal complaints received by Council that do not relate specifically to the health of a patient are assessed by Council's Complaints Screening Committee (CSC), which has delegated authority under section 17 of Schedule 3 of the HPCAA

Functions	Members as at 30 June 2016
To consider the nature and circumstances of complaints or concerns received by the Council and determine what, if any, action or actions are appropriate to be taken in response.	Mark Bedford *Committee Chair, Council Chair* Lynnette Flowers *Lay Council member* Owain George *Registrar* Pam Duncan *Professional Standards Advisor*

The CSC does not have the authority to investigate a complaint and must decide on one of the following steps:

- take no further formal action against the pharmacist – the Committee will usually provide feedback to the pharmacist by way of an educational letter or a telephone conversation
- refer the pharmacist to Council's Health Committee
- refer the pharmacist to Council's Professional Standards Committee to consider a competence review
- refer the complaint to an independent Professional Conduct Committee for further investigation.

The Complaints Screening Committee triaged 22 complaints or concerns received during the year. These complaints included dispensing errors, dispensing inappropriately, the sale of Pharmacist Only Medications over the counter, substance dependence, professional misconduct, breaches of privacy, falsification of patient records, drug seeking and practising without a current APC.

3 HDC's response to the complaint may have included:
1 A decision to not investigate the matter – 10 complaints
2 To conduct an investigation with the conclusion being to take no further action – four complaints
3 To advise Council of the investigation outcome which did not suggest or recommend further action – 15 complaints
4 To refer the complaint and investigation outcome and make a suggestion or recommendation of a specific further action to Council – seven complaints

Complaint/concerns triaged by the Council Complaints Screening Committee

		Outcome					
Source	Number	No further action	Educational Letter	PSA / monitoring	Professional Conduct Committee	Professional Standards Committee	Health Committee
Member of public	3	2				1	
HDC	4	2	1	1			
Employer	1						1
Registered Health Practitioners	4	2		1	1		
Regulatory / governmental organisations	8		2		6		
Educational organisations	1				1		
Courts – convictions	1				1		

Professional Conduct Committees

Professional Conduct Committees (PCC) are independent committees appointed by Council and have statutory responsibilities and powers as set out under the HPCAA.

Functions	Members appointed to a PCC in 2015/16
To investigate concerns or complaints relating to professional conduct that have been referred from Council concerning professional conduct issues. To investigate notices of conviction received by Council under section 67 of the HPCAA.	*Pharmacist members* Nikki Anderson Muhammad Naseem (Joe) Asghar David Mitchell Peter Cooke Kirsty Croucher Rachel Eaton John Munn Charlotte Schimanski Katrina Azer *Lay Members and Convenors* Judith Johnston Karen Harvey Zofia Wisniewski

At the conclusion of an investigation, the PCC must either make:

- A determination to:
  - take no further action; or
  - lay a charge with the Health Practitioners Disciplinary Tribunal; or
  - submit the matter for conciliation; or
- 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.

Professional Conduct Committee investigations

Nature of Issue	Number of Investigations	Status/Outcomes of Investigations
Concerns about standards of practice, legal and professional obligations and conduct including honesty and integrity	9 – in total • 4 ongoing from the previous year • 5 new investigations	7 – ongoing 1 – on hold pending court proceedings 1 – charge laid before Health Practitioners Disciplinary Tribunal (HPDT) and charge found
Practising while suspended or without an APC	3 – new	3 – charges laid before HPDT – hearings yet to take place
Conviction against the Land Transport Act 1998	1 – new	1 – PCC found no further action required
Conviction against Films Videos & Publications Classification Act 1993.	1 – new	1 – ongoing

Health Practitioners Disciplinary Tribunal

The APC fee includes a Discipline Levy that allows Council to meet a large percentage of the costs for pharmacist hearings at the Health Practitioners Disciplinary Tribunal (HPDT).

Functions	Members as at 30 June 2016[4]
To hear and determine disciplinary proceedings brought against health practitioners, including pharmacists.	*Chair* David Carden *Deputy Chairs* Maria Dew Ken Johnston *Pharmacists* Bevan Clayton-Smith Jane Dawson Sandra Drake Daphne Earles Kas Govind Marilyn Morrison Craig MacKenzie Mary-Anne O'Rourke Daryl Sayer Katherine Shaw Dianne Vicary

On completing its investigation, one PCC made a determination to lay a charge before the HPDT against a pharmacist who had been convicted of an offence under section 228 of the Crimes Act 1961. The charge was established and the HPDT ordered the pharmacist's APC be suspended for 12 months with conditions applying on his return and that he be censured; Council was awarded costs and the Tribunal's findings were published.

4 Three pharmacists and one layperson are selected for each Tribunal hearing.

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 2016.

Year of Tribunal Hearing	Total PCC & Tribunal Costs	PCC & Tribunal Costs Included	Costs & Fines Awarded by Tribunal[1]	Costs & Fines Recovered	Recoveries as a % of Total PCC & Tribunal Costs
30-Jun-05	$60,686	$60,523	$42,052	$41,173	68%
30-Jun-06	$70,882	$48,579	$29,388	$24,388	34%
30-Jun-07	$57,545	$36,427	$10,928	$10,927	19%
30-Jun-08	$87,432	$75,907	$41,738	$41,738	48%
30-Jun-09	$136,404	$101,831	$45,549	$45,549	33%
30-Jun-10	$239,949	$88,394	$64,938	$25,050	10%
30-Jun-11	$338,482	$266,894	$73,978	$14,300	4%
30-Jun-12	$200,735	$117,654	$32,150	$25,843	13%
30-Jun-13	$167,334	$142,145	$57,525	$57,525	34%
30-Jun-14	$213,959	$183,372	$69,900	$69,900	33%
30-Jun-15	$350,452	$187,907	$34,130	$50[2]	0%
30-Jun-16	$38,918	$81,000	$48,500	$17,000	44%
TOTAL	$1,962,779	$1,390,634	$550,776	$373,443	19%

[1] Costs that the Tribunal includes in its calculation of costs and fines to be awarded.
[2]] Initial payment of debit recovery.

HEALTH MONITORING

Health Committee

The Health Committee is appointed by Council under section 16 Schedule 3 of the HPCAA and has the power to carry out functions and duties in respect of sections 48 to 51 and 16 (d) of the HPCAA by way of a Council delegation under section 17 Schedule 3 of the HPCAA.

Functions	Members as at 30 June 2016
To consider notifications made under section 45 of the HPCAA, concerning pharmacists who may be unable to perform the required functions of a pharmacist because of health conditions, and to monitor and assess their performance.	Jeff Harrison *Committee Chair, Council member* Arthur Bauld *Council member* Viv Gurrey *Lay Council member* Owain George *Registrar*

Council (the Health Committee or Council team) received two new fitness to practise notifications from other pharmacists and monitored 14 other pharmacists (including intern pharmacists) with health concerns. Depending on the nature of the case, Council:

- ordered medical assessments for three pharmacists
- placed a condition on the scope for three pharmacists (two new added in the last 12 months)
- continued or entered into a voluntary agreement with five pharmacists (one new)
- initiated low level monitoring with review at time of practising certificate renewal (which may include input from the Health Committee or Committee Chair) for six pharmacists.

COMPETENCE

Competence Review Team and Practice Counsellors

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.

- To determine whether a pharmacist is practising to the required standard of competence when concerns have been raised about their competence to practise
- To assess the competence of the pharmacist being reviewed against the seven competence standards (set by Council, the standards are a written description of the skills, knowledge and attitudes a pharmacist must demonstrate to be deemed competent)

When Council receives a notification about a pharmacist's competence, or receives information that raises concerns about the pharmacist's competence, Council makes inquiries into the matter, before determining whether a formal competence review is required. Unless the notification or concern is without merit, they are considered by the Professional Standards Committee.

Professional Standards Committee (PSC)

The Professional Standards Committee (PSC) is appointed by Council under section 16 Schedule 3 of the HPCAA and has the power to carry out functions and duties in respect of sections 35 to 37 and 39 of the HPCAA by way of a Council delegation under section 17 Schedule 3 of the HPCAA.

Functions	Members as at 30 June 2016
To respond to notifications made to Council or information that Council has, that suggest that a pharmacist may pose a risk of harm to the public by practising below the required standard of competence. To make enquiries into, and decide whether or not to review, the competence of pharmacists (a function described under section 36 of the HPCAA).	Iain Buchanan *Committee Chair, Council member* Viv Gurrey *Lay Council member* Leanne Te Karu *Alternate Member, Council member* Owain George *Registrar* Pam Duncan *Professional Standards Advisor*

The Committee made further inquiries into the competence of five pharmacists during this period, and decided to:

- order a competence review (one pharmacist)
- enter a voluntary agreement (one pharmacist)
- take no further formal action, but ensure that support was in place (three pharmacists).

If, after a competence review, a pharmacist is not considered to be practising at the required level of competence, Council may order a competence programme.

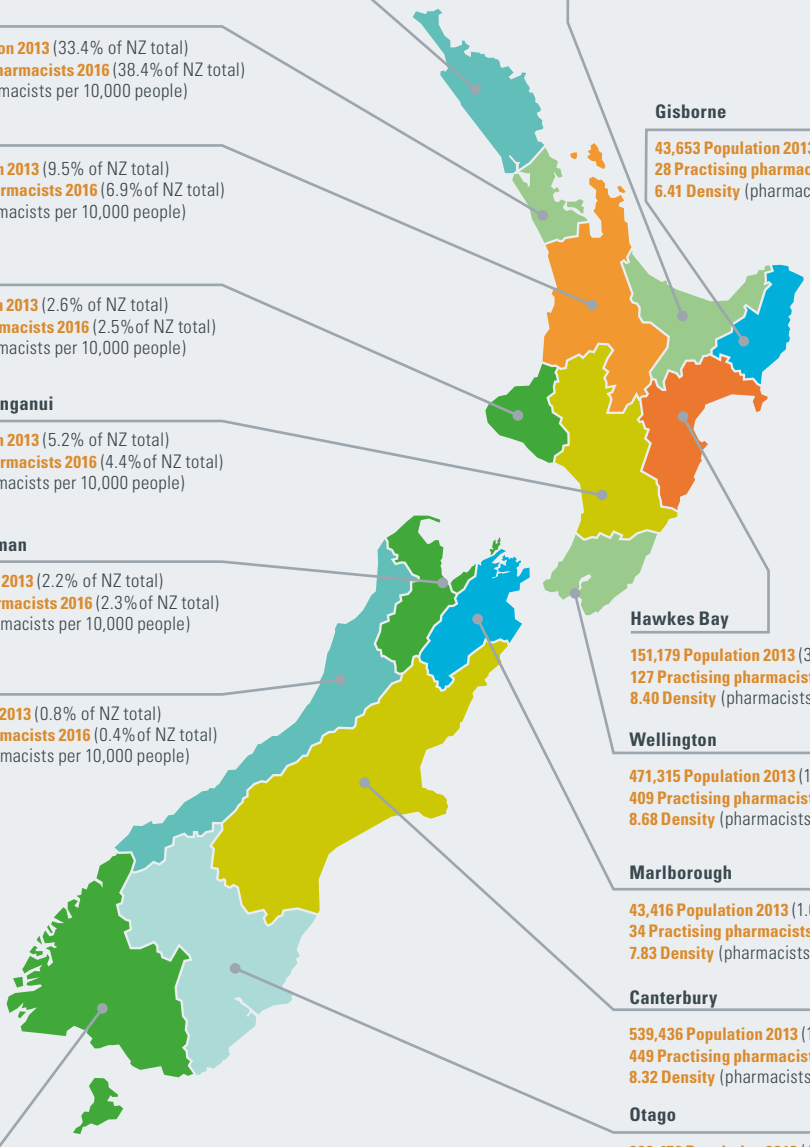
Three pharmacists continued competence programmes that had been set in a previous year. Two of these were completed by 30 June 2016.

WORKFORCE

DEMOGRAPHICS

UNDER THE HPCAA COUNCIL IS REQUIRED TO MAINTAIN A REGISTER OF PHARMACISTS. WE USE THE DATA COLLECTED TO PRODUCE AN ANNUAL DEMOGRAPHICS REPORT THAT PROVIDES STATISTICS ABOUT THE DEMOGRAPHIC AND GEOGRAPHIC SPREAD OF PHARMACISTS ACROSS NEW ZEALAND.

As part of the APC application, pharmacists are given the opportunity to complete a workforce survey.
The data contained in this survey is then used to develop a demographic profile of the pharmacy workforce.



Northland
151,689 Population 2013 (3.6% of NZ total)
108 Practising pharmacists 2016 (3.0% of NZ total)
7.12 Density (pharmacists per 10,000 people)

Auckland
1,415,550 Population 2013 (33.4% of NZ total)
1,372 Practising pharmacists 2016 (38.4% of NZ total)
9.69 Density (pharmacists per 10,000 people)

Waikato
403,638 Population 2013 (9.5% of NZ total)
248 Practising pharmacists 2016 (6.9% of NZ total)
6.14 Density (pharmacists per 10,000 people)

Taranaki
109,608 Population 2013 (2.6% of NZ total)
89 Practising pharmacists 2016 (2.5% of NZ total)
8.12 Density (pharmacists per 10,000 people)

Manawatu – Wanganui
222,672 Population 2013 (5.2% of NZ total)
158 Practising pharmacists 2016 (4.4% of NZ total)
7.10 Density (pharmacists per 10,000 people)

Nelson and Tasman
93,591 Population 2013 (2.2% of NZ total)
82 Practising pharmacists 2016 (2.3% of NZ total)
8.76 Density (pharmacists per 10,000 people)

West Coast
32,148 Population 2013 (0.8% of NZ total)
16 Practising pharmacists 2016 (0.4% of NZ total)
4.98 Density (pharmacists per 10,000 people)

Southland
93,339 Population 2016 (2.2% of NZ total)
63 Practising pharmacists 2016 (1.8% of NZ total)
6.75 Density (pharmacists per 10,000 people)

Bay of Plenty
267,744 Population 2013 (6.3% of NZ total)
203 Practising pharmacists 2016 (5.7% of NZ total)
7.58 Density (pharmacists per 10,000 people)

Gisborne
43,653 Population 2013 (1.0% of NZ total)
28 Practising pharmacists 2016 (0.8% of NZ total)
6.41 Density (pharmacists per 10,000 people)

Hawkes Bay
151,179 Population 2013 (3.6% of NZ total)
127 Practising pharmacists 2016 (3.6% of NZ total)
8.40 Density (pharmacists per 10,000 people)

Wellington
471,315 Population 2013 (11.1% of NZ total)
409 Practising pharmacists 2016 (11.4% of NZ total)
8.68 Density (pharmacists per 10,000 people)

Marlborough
43,416 Population 2013 (1.0% of NZ total)
34 Practising pharmacists 2016 (1.0% of NZ total)
7.83 Density (pharmacists per 10,000 people)

Canterbury
539,436 Population 2013 (12.7% of NZ total)
449 Practising pharmacists 2016 (12.6% of NZ total)
8.32 Density (pharmacists per 10,000 people)

Otago
202,470 Population 2013 (4.8% of NZ total)
187 Practising pharmacists 2016 (5.2% of NZ total)
9.24 Density (pharmacists per 10,000 people)

Note: This information has been compiled using a combination of internal data (Pharmacy Council, 2016 Demographics Report) and external data (Statistics NZ, 2013 Census Data). As such the data is indicative and is used to highlight possible regional trends. In particular, workforce density is likely to be over-stated due to population growth in the three years since the last Census (current estimates indicate total workforce density is likely to be around 7.46 based on the current projected national population).

TOTALS

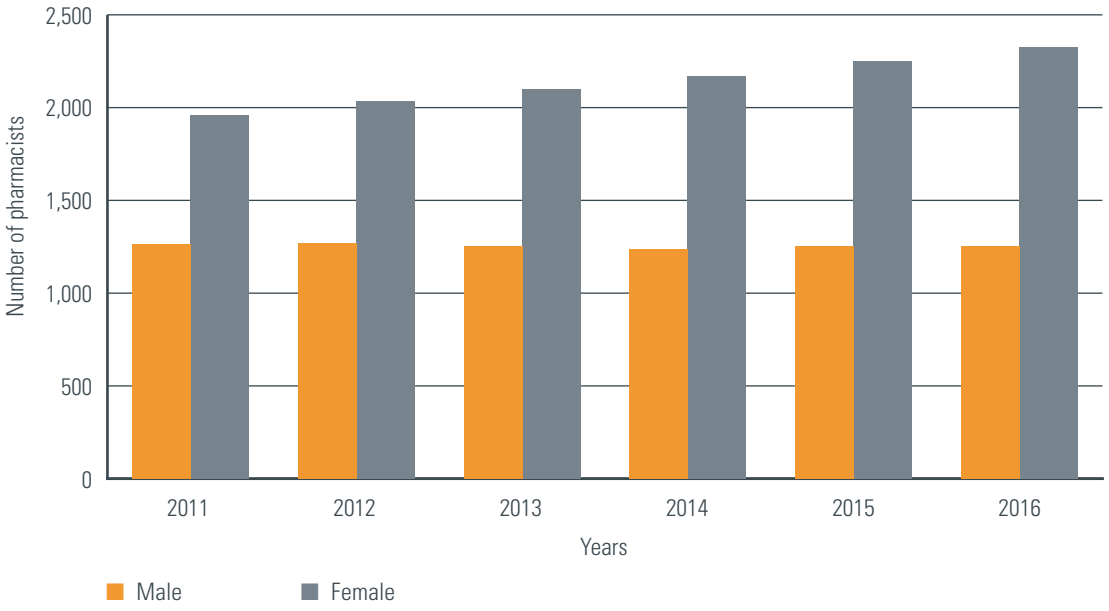
4,241,448 Population 2013
3,577 Practising pharmacists 2016
8.43 Density (pharmacists per 10,000) people)

Gender

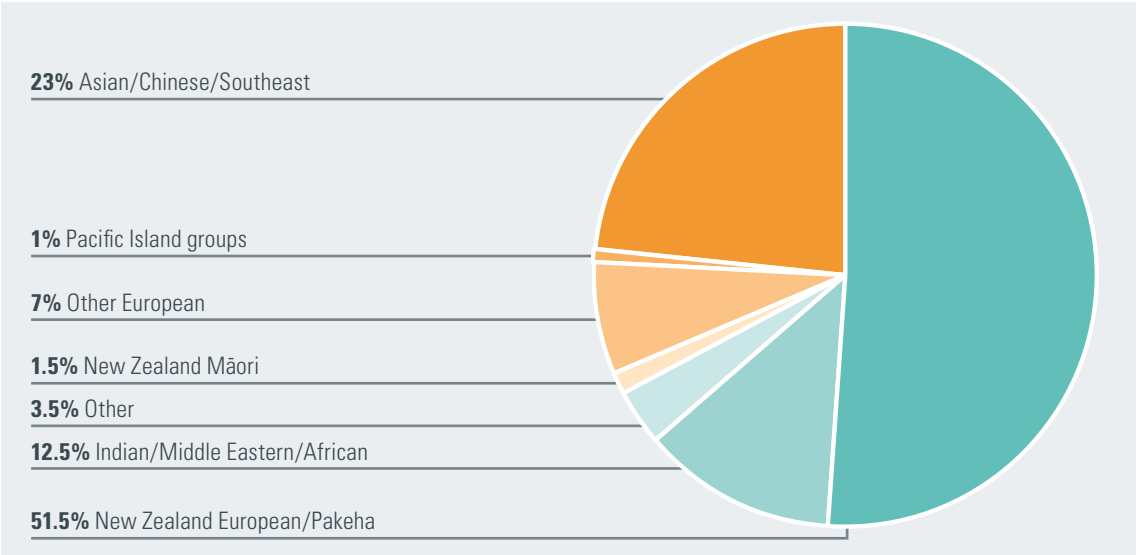
Age	Male	Female	Total
25 & under	118	287	405
26-35	385	804	1,189
36-45	201	458	659
46-55	226	487	713
56-65	227	252	479
66 & over	97	35	132
TOTAL	1,254	2,323	3,577

The following graph shows the change in gender distribution of practising pharmacists from 2011-2016:

Gender of practising pharmacists



Ethnicity



TRENDS AND OBSERVATIONS

While the role of Council isn't to advise on workforce composition, the Demographic Report does highlight a number of trends that may stimulate future public discussion and debate:

- **Workforce Density:** nationally, the average number of registered pharmacists per 10,000 people (8.43) compares at the lower end of international benchmarks. Most countries with similar jurisdictions have much higher workforce densities (Australia (11.64), Ireland (10.46), Canada (10.17), UK (8.08)), suggesting that New Zealand has an opportunity to expand workforce capacity if it is to continue to ensure public safety. Regionally, workforce density varies considerably – this issue could be further exacerbated given lower population density in the more rural regions [source: International Pharmaceutical Federation Global Pharmacy Workforce Intelligence: Trends Report (2015)]
- **Type of Work:** community-based pharmacists continue to be the largest field of employment (74.8 percent) for the profession, meaning they are likely to remain a key part of future pharmacy models, particularly if the profession transitions towards a greater patient care model
- **Gender:** there is an increasing trend towards a female bias in pharmacy, particularly in the younger age brackets where 68.4 percent of registered pharmacists aged under 36 are female
- **Ethnicity:** although New Zealand European/Pakeha remains the dominant ethnic group (51 percent) amongst reistered pharmacists, Asians represent the fastest growing ethnic group (23 percent) on the register, reflecting the country's changing demographic composition

LOOKING AHEAD

THE MINISTRY OF HEALTH'S PHARMACY ACTION PLAN (2016-2020), COUPLED WITH OUR OWN ORGANISATIONAL STRATEGY (2016-2020) WILL ENSURE PHARMACISTS ARE VALUED MEMBERS OF INTEGRATED HEALTH CARE TEAMS, SPANNING PRIMARY AND SECONDARY CARE, AND USING SMART SYSTEMS TO ACCESS, CONTRIBUTE TO AND SHARE RELEVANT CLINICAL INFORMATION TO IMPROVE ACCESS TO AND DELIVERY OF HEALTH CARE.

FUTURE OUTLOOK

The pharmacist's role is expected to continue to grow and evolve over the coming years as part of the wider interprofessional health team supporting patients to manage their health and wellbeing.

> "Pharmacists have been identified as having an increasingly important role in the primary care team"
>
> *– Ministry of Health Pharmacy Action Plan (2016-2020)*

Much of this change is being driven by an ageing population and increasing longevity. This will result in a population that will be more reliant on a growing range of complex prescribed medications to help manage chronic health conditions. A number of conditions that previously required surgical intervention can now be successfully treated with enhanced medication regimes and advances in health technology.

The extra strain placed upon the health system by an ageing population is expected to be relieved by enabling practitioners to work at the top of their scope in multi-disciplinary health teams. Pharmacists are well placed to contribute significantly to improved access to health services closer to patients' homes.

The pharmacy workforce is comparatively young and highly skilled, with potential yet to be fully realised. There is capacity for pharmacists to build effective partnerships with Māori and Pacific communities to develop joint initiatives to improve Māori and Pacific health outcomes.

Clinical pharmacists practising in general practice and other primary and secondary health care settings already provide a variety of medication management services to optimise patient medication therapy and reduce medication-related harm.

Pharmacist Prescribers improve access to medicines, provide more flexible patient-centered medication management and utilise pharmacist skills in the Pharmacist Prescriber scope of practice. Council is talking with sector stakeholders to focus on initiatives and strategies to increase the uptake and provision of enhanced models of patient care in these areas of clinical practice.

The Ministry of Health's Pharmacy Action Plan (2016-2020) acknowledges that pharmacists already contribute substantially to the effectiveness of the health and disability system. While the Pharmacy Action Plan considers pharmacists to be an integral part of most people's experience of health care, both in the community and in hospitals, it also acknowledges that the current system does not make the best use of pharmacists' unique skills.

The Plan acknowledges that, pharmacists practising in medicines supply chain roles have the skills to help people make better use of their medicines safely and effectively. They can also contribute significantly to reducing medicine-related harm and pharmaceutical waste.

The Plan recognises pharmacists' future role as valued members of integrated health care teams, spanning primary and secondary care. Using smart systems to access, contribute to, and share relevant clinical information will improve the delivery of health care.

"The profession and healthcare environment in which pharmacists operate is changing, meaning we must too."

Recognising the capacity and capability of the highly qualified pharmacist workforce, the Pharmacy Action Plan offers an opportunity to define the direction for pharmacy services over the next five years. It also sets priorities for actions that can be implemented at national, regional and local levels.

Council will work collaboratively with other key pharmacy stakeholder organisations to ensure that pharmacists' skills are fully utilised for the benefit of all New Zealanders.

The Pharmacy Action Plan suggests Council:

- leads projects to:
  - promote a culture of open disclosure to support continuous quality improvement and decrease the incidence of dispensing errors
  - promote programmes for the pharmacy workforce that strengthen cultural competency skills (an area that Council is currently exploring)
  - ensure that the current workforce is enhancing its cultural competency
- works with the Pharmaceutical Society to:
  - promote appropriate training and support for pharmacists working as part of an integrated system, for example upskilling so they can contribute to the integrated health care record
  - develop best-practice guidelines for dispensing, for example ensuring that a pharmacist clinically screens every prescription before it is dispensed.

Council is collaborating with other sector stakeholders to implement the joint sector actions of the Action Plan.

In the coming year Council and the team will be focusing on the six strategic themes outlined in the Organisational Strategy 2016-2020 document:

- Theme One – fitness to practise
- Theme Two – collaboration and integration
- Theme Three – strengthening engagement with stakeholders
- Theme Four – safe innovation in pharmacy practice
- Theme Five – organisation performance
- Theme Six – governance

OUR FINANCIAL PERFORMANCE

OUR FINANCIAL PERFORMANCE 2015-16

Council has returned an operating surplus of $364,056 for the year ended 30 June 2016. It needs to be noted that the surplus is largely due to the timing of disciplinary cases moving into the next financial year.

Financial projections indicate Council will operate at a deficit for 2016/17, largely because of the disciplinary costs that were expected to occur in 2015/16, but also because of costs associated with a new integrated IT platform.

Any surplus that occurs will be put towards funding the costs of the integrated IT platform. Subject to consultation on any proposed fee increase, Council will also return a deficit in the following year, again largely due to costs associated with maintaining the new integrated IT platform.

Alongside operational improvements, Council will continue to identify and implement strategic projects that will deliver benefits for pharmacists.

Accumulated funds

Council's Accumulated Funds ($2,312,274) are separated into an operational General Fund ($1,689,186) and a Disciplinary Fund ($623,088). The separate funds provide greater transparency to stakeholders and the net movement in each Fund is shown in Note 16 of the financial statements.

APC fees

APC Fees are received from interns and pharmacists and represent 74 percent of total revenue.

Disciplinary levy

The Disciplinary Levy is charged to fund the costs of Professional Conduct Committees and HPDT hearings. The Disciplinary Levy is currently set at $106.38 (GST inclusive) and represents 14 percent of the total income. Further increases to the Disciplinary Levy are likely to be necessary in the future as the volume and complexity of disciplinary cases is increasing.

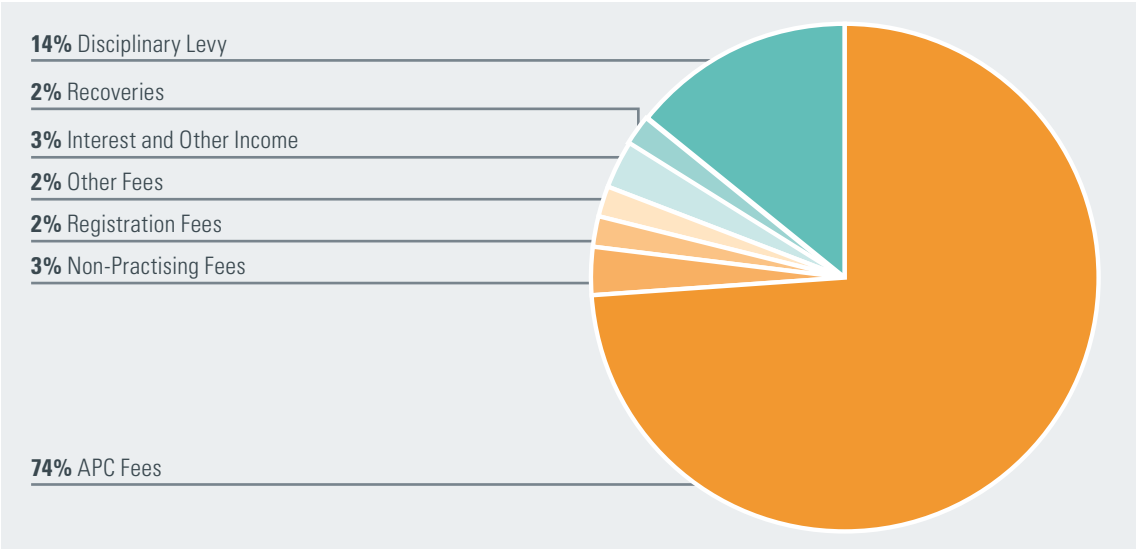
Total APC fees

Council continues to carefully manage pharmacist funds. For the APC year commencing 1 April 2016, the total APC fee that comprises the APC fee and Disciplinary Levy increased from $550.00 to $649.00 (GST inclusive).

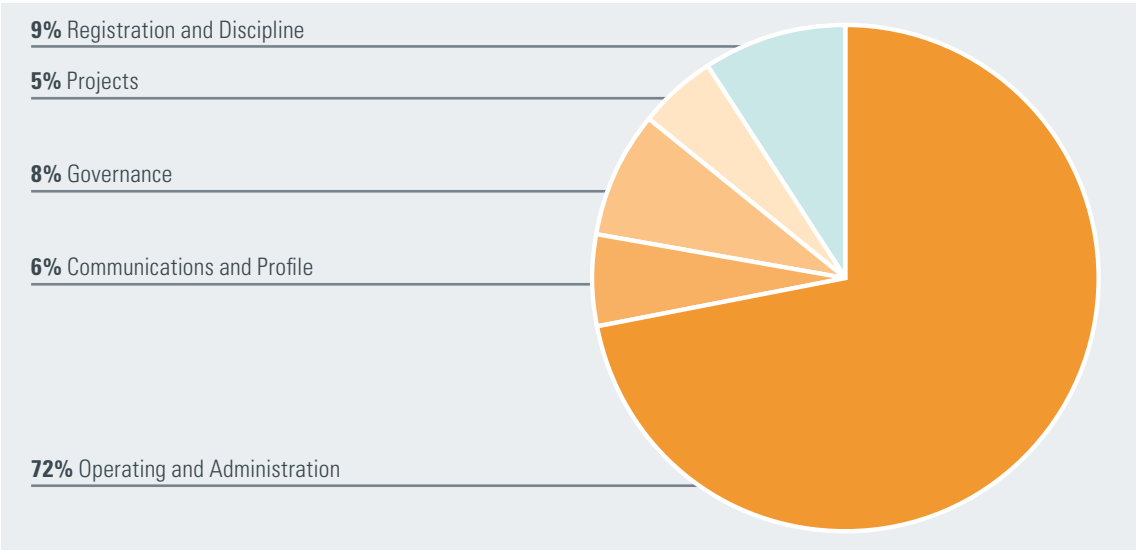
This was the second increase in the total APC fee (with the exception of a GST adjustment) since 2006, and reflects an increase in the volume and complexity of disciplinary cases, increased overall running costs, and a greater focus on identifying opportunities to enhance wellbeing through excellence in pharmacy practice.

Council will continue to review financial projections and consult with pharmacists on any proposed fee increase.

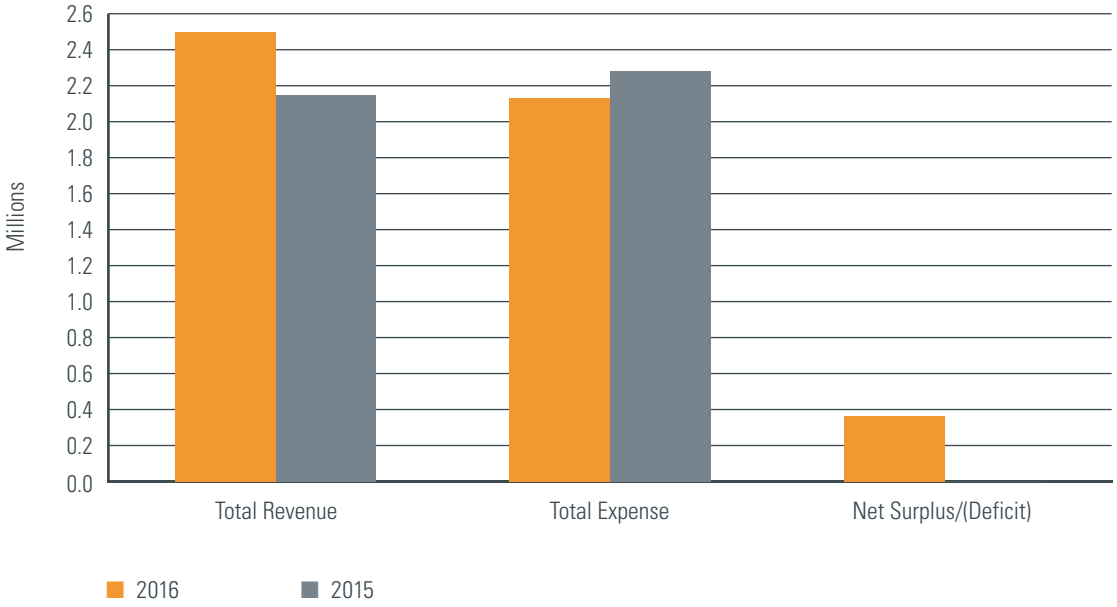
2016 Revenue



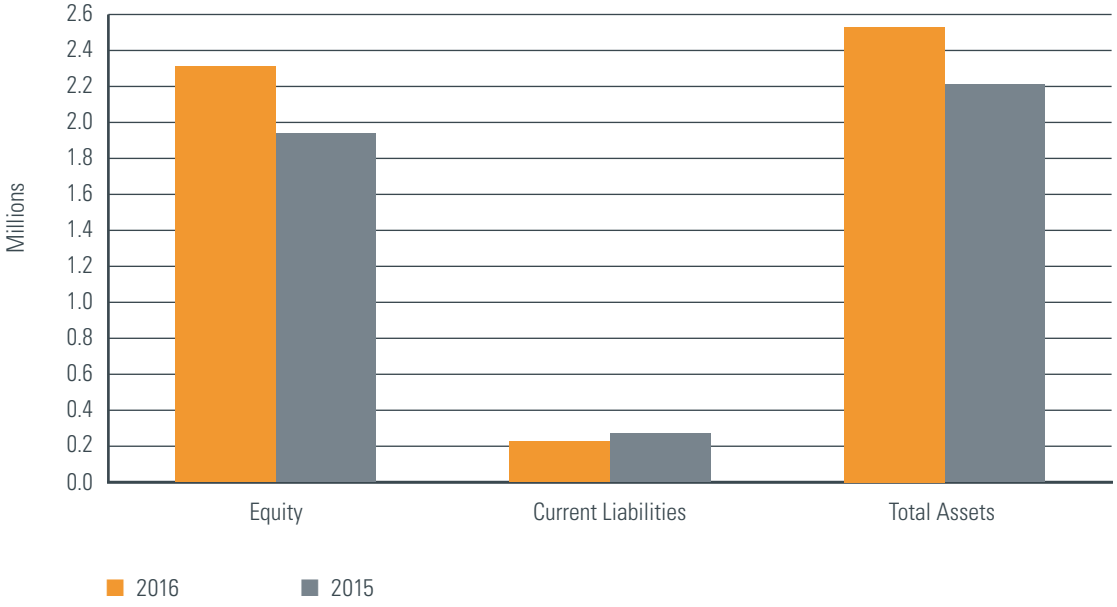
2016 Expenditure



2016 Financial Performance



2016 Financial Position



STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 $	2015 $
Revenue from non-exchange transactions			
Annual Practicing Certificate fees		1,849,290	1,621,207
Disciplinary levies		348,535	235,427
Disciplinary recoveries		48,500	34,130
Bad Debt recoveries		0	500
		2,246,325	1,891,264
Revenue from exchange transactions			
Registration Fees		47,924	46,311
Non-practising fees		82,717	78,827
Overseas pharmacist fees		31,605	37,635
Other fees		13,711	11,608
Interest income		58,451	73,118
Credit card recoveries		19,014	17,442
Other income		865	237
		254,288	265,178
Total revenue		2,500,613	2,156,442
Expenses			
Registration and discipline	6	199,762	429,013
Projects		103,210	124,620
Governance		180,804	175,628
Communication and profile		121,241	78,481
Operating and administration	7	1,531,540	1,478,321
Total expenses		**2,136,557**	**2,286,063**
Total surplus / (deficit) for the year		**364,056**	**(129,621)**
Other comprehensive revenue and expenses		–	–
Total comprehensive revenue and expenses		364,056	(129,621)
Total comprehensive revenue and expense for the year		**364,056**	**(129,621)**

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 2016

	Accumulated comprehensive revenue and expense $	Total equity $
Opening balance 1 July 2015	1,948,218	1,948,218
Surplus for the year	364,056	364,056
Other comprehensive income	–	–
Closing equity 30 June 2016	**2,312,274**	**2,312,274**
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**

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 2016

	Notes	2016 $	2015 $
Current assets			
Cash and cash equivalents	9	771,918	703,351
Investments	10	1,450,000	1,200,000
Receivables from non-exchange transactions		68,061	35,106
Prepayments and other receivables		49,957	69,856
		2,339,936	**2,008,313**
Non-current assets			
Intangible assets	11	14,972	23,139
Property, plant and equipment	12	182,917	187,020
		197,889	**210,159**
Total assets		2,537,825	2,218,472
Current liabilities			
Accounts payable		46,653	54,948
Other payables and accruals		126,399	167,836
Employee entitlements		52,499	47,470
Total liabilities		225,551	270,254
Net assets		**2,312,274**	**1,948,218**
Equity			
Accumulated comprehensive revenue and expense	16	2,312,274	1,948,218
Total net assets attributable to the owners of the controlling entity		2,312,274	1,948,218

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

Signed for and on behalf of the Council Members who authorised these financial statements for issue on 29 September 2016:

Chair of Council

Chief Executive

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 $	2015 $
Cash flows from operating activities			
Receipts			
Receipts from APC fees		1,875,239	1,594,916
Receipts from Disciplinary Levy		348,535	235,427
Receipts from other exchange transactions		175,957	174,381
Receipts from other non-exchange transactions		17,000	34,130
Interest received		65,743	71,500
		2,482,474	2,110,354
Payments			
Payments to suppliers and employees		2,136,773	2,195,986
Interest paid		417	–
		2,137,190	2,195,986
Net cash flows from operating activities		345,284	(85,632)
Cash flows from investing activities			
Receipts			
Sale of property plant and equipment		–	204
		–	204
Payments			
Purchase of property, plant and equipment and intangibles		26,717	178,736
Investments in short term deposits		250,000	300,000
		276,717	478,736
Net cash flows from investing activities		276,717	(478,532)
Net cash flows from financing activities		–	–
Net increase/(decrease) in cash and cash equivalents		68,567	(564,164)
Cash and cash equivalents at 1 July 2015		703,351	1,267,515
Cash and cash equivalents at 30 June 2016	9	771,918	703,351

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 ("the Council"). The Council was established under the Health Practitioners Competence Assurance Act 2003 on 18 December 2003 and commenced operations on 18 September 2004.

The Council is a statutory body and has a duty to protect the public and promote good pharmacist practice. The 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 the Council Members on 29 September 2016.

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, the Council is a public sector public benefit entity and is eligible to apply Tier 2 Public Sector PBE IPSAS on the basis that it does not have public accountability and its expenditure is less than $30m.

The Council Members have taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

This is the second set of financial statements of the Council that is presented in accordance with PBE standards. The Council had 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.

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 the 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 that the economic benefit will flow to the 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

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

Annual Practicing Certificate (APC) fees

APC 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 represents fines and costs awarded to the 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 Health Practitioners Disciplinary Tribunal (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 includes 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 the Council becomes a party to the contractual provisions of the financial instrument.

The 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 the 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:

- the Council has transferred substantially all the risks and rewards of the asset; or
- the 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. The Council's financial assets are classified as loans and receivables. The 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, which are 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. The 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

The Council assesses at the end of 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, the 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 the 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

The 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. Depreciati 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 & 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.

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

The amortisation periods for the 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

The Council is exempt from Income Tax. The 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, the 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, the Inland Revenue is classified as part of operating cash flows.

4.13 Equity

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

Accumulated comprehensive revenue and expense

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

5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the 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 the Council's accounting policies, management have 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.

The 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 the 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 the Council are listed in Note 4.7 and 4.8

6 REGISTRATION AND DISCIPLINE

	2016 $	2015 $
Registration	73,271	63,067
Discipline	107,358	313,737
Competence and health	19,132	52,209
Total Registration and Discipline	**199,762**	**429,013**

7 OPERATING AND ADMINISTRATION

Operating and administration expenses includes the following specific expenses:

	2016 $	2015 $
Accountancy advice	15,849	5,500
Amortisation costs	8,167	1,528
Audit fees	11,410	11,190
Bank Fees	6,248	710
Debt Collection	52	–
Depreciation	30,819	14,486
Eftpos fees	15,611	20,615
Information technology costs	38,745	43,550
Insurance	13,979	16,433
Interest	417	–
Legal costs	34,631	24,904
Loss on disposal of assets	261	3,248
Premises and occupancy costs	123,602	177,959
Sundry costs	17,558	15,987
Personnel costs	1,173,458	1,092,573
Printing and stationery	16,393	23,256
Postage and courier	8,930	11,864
Telecommunications	15,410	14,518
	1,531,540	**1,478,321**

8 AUDITOR'S REMUNERATION

Staples Rodway provides audit services to the Council. The audit fees charged for the 2016 audit were $11,410 (2015: $11,190).

No non-audit services are provided by Staples Rodway.

9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	2016 $	2015 $
Cash at bank	(28,082)	203,351
Short-term deposits with maturities of less than 3 months	800,000	500,000
Total cash and cash equivalents	**771,918**	**703,351**

10 INVESTMENTS

	2016 $	2015 $
Term deposits – Maturing within 12 months of balance date	1,450,000	1,200,000
Total investments	**1,450,000**	**1,200,000**

11 INTANGIBLE ASSETS

2016	Website $	Software $	Total $
Cost	44,644	53,653	98,297
Accumulated depreciation	44,644	38,681	83,325
Net book value	–	**14,972**	**14,972**

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**

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

2016	Website $	Software $	Total $
Opening balance	–	23,139	23,139
Additions	–	–	–
Disposals	–	–	–
Amortisation	–	(8,167)	(8,167)
Closing balance	–	**14,972**	**14,972**

12 PROPERTY PLANT AND EQUIPMENT

2016	Computer Equipment $	Furniture and Fittings $	Leasehold Improvements $	Office Equipment $	Total $
Cost	98,096	69,639	157,040	14,157	338,932
Accumulated depreciation	80,852	48,802	16,971	9,390	156,015
Net book value	**17,244**	**20,837**	**140,069**	**4,767**	**182,917**

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**

2016	Computer Equipment $	Furniture and Fittings $	Leasehold Improvements $	Office Equipment $	Total $
Opening balance	23,777	7,850	150,772	4,621	187,020
Additions	4,883	15,449	5,001	1,644	26,977
Disposals	(938)	(4,804)	–	–	(5,742)
Accumulated depreciation	(10,478)	2,342	(15,704)	(1,498)	(25,338)
	17,244	**20,837**	**140,069**	**4,767**	**182,917**

13 RELATED PARTY TRANSACTIONS

Description of the Transaction	Related Party	2016 Value	2015 Value	2016 Amount Outstanding	2015 Amount Outstanding
Assessment Centre Working Group	Keith Crump (Council Member)	442	0	0	0
Audit & Risk Training	Jeff Harrison (Council Member)	443	0	0	0
CEO Recruitment	Mark Bedford (Council Chair), Marie Bennett (Council Deputy Chair), Viv Gurrey (Council Member), Lynnette Flowers (Council Member), Arthur Bauld (Council Member)	4,763	0	0	0
Complaints Screening Committee	Andrew Bary (Council Chair), Mark Bedford (Council Chair), Marie Bennett (Council Deputy Chair), Viv Gurrey (Council Member), Te Kani Kingi (Council Member), Lynnette Flowers (Council Member)	685	724	0	0
Governance Training	Ian Buchanan (Council Member)	888	0	0	0
Heads of Schools Professional Organisations of Pharmacy	Mark Bedford (Council Deputy Chair)	0	527	0	0
Health Committee	Keith Crump (Council Member), Jeff Harrison (Council Member), Te Kani Kingi (Council Member), Leanne Te Karu (Council Member), Arthur Bauld (Council Member)	727	2,010	0	0
HPCAA Training	Lynnette Flowers (Council Member), Arthur Bauld (Council Member)	767	0	0	0
Intern Assessment Advisory Committee	Keith Crump (Council Member), Marie Bennett (Council Deputy Chair)	1,419	0	0	0
Pharmacist Prescriber Quality Advisor Group	Te Kani Kingi (Council Member), Leanne Te Karu (Council Member)	1,002	919		0
Pharmacy Reference Group for the Implementation of the Strategy for Māori Health	Te Kani Kingi (Council Member)	704	0		0

Description of the Transaction	Related Party	2016 Value	2015 Value	2016 Amount Outstanding	2015 Amount Outstanding
Pre-Registration Assessment Board	Keith Crump (Council Member), Leanne Te Karu (Council Member)	0	1,017		0
Professional Standards Committee	Mark Bedford (Council Deputy Chair), Te Kani Kingi (Council Member), Leanne Te Karu (Council Member), Ian Buchanan (Council Member)	982	0		0
Recertification Audit Working Party	Leanne Te Karu (Council Member)	0	1,518		0
University of Auckland, School of Pharmacy Board of Studies	Marie Bennett (Council Deputy Chair)	612	358	0	0
Total		13,434	7,073		0

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

	2016 $	2015 $
Councillors Fees*	108,981	112,206
Councillors Expenses	37,732	33,559
	146,713	**145,765**
***Fees paid to Councillors**		
A Bary	19,721	42,495
J Harrison	8,239	8,380
K Crump	4,728	8,260
L Te Karu	8,157	10,666
M Bedford	32,382	15,003
M Bennett	10,688	8,500
T Kani Kingi	4,728	6,688
A Bauld	4,403	–
I Buchanan	4,295	–
L Flowers	4,186	–
V Gurrey	7,454	12,214
Total fees paid to Council members for attending to Council	**108,981**	**112,206**

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

There were no other related party transactions (2015: 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 which is comprised of the Council Members, the Chief Executive, Registrar and the Finance Manager, which constitutes the governing body of the Council. The remuneration paid the Council Members is set out below. The aggregate remuneration of key management personnel and the number of individuals, determined on a headcount basis, receiving remuneration is as follows:

	2016 $	2015 $
Total remuneration	435,101[1]	$394,105
Number of persons	2.7[1]	2.4

1 The Chief Executive and Registrar were established as separate roles from May 2016 onwards. Prior to that point the two roles had been undertaken by the same person.

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

During the reporting period, total remuneration and compensation of $nil (2015: $2,003) was provided by the Council to employees who are close family members of key management personnel.

14 LEASES

As at the reporting date, the Council Members has entered into the following non-cancellable operating leases

	2016 $	2015 $
Not later than one year	80,390	62,079
Later than one year and no later than five years	314,537	316,877
Later than five years	183,480	255,561
	578,406	**634,516**

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

Total Premises Lease	2016 $	2015 $
Not later than one year	317,177	47,820
Later than one year and no later than five years	1,268,706	1,268,706
Later than five years	740,079	1,030,824
	2,325,961	**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:

	2016 $	2015 $
Financial assets		
Loans and receivables		
Cash and cash equivalents	771,918	703,351
Short term investments	1,450,000	1,200,000
Receivables from non-exchange transactions	68,061	35,106
	2,289,979	**1,938,457**
Financial liabilities		
At amortised cost		
Accounts payable	40,568	47,781
Employee entitlements	52,499	47,470
	93,067	**95,251**

16 ACCUMULATED COMPREHENSIVE REVENUE AND EXPENSE

The Council's accumulated comprehensive revenue and expense was 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	2016 $	2015 $
Opening balance	1,525,798	1,534,613
Movements during the year	163,388	(8,815)
Closing balance	**1,689,186**	**1,525,798**

Disciplinary Fund	2016 $	2015 $
Opening balance	422,420	543,226
Movements during the year	200,668	(120,806)
Closing balance	623,088	422,420
Total accumulated comprehensive revenue and expense	**2,312,274**	**1,948,218**

17 CAPITAL COMMITMENTS

There were no capital commitments at the reporting date. (2015: $Nil).

18 CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities at the reporting date. (2015: $Nil).

19 EVENTS AFTER THE REPORTING DATE

The Council Members and management is 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 (2015: $Nil).

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staplesrodway
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF PHARMACY COUNCIL OF NEW ZEALAND'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

The Auditor-General is the auditor of the 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.

We have audited the financial statements of the Council on pages 41 to 56, that comprise the statement of financial position as at 30 June 2016, 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.

Opinion

In our opinion the financial statements of the Council on pages 41 to 56:

- fairly reflect the Council's:
  - financial position as at 30 June 2016; and
  - 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 Entity Accounting Standards

Our audit was completed on 29 September 2016. 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 we 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 that fairly reflect the matters to which they relate. We consider internal control 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 all 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 have obtained all the information and explanations we have required and 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 preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Council's financial position, and financial performance and cash flows.

The Council is also 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.

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

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

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pharmacycouncil
OF NEW ZEALAND
Te Pou Whakamana Kaimatu o Aotearoa