

Annual Report 2020



 **pharmacy**council

Te Pou Whakamana Kaimatū o Aotearoa

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At a glance

3,906

Practising pharmacists
at 30 June 2020

↑ 1.9% from previous year

200

New pharmacists registered
over the last year

↓ 11.1% from previous year

300

Intern pharmacists registered
over the last year

↑ 19% from previous year

Chair and Chief Executive report

What a year of two halves. The first half of our financial year might be described as business as usual, but in the second half, operations had to change significantly, and we needed to be resourceful.

COVID-19 has significantly affected all aspects of life around the world, bringing dramatic changes to pharmacy practice and the workload of pharmacists in New Zealand.

The first half: 2019/20

In the first half of the financial year, Council made progress on several initiatives. This slowed in the latter part of the year because of more immediate requirements, such as emergency practising certificates.

In August 2019, the then Minister of Health, Hon David Clark, confirmed six new Council members and reappointed two. (We acknowledged our previous members in last year's annual report.) The new members had a steep learning curve, and we had to reassess our work programme to ensure it matched the Council's desired regulatory direction. We are proud that momentum was maintained, and Council did achieve several significant strategic initiatives:

- introduced a statement of expectations for Clinical Pharmacists in General Practice
- started work on competency standards for the profession, as well as for pharmacist prescribers
- reviewed and updated several other policies and standards
- developed new recertification requirements to assure the public about the competency of pharmacists
- complied with key legislative requirements in the amendment to the Health Practitioners Competence Assurance Act 2003:
 - completed consultation on a naming policy and introduced it
 - met additional workforce data requirements
 - worked with the Ministry of Health and other responsible authorities on the new legislative requirement for performance reviews.

Council also delivered its critical functions of registering intern, local and international pharmacists; managing complaints, notifications, and disciplinary cases; and maintaining qualifications and assessment processes to ensure education programmes are robust.

The second half: March 2020 on

Pharmacists worked at the front line, serving their consumers, and going beyond the call of duty. From a regulatory perspective, pharmacists maintained high standards of wellbeing for the public, despite additional pressures. Council did receive slightly more minor complaints but saw no noticeable trend changes in the more complex cases. Thank you and well done, pharmacists.

Some aspects of pharmacy practice have changed in line with other parts of the health sector. Such 'new norms' of practice include:

- electronic prescribing and receiving prescriptions electronically (including increased work through telehealth)
- greater focus on removing barriers to patient care — we are pleased to see organisations and sectors collaborating to help address inequities
- enhanced importance of Hauora Māori / Te Reo immersion courses.

Council was part of the Pharmacy Sector COVID-19 Leaders forum, which focused on protecting public safety. As part of this focus, we supported initiatives to keep pharmacists safe too. The Council's approach was consistent with its mandate, because if the pharmacist is not safe, how can the public be safe? We supported pharmacy team members in sourcing Personal Protective Equipment, and with managing workloads and changes to medication.

Because of the pandemic, Council has had to adjust its regulatory approach and dedicate resourcing to different initiatives. Council has:

- slowed several significant projects, such as consulting pharmacists, pharmacist prescribers, and pharmacists in roles of responsibility, because it could not effectively engage with the profession
- introduced an emergency practising certificate process and helped support how the workforce is distributed throughout New Zealand
- reviewed and monitored registration processes and recertification requirements
- decided to give a financial rebate on annual practising certificates, for the first time.

Council had started to collect APC fees before New Zealand's March 2020 Level 4 lockdown was announced. To ensure fairness, Council decided to continue the process, allowing more time to record professional development activities. This added administration work for Council, but we are pleased that at 30 June 2020, New Zealand had 3,906 practising pharmacists who we can assure the public are fit and competent to practise (an increase of 1.9% over the previous year).

Our pharmacist Workforce Demographic Report to 30 June 2020 highlights that pharmacists in New Zealand are typically young (age 20–30) and female (66.6%). On average New Zealand has 7.81 pharmacists per 10,000 people.

Workforce Demographic Report:

pharmacycouncil.org.nz/news-and-publications/workforce-demographics

Looking ahead to 2020/2021

For the next financial year, Council will be putting its strategic efforts towards:

- ensuring appropriate regulatory responses — evaluating changing approaches and directions for the pharmacy profession, and how these work in an integrated health system (including responses to the Health & Disability System Review)
- maintaining processes and ensuring they can cope with any immediate safety requirements caused by pandemic pressures (e.g., emergency practising certificates)
- implementing enhanced recertification requirements, including launching a new technology platform to record professional development activities
- reviewing and implementing accreditation services
- consulting on, and finalising revised competency standards.

Financial outcome

With significant projects slowing, the financial year ended with a better result than expected. Council originally budgeted for a deficit of \$325,528 but reduced that to a final deficit position of \$1,819. This result included a provision for paying the rebate (a portion of the 2020/21 APC fee collected around March 2020).

Council is also confident that it can safely manage its costs and will not need to increase the APC fee for 2021/22. If costs increase, Council will manage these by reducing its workplan. We continue to manage reserves prudently, maintaining flexibility to respond to any unexpected requirements due to the pandemic or other adverse events.

Thanks and appreciation

On behalf of Council, our sincere thanks to all pharmacists for maintaining your high levels of care for the New Zealand public in very difficult times. We have been able to reliably assure the public that you are fit and competent, without any noticeable differences in the safety of your practice.

A huge thank you to:

- Council members, for your commitment to continue considering and advancing the most effective and efficient way to achieve the regulatory mandate expected of us under the Health Practitioners Competence Assurance Act 2003
- Council's operational team, for your consistent striving to deliver right-touch regulation to international standards — which is respected and appreciated
- everyone who has helped Council in some way — responding to consultations, being on committees, assessing and/or advising on critical issues, or providing remedial support.



Dr Jeff Harrison
Chair

Michael A Pead
Chief Executive



What and who is the Pharmacy Council?

Pharmacy Council Members (appointed in 2019)



Council members are appointed by a process outlined in the HPCAA (the Act) and confirmed by the Minister of Health. They are appointed for an initial term of two (or three) years, with renewal possible for two more terms.

Our role is supported by our Mission and Vision, which we have aimed to achieve through two strategic objectives supported by seven key strategies.

From back left to right:

K Azer BPharm, RegPharmNZ;
J Galt (FARMC Chair)¹ CA, CMinstD, FIIA, BCom (Hons);
M-c Wu CMinstD, MBA, BSc, BBus, BEd, BA;
Dr E Salis BSc, BPharm, PGDIPPharm, PhD (Clinical Pharmacy), NZRegPharm, MPS;
C Schimanski BPharm, RegPharmNZ

Seated from left to right:


M Pead (Chief Executive);
A Bauld (Deputy Chair) DipPharm, RegPharmNZ;
Dr J Harrison (Chair) BSc Hons (Pharmacy), PGDip Clin Pharm, PhD (Surgery), PGCert (Clin Ed);
M Lomax LLB;
A F Zareh BPharm (Hons), RegPharmNZ

¹ The Finance Assurance & Risk Management Committee (FARMC) Chair is not appointed to Council by the Minister of Health. This appointment was made by Council in order to ensure that appropriate and sufficient financial, risk and assurance skills are maintained. Accordingly the FARMC Chair has no voting rights on Council matters under the HPCAA (the Act).



Our Vision

Through skilled and safe practice, pharmacists contribute to better health outcomes for New Zealanders.



Our Mission

To protect the health and safety of members of the public through mechanisms that ensure pharmacists are competent and fit to practise in their profession.



Our function

Our primary role is to protect the health, safety, and wellbeing of the public by ensuring pharmacists are competent and fit to practise.

To meet this primary role, section 118 of the Act defines several functions the Pharmacy Council is required to deliver. The Council's Strategic Plan then defines the extent or priority of work for the Council to meet the functional requirements to an appropriate standard.

Our Strategic Plan

Objectives and Strategies



Strategic Objective 1: (SO1)

FOCUS: THE PUBLIC

Minimise risk of harm to public from pharmacist practice.

SUCCESS: The regulator minimises risk to the public when:

- » Standards of professional practice are maintained at a high level.
- » Pharmacists are registered in scopes of practice that reflect clearly defined levels of risk.
- » Regulation is responsive to changes in risk from pharmacist practice as part of the wider health system.
- » The regulator is responsive to indications and notifications.

UNDERSTANDING

Strategy 1 (S1.1)

Council will develop and maintain a comprehensive understanding of the work of pharmacists in relation to its impact on patients to identify and quantify risks of harm.

Measures:

- » Risks are identified and quantified within different types of practice.
- » A comprehensive risk vs competence model is developed and kept current for an evolving profession.

PROACTIVE REGULATORY TOOLS

Strategy 2 (S2.1)

Council will apply regulatory tools proactively to mitigate identified risks of harm.

Measure:

- » Competence standards, scopes, codes of practice and Council guidelines remain appropriate for current and emerging practice.

REACTIVE REGULATORY TOOLS

Strategy 3 (S3.1)

Council will deliver an appropriate regulatory response to notifications about pharmacists that present risk to the public.

Measure:

- » Complaints and compliance processes that prioritise public safety, are timely and support public trust in the profession.

Strategy 4 (S4.0) Organisational

Council will ensure it is effective and efficient, with the skills and capability to meet its regulatory obligations.

Measures:

- » Council operates to best-practice standards of governance.
- » Council resources are deployed efficiently and effectively.

UNDERSTANDING

Strategy 1 (S1.2)

Council will develop and maintain a comprehensive understanding of the work of pharmacists in relation to its impact on patients to update competencies required for effective practice.

Measures:

- » Identifying competencies that have the greatest likelihood of improving patient health outcomes.
- » A comprehensive risk vs competence model is developed and kept current for an evolving profession.

PROACTIVE REGULATORY TOOLS

Strategy 2 (S2.2)

Council will apply regulation proactively to strengthen pharmacist competencies.

Measure:

- » Education programmes, registration pathways and recertification requirements provide assurance that pharmacists are competent and fit to practise at registration and throughout their careers.

REACTIVE REGULATORY TOOLS

Strategy 3 (S3.2)

Council will deliver an appropriate regulatory response to notifications of pharmacist' competence and fitness to practise at the expected professional standard.

Measure:

- » Council identifies a pathway for pharmacists to return to the expected standard of practice where possible.

- » Risk is managed appropriately.
- » Business process capability is enhanced.
- » Organisational self-review is conducted and a quality improvement cycle implemented.
- » High calibre employees are attracted and retained.
- » Pharmacists and other stakeholders engage positively in the work of Council as a result of effective engagement activities.



Strategic Objective 2: (SO2)

FOCUS: THE PHARMACIST

Maximise pharmacists' competence and fitness to practise.

SUCCESS: Pharmacists are competent and fit to practise and able to make the greatest contribution to health outcomes when regulation ensures they:

- » Undertake education programmes that prepare them to practise in a range of settings and roles.
- » Maintain competence in the context of their own practice (including changing models of care).
- » Demonstrate professionalism and ethical practice (including cultural competency).

Our functions

Our primary role is to protect the health, safety and wellbeing of the public through ensuring pharmacists are competent and fit to practise.

To meet this primary role, the Act defines several functions (section 118), the Pharmacy Council is required to deliver. The Council's organisational strategy then defines the extent or priority of work required by the Council to meet the functional requirements to an appropriate standard.

We deliver the defined functions (section 118) under the following four broad categories:

Assurance of Qualifications and Competence

We prescribe the qualifications for each scope of pharmacist practice. We accredit and monitor the educational institutions and degrees, courses of study and programmes that deliver these qualifications. We set the recertification requirements for pharmacists to provide assurance of ongoing competence.

Strategy S2.2

Scope and Standards

We determine the scopes of practice for pharmacists, set competence standards and the *Code of Ethics*, outlining the level of skill, professionalism and ethical behaviour expected. We describe pharmacy practice standards, protocols and set programmes to ensure the ongoing competence of pharmacists.

Strategy S2.1

S1.2
S2.2
S3.2



Organisational

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.

Strategy S4.0

Registration, Complaints and Discipline

We authorise the registration of interns, pharmacists and pharmacist prescribers, consider applications for annual practising certificates and maintain the register of pharmacists.

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, clinical and ethical standards.

Strategy S1.1

S2.1
S3.1
S1.2
S2.2

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



What is the profession we assure the public about?

The Act requires us to maintain a register of pharmacists. We use the information from online applications to compile our yearly Workforce Demographic Report, which collates statistics about the demographic and geographic spread of pharmacists across New Zealand.

Pharmacist workforce survey

As part of the Annual Practising Certificate (APC) application, pharmacists are encouraged to complete a workforce survey. We use this data to develop a demographic profile of the pharmacy workforce.

The map below shows the workforce density for New Zealand regions, based on the number of practising pharmacists per 10,000 population (on 30 June 2020). The regional population data is based on March 2019 estimates by Stats NZ (as at March 2020). The map shows considerable variation in workforce density, exacerbated by the lower population density in rural regions.

Workforce Density for Pharmacists in New Zealand, 2020



Read our full Workforce Demographic Report 2020 on the Council website:
pharmacycouncil.org.nz/news-and-publications/workforce-demographics

Scope and standards



To strengthen assurance of patient safety and pharmacist competence, the Pharmacy Council sets competence standards, a code of ethics, and practice codes.

How did we perform?

Strategic Objective 1 – Focus: The Public

Proactive Regulatory Tools

Strategy 2.1

Council will apply regulatory tools proactively to mitigate identified risks of harm.

Measure:

Competence standards, scopes, codes of practice and Council guidelines remain appropriate for current and emerging practice.

We began to review the Competence Standards for the Pharmacy Profession and the Pharmacist Prescriber Competence Standards. These two projects involve multiple steps, and we completed the first of these during the year: mapping current practice, researching overseas pharmacist and prescriber standards, and reviewing New Zealand prescriber standards for other health professions.

After Melatonin was reclassified for supply by pharmacists, Council set standards of competence for pharmacists, to ensure public safety.

During the year, the Council revised several statements to ensure they match legislative, environmental and practice changes:

- First Aid Statement and flow diagram
- Vaping Statement
- Telehealth and Supply of Pharmacy Services over the Internet Statement

Strategic Objective 2 – Focus: The Pharmacist

Understanding

Strategy 1.2

Council will develop and maintain a comprehensive understanding of the work of pharmacists in relation to its impact on patients to update competencies required for effective practice.

Measures:

- Identifying competencies that have the greatest likelihood of improving patient health outcomes.
- A comprehensive risk vs competence model is developed and kept current for an evolving profession.

Council adjusted the 2020 APC online process to identify the environments and areas of pharmacist practice in more detail.

In our work programme we mapped how individual pharmacists practise against the Competence Standards for the Pharmacy Profession 2015.

Our 'Role of the Pharmacist' project collected data about the many different roles pharmacists undertake.

In July 2019 Council published its Statement of Expectations for Clinical Pharmacists in General Practice, setting out the competencies, professional and ethical practice principles that optimise effective practice in the collaborative General Practice environment.

Council monitored the practice environment, including queries and concerns from the public and the profession about pharmacy practice. We published articles highlighting competencies necessary for effective and safe practice in four Council newsletters during the 2019/20 year.

Proactive Regulatory Tools

Strategy 2.2

Council will apply regulation proactively to strengthen pharmacist competencies.

Measure:

Education programmes, registration pathways and recertification requirements provide assurance that pharmacists are competent and fit to practise at registration and throughout their careers.

Council collected feedback from pharmacists who had returned to the practising register in 2019. We analysed this feedback and used it to improve the quality of our return-to-practice processes. The feedback will also help with an upcoming review of our Return to Practice Policy.

Council revised the following policies:

- First Aid Policy
- English Language Policy

COVID response

Council has been an active member of the COVID-19 Pharmacy Sector Leaders' Group: a collaboration of over 30 representatives from all parts of the pharmacy sector. The group met regularly throughout Alert Levels 4 and 3 to support frontline pharmacists. Council was a collaborative partner in distributing messages from the group to the pharmacy sector, as a single source of agreed information. The group worked on resolving barriers to practice for pharmacists during the lockdown and various COVID alert levels.

Consistent with Council's role, we have focused on workforce issues, initiatives that assure pharmacists' competency, and measures to achieve the best possible health outcomes for the public, and particularly our vulnerable communities. Council developed processes to return pharmacists who had practised within the previous three years back to the practising register, so they could assist their colleagues during periods of heightened demand for pharmacy services.

Looking ahead

- Pharmacist Prescriber Competence Standards revised and published in early 2021
- Pharmacist Competence Standards revised and scheduled for consultation June 2021
- New Council statements to be published in early 2021:
 - Council Expectations of Pharmacists in Roles of Responsibility for PACT Oversight
 - Statement of Expectations for Pharmacists in Roles of Responsibility
 - Statement on Quality Improvement.

Assurance of qualifications and competence



The Pharmacy Council determines the scopes of practice for pharmacists and prescribes the qualifications required for each.

Council accredits and monitors pharmacy education programmes and the institutions that deliver them.

To ensure that pharmacists remain competent to practise, Council sets recertification requirements.

How did we perform?

Strategic Objective 2 – Focus: The Pharmacist

Proactive Regulatory Tools

Strategy 2.2

Council will apply regulation proactively to strengthen pharmacist competencies.

Measure:

Education programmes, registration pathways and recertification requirements provide assurance that pharmacists are competent and fit to practise at registration and throughout their careers.

All four accredited programmes remain accredited without conditions.

Accreditation processes ensure all programmes are mapped to competence standards to ensure registrants are competent and fit to practise.

Auckland and Otago Schools of Pharmacy have started to renew the postgraduate pharmacist prescriber programme.

The Council practical assessment (Assessment Centre) could not be held in May 2020 due to COVID-19 pandemic restrictions. Consequently, to maintain assurance of registrant competence, approximately 60 intern pharmacists were delayed eligibility to register as pharmacists until they had another opportunity to pass the Assessment Centre.

Assessment Centre reliability and validity was upheld during 2019/20 through consistent, standardised development and delivery processes, expert psychometric analysis of results, and assurance provided to Council by a sub-committee tasked with overseeing results and processes.

Standards of competence and fitness to practise as New Zealand pharmacists were upheld for overseas-qualified pharmacists. They must hold qualifications to confirm competence at least to the level of a New Zealand-qualified registrant.

New annual recertification requirements were developed during 2019/20 to strengthen Council's assurance that pharmacists maintain competence for their role throughout their careers.

For New Zealand graduates, qualifications for registration as a pharmacist are completed in sequence: Bachelor of Pharmacy, intern training programme, and Council assessment.

See the Pharmacy Council website for pharmacy education programmes accredited by the Council:

pharmacycouncil.org.nz/education-providers/accreditation

Our Workplace Demographic Report summarises numbers of intern pharmacists and newly registered pharmacists:

pharmacycouncil.org.nz/wp-content/uploads/Workforce-Demographic-Report-2020.pdf

(Available to read online or as a PDF download, 739KB)

Assurance of ongoing competence

Annual recertification is the primary mechanism Council employs to confirm that a pharmacist remains competent to practise in their scope of practice throughout their career.

In June 2020, pharmacists were advised of potential new recertification requirements to be implemented from 1 April 2021.

Read about the new recertification framework on our website:

pharmacycouncil.org.nz/new-zealand-registered-pharmacists/recertification/recertification/

Looking ahead

- Implement new technology platform and recertification requirements from 1 April 2021
- Review accreditation services
- Approve a new pharmacist prescriber education programme

Registration, complaints and discipline



How did we perform?

Strategic Objective 1 – Focus: The Public

Understanding

Strategy 1.1

Council will develop and maintain a comprehensive understanding of the work of pharmacists in relation to its impact on patients to identify and quantify risks of harm.

Measures:

- Risks are identified and quantified within different types of practice.
- A comprehensive risk vs competence model is developed and kept current for an evolving profession.

All complaints and notifications received for risks to patient safety are reviewed. A taxonomy is applied, which highlights the pharmacy practice elements associated with the root cause of concerns. An international Medication Error Reporting Programme (MERP) taxonomy tag is then applied, which identifies resultant patient harm.

Council uses this to analyse and ‘quantify’ risk and can then proactively communicate alerts to the profession to prevent similar incidents from occurring.

Proactive Regulatory Tools

Strategy 2.1

Council will apply regulatory tools proactively to mitigate identified risks of harm.

Measure:

Competence standards, scopes, codes of practice and Council guidelines remain appropriate for current and emerging practice.

The requirements for registering or recertifying did not change this year. Further work may be required to ensure that pharmacists with effective control of a pharmacy are practising at the expected level of competence.

Reactive Regulatory Tools

Strategy 3.1

Council will deliver an appropriate regulatory response to notifications about pharmacists that present risk to the public.

Measure:

Complaints and compliance processes that prioritise public safety, are timely and support public trust in the profession.

Council implemented a framework that manages concerns according to the level of risk to the public.

Risk is assessed as low, medium, or high. The turnaround time for cases is set according to the risk level, and 71% of tasks were completed on time. Only low-risk cases failed to meet the target, because of increased workloads during COVID-19 Alert Levels 3 and 4.

The risk profile for each case is reassessed and updated when we receive new information.

Strategic Objective 2 – Focus: The Pharmacist

Understanding

Strategy 1.2

Council will develop and maintain a comprehensive understanding of the work of pharmacists in relation to its impact on patients to update competencies required for effective practice.

Measures:

- Identifying competencies that have the greatest likelihood of improving patient health outcomes.
- A comprehensive risk vs competence model is developed and kept current for an evolving profession.

Analysing public queries and concerns identified trends to highlight in newsletter communications and reminders to pharmacists about expected standards.

Council published 13 professional and ethical practice newsletter articles this year.

Proactive Regulatory Tools

Strategy 2.2

Council will apply regulation proactively to strengthen pharmacist competencies.

Measure:

Education programmes, registration pathways and recertification requirements provide assurance that pharmacists are competent and fit to practise at registration and throughout their careers.

Council reviewed and updated registration processes to reflect amendments to the HPCA Act 2003.

We revised information on our website for overseas pharmacists seeking registration in New Zealand.

We published a new single-source booklet for pharmacists from countries with no recognised equivalent qualifications route (Non REQR), outlining the requirements to achieve registration in New Zealand.

Registration

APC Online Process 2020

To improve the quality of data held by Council, pharmacists were asked this year to include confirmation of their personal details and contact addresses. In addition, workplace data collection was based on health provider index (HPI) facilities and their codes as maintained by the Ministry of Health. These processes improve the accuracy, shareability, availability and reusability of data, which improves Council's business intelligence and reporting ability, and its ability to collaborate with other organisations.

This year Council communicated required actions to pharmacists via newsletters and email reminders. We also provided supplementary guidance to help pharmacists determine whether their role fell within the Pharmacist scope of practice (and therefore required an annual practising certificate).

Given the changes to data collected and the disruption caused by the COVID-19 pandemic during March, the process progressed well. In summary, we received:

- 3,823 applications to renew annual practising certificates in the Pharmacist scope of practice
- 25 applications to renew annual practising certificates in the Pharmacist and Pharmacist Prescriber scope of practice
- 629 applications to renew non-practising registration
- 99 applications to transfer from practising status to non-practising status.

COVID response — Emergency Practising Certificates

Council issued emergency practising certificates in March/April for the first time (and again in August 2020). This was to supplement the pharmacist workforce as it faced increasing pressure due to the COVID-19 pandemic. Council sought to ensure that pharmacists were not exposed to unsustainable workloads, and that the public had continuing access to safe pharmacy services. In total, 75 emergency practising certificates were issued to 54 pharmacists (each certificate valid for three months).

Movements on and off the practising register

The Council authorises the registration of health practitioners under the Act and is responsible for maintaining the register of pharmacists.

Read more in the Workforce Demographic Report on our website:

pharmacycouncil.org.nz/news-and-publications/workforce-demographics

Complaints and discipline

When concerns are raised about a pharmacist's practice,² the Council assesses the nature of the concern and the associated risks to public safety to determine the best response. The Act gives Council formal powers to address more serious concerns, but

² Concerns raised by the public, pharmacists, other health practitioners, employers, or government health sector organisations, (in the main DHBs, HDC and Medicines Control).

after preliminary enquiries, many of the concerns raised do not need to be formally considered. Similarly, most concerns that are formally considered are resolved without needing to use the formal powers. Alternative options are voluntary agreement, professional development, peer support, and educational letters.

The Council prioritises its assessment based on the risk attributed to the concern. The risk level can change as new information is received, and the timeframes for tasks will be adjusted accordingly. The higher the risk, the shorter the timeframe for each task.

Many of these concerns are resolved by further conversations with the complainant and pharmacist concerned. In many instances the public are seeking authoritative clarification about the service provided. Many of these concerns might have been avoided by communicating more effectively, and the heightened stress associated with COVID-19 did lead to an increased number of complaints in March and April 2020, mainly because of ineffective communication. Recognising the considerable pressure on pharmacists during this time, we emphasised the importance of effective and professional communication to ensure safe outcomes.

We advise the public to make their complaint directly and formally to the Health and Disability Commissioner (HDC) when it relates to health services provided by a pharmacist. Complaints received directly by Council are also forwarded to the HDC.

In the year ending 30 June 2020, 147 concerns were raised with Council (down 15.5% from the previous year), of which 54 were formal concerns. We completed 71% of the tasks associated with the formal concerns within the requisite timeframes. The shortfall was due to the increased demand on resources during the COVID-19 lockdown (which coincided with Annual Practising Certificate renewal work) but applied only to low-risk cases.

Concerns from the public about pharmacy practice included:

- dispensing errors
- poor communication (insufficient information, manner of communication or response to patient's complaint)
- price queries (medicines and COVID-related supplies)
- Pharmacist-related dispensing rules, stock shortages, and brand changes
- refusal to dispense medicines, especially pharmacist-only medicines.

The number of formal concerns (54) managed by Council was down slightly (8%) from the previous year. These consisted of 13 HDC complaints, 5 competence notifications, and 36 miscellaneous complaints. This year we closed 11 open HDC cases from the previous year, and one new HDC case.

Ten of the complaints were referred for investigation by a Professional Conduct Committee, including multiple complaints relating to two pharmacists.

None of the 54 concerns resulted in formal competence or health assessment. However, one concern from the previous year resulted in orders for a competence review and then a competence programme to address the gaps identified by the review.

Of the 54 concerns, 24 were closed. In summary, the outcomes were:

No further action	10
Educational letter	4
Monitoring arrangements	2
Referred to HDC	8

Council continued to monitor the health of 17 pharmacists (in total, 5 new during this period). This was mainly by using voluntary agreements or receiving an annual update on progress when they renewed their practising certificate. Health information was also mostly disclosed by pharmacists at the time of renewal (40 disclosures), although many were for a self-limited condition or one previously advised to the Council.

Professional Conduct Committee and referral to the Health Practitioners Disciplinary Tribunal

This table summarises the cases investigated by the Professional Conduct Committee (PCC) and referred to the Health Practitioners Disciplinary Tribunal (HPDT) for a hearing.

Disciplinary Investigations & Hearings: Annual Caseload Summary				
	Cases open at 30Jun19	Cases opened after 30Jun19	Cases closed after 30Jun19	Cases open at 30June20
PCC	10	6	9	7
HPDT	5	6	7	4
Total	15	12	16	11

The PCC laid a charge with the HPDT for six of the nine closed cases. The six new cases include investigations into allegations of theft, plagiarism, employment issues, and practising without a practising certificate.

Professional misconduct was found for three of the seven cases closed.³ A joint hearing involving four pharmacists facing similar charges did not establish the charges. The PCC decided to appeal these decisions, and this appeal was in progress at year end.

HPDT Summary

	2019/20	2018/19
Number of pharmacists heard by HPDT	3	2
Tribunal costs and disbursements incurred	\$44,540	\$73,283
Professional Conduct Committee costs and disbursements incurred	\$38,364	\$205,484
Total PCC and HPDT costs used by the HPDT to determine costs to be awarded	\$82,904	\$278,767
Total costs awarded to Council by HPDT	\$20,169	\$55,374
Fines charged	\$500	\$3,000
Total costs and fines awarded by HPDT	\$20,669	\$58,374

Looking ahead

- Delivering a Case Management system that will improve efficiency and access to case data
- Working with other health sector organisations to improve understanding of risks to the public
- Training new PCC members appointed by Council

³ More information is available on the Pharmacy Council website.

Organisational



How did we perform?

Strategy 4.0

Council will ensure it is effective and efficient, with the skills and capability to meet its regulatory obligations.

Measures:

- Council operates to best-practice standards of governance
- Council resources are deployed efficiently and effectively
- Risk is managed appropriately
- Business process capability is enhanced
- Organisational self-review is conducted, and a quality improvement cycle implemented
- High calibre employees are attracted and retained
- Pharmacists and other stakeholders engage positively in the work of Council through effective engagement activities

Governance

Council

Council is charged with oversight of its regulatory functions under the HPCAA. It met a total of ten times during the year to conduct its business.

In September 2019, six newly appointed members were inducted to Council to replace members whose terms had finished. Council undertook training for governance, HPCAA legislation, and media management coaching during the year. A strategic planning workshop in February confirmed the direction for 2020/21 and beyond.

Finance Assurance and Risk Management Committee (FARMC)

FARMC is a sub-committee of the Council that helps to assure the organisation's financial accountability and risk management.

As an integral part of the wider Council workplan, FARMC met five times during the year to consider the monthly financial statements, annual accounts, risk management (including Council's fraud control plan), insurance arrangements, policy statements, business continuity plans, health and safety, councillor professional development, and the registers for conflicts of interest and gifts.

FARMC checks with management to satisfy itself that the processes and policies of the Council are fit for purpose and makes recommendations to Council in support of this.

Risk

Council comprehensively reviewed the format and content of its Risk Register during the year. The review has resulted in a more comprehensive analysis of specific risks, and has provided a solid foundation for continuing identification, management and mitigation of risks associated to Council's operations.

Business Process Capability

During the year Council's website was reviewed and streamlined to differentiate content useful to members of the public from content useful to pharmacists. Content management is being transferred to a WordPress platform, which will help Council to ensure currency of content and ease of updates. Once launched in early 2021, this will also improve the efficacy of Council's ongoing Stakeholder Management strategy.

Recruitment & Retention

Council maintains a strong recruitment and staff management process, with a stable retention rate. For the year ending 30 June 2020, the average length of service for permanent employees was 4.6 years (2019: 4.3 years).

Annual Turnover	2020	2019
Employees at 30 June	13	15
<i>FTE</i>	<i>11.9</i>	<i>12.8</i>
Resignations during the year	3	1
<i>FTE</i>	<i>2.6</i>	<i>0.9</i>
Turnover Rate	21%	7%

Looking ahead

- To provide greater clarity of its financial operations, Council is preparing to realign its financial year from 30 June to 31 March for the year beginning 1 July 2021.
- Council will continue to refine its internal planning and reporting processes to further integrate its financial and non-financial information. This is to comply with new statutory Service Performance Reporting requirements taking effect from 1 January 2022.
- Council's website is undergoing a full content review and redesign process, with the new site planned to launch early in 2021. Visitors to the new site will experience a cleaner navigation experience with less content clutter.



Our financial performance

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Our financial performance 2019/20

The Pharmacy Council has included audited Summary Financial Statements in this annual report. The full set of audited Financial Statements is also available from our website:

pharmacycouncil.org.nz/news-and-publications/annual-reports

Council has returned an operating deficit of \$1,819 for the year ended 30 June 2020. This result is achieved against a budget deficit of \$325,528.

Accumulated Funds

Council's Accumulated Funds are separated into a General Fund and a Disciplinary Fund, to provide greater transparency to stakeholders. The net movement in each Fund is detailed in Note 20 of the full audited financial statements, which can be found on Council's website:

pharmacycouncil.org.nz/news-and-publications/annual-reports

Council's Accumulated Funds at balance date total \$2,336,220. The General Fund has a retained balance of \$1,855,527 and the Disciplinary Fund has a retained balance of \$480,693.

Total APC Fees

For the APC year commencing 1 April 2020, the total APC fee (which comprises the APC fee and Disciplinary Levy) increased from \$793.62 to \$800.62 (including GST). Operational costs are reflected in the General Fund and disciplinary costs are reflected in the Disciplinary Fund.

APC Fees

Pharmacists and interns pay APC fees, representing 79% of total revenue reported for 2019/20. The APC fee covers operational and policy-setting costs.

Disciplinary Levy

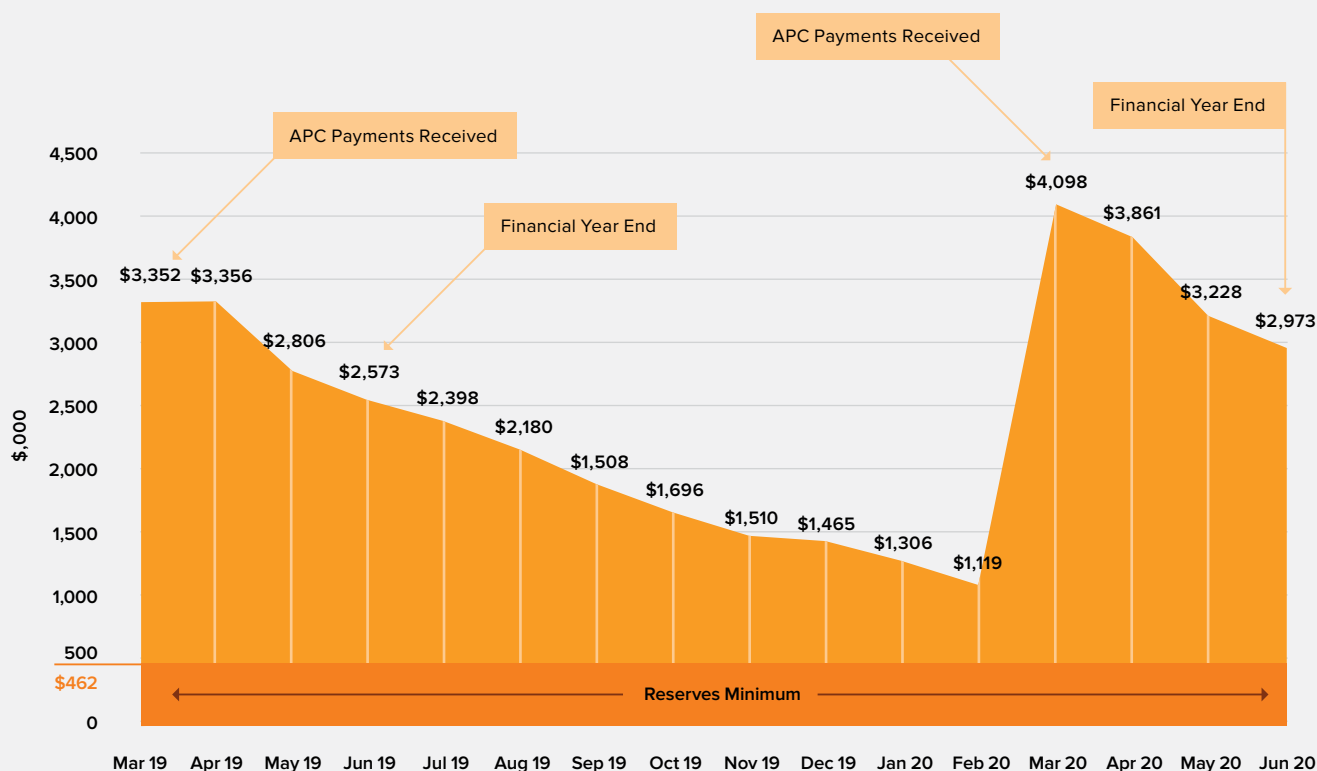
The Disciplinary Levy is charged to fund the costs of Professional Conduct Committees and Health Practitioners Disciplinary Tribunal hearings. The Disciplinary Levy is currently set at \$93.61 (including GST), representing 12% of the total income reported for 2019/20.

Projected 2020/21

Council has agreed it will not adjust fees for the 2021/22 APC year and has planned to operate a small deficit budget for 2020/21 of \$16,802. It has committed to delivering the technology platform for a new recertification framework from 1 April 2021 from within its approved budget and existing reserves, at no additional cost to practitioners.

Council is forecasting a further deficit of \$59,275 in the following 2021/22 financial year, while maintaining its reserve levels for any unforeseen events.

Bank Balance / Reserves Minimum



Bank Balance and Reserves Minimum

Council's financial year and Annual Practising Certificate (APC) renewal year are not perfectly aligned. APC funding is received and recognised in full before the financial year end but relates to the renewal period from 1 April to 31 March of the following financial year. This annual funding cycle and associated cash flow must sustain Council's workplan, disciplinary caseload, and general operations until the next APC renewal round in March of the following financial year.

Due to the timing of APC renewals, Council reserves and cash balances are substantial at the end of its financial year but progressively reduce in the eight months that follow. In the months before APC renewal, the Council must have enough cash remaining to fulfil its stated minimum reserves policy and fund its operations (i.e. it can fund operations up to and prior to receiving cash flows from the new APC renewal year).

For 2019/20, Council policy set the minimum reserve levels of \$261,926 for its General Fund and \$200,000 for its Disciplinary Fund. The General Fund Reserve policy is based on the average of one month's budgeted operational costs over the coming two years. The Disciplinary Fund Reserve is based on the likelihood of meeting unplanned costs of significant or complex disciplinary cases.

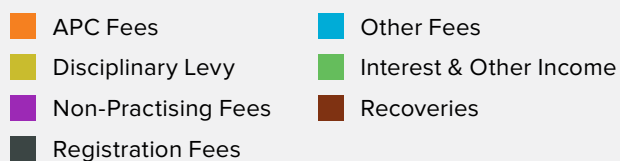
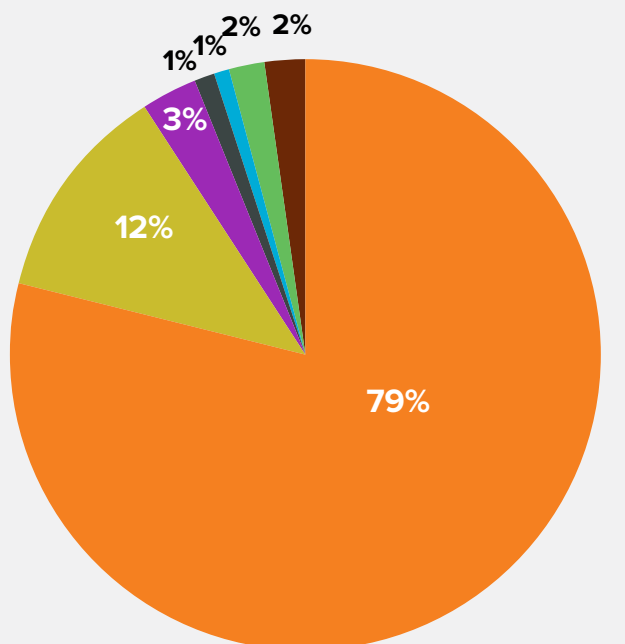
Council ended the financial year with a better result than expected because of slowing significant projects and COVID-19's effect on achieving the deliverables of Council's 2019/20 workplan. The graph above reflects Council's cash balances as higher than the minimum reserves level at the normal February 2020 low cash point.

In recognition of the slowed workplan and the resulting underspend this year, Council decided to refund approximately 10% of the 2020/21 APC fee collection (at a calculated cost of \$241,244 excluding GST). This has been provided for in the financial statements for 2019/20, with payments to practising pharmacists scheduled for processing in the new financial year. The impact of this decision has not been reflected in Council's closing cash position in the graph above.

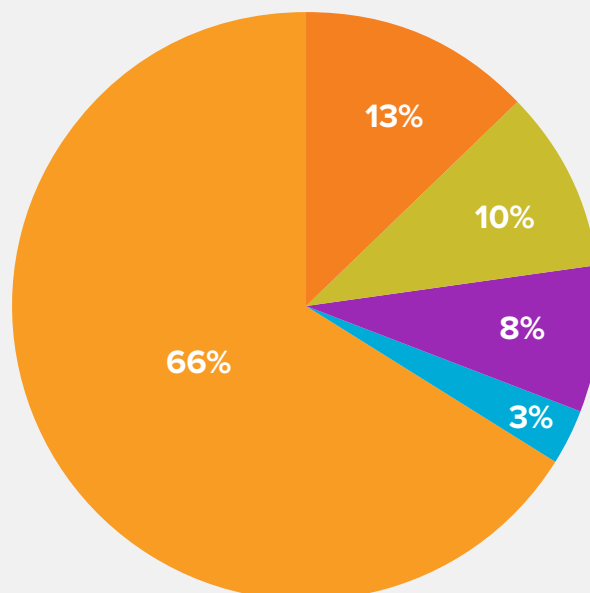
Council has budgeted for an overall deficit in 2020/21 to redress this shift in costs between the two years.

In the financial year beginning 1 July 2021, Council will move to a 31 March balance date to further streamline the annual planning and budgeting process. This move will make its annual financial statements more useful for monitoring and reporting purposes.

2020 Revenue



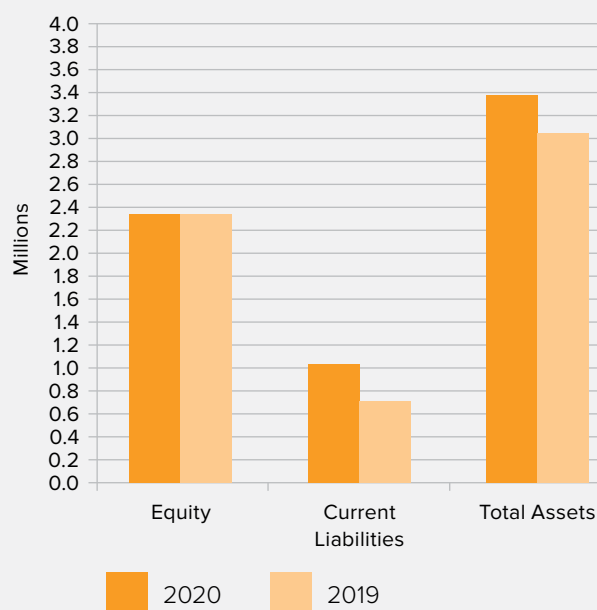
2020 Expenditure



2020 Financial Performance



2020 Financial Position



Pharmacy Council of New Zealand
Summary Financial Statements
For the year ended 30 June 2020

Statement of Comprehensive Revenue and Expense
For the year ended 30 June 2020

	2020	2019
Revenue from non-exchange transactions		
Annual Practicing Certificate fees	2,355,821	2,502,454
Disciplinary levies	353,696	349,724
Disciplinary recoveries	24,224	53,818
	<u>2,733,741</u>	<u>2,905,996</u>
Revenue from exchange transactions		
Registration fees	44,727	37,383
Non-practicing fees	77,463	82,129
Overseas pharmacist fees	14,400	43,424
Other fees	19,043	171,566
Interest income	53,208	56,077
Credit card recoveries	41,313	39,789
Other income	1,882	100,677
	<u>252,035</u>	<u>531,045</u>
Total revenue	<u>2,985,776</u>	<u>3,437,040</u>
Expenses		
Registration and discipline	394,786	575,687
Review & Development	303,561	353,488
Governance	221,242	171,235
Stakeholder Engagement	99,000	85,207
Operating and administration	1,969,007	2,517,030
Total expenses	<u>2,987,595</u>	<u>3,702,646</u>
Total (deficit) / surplus for the year	<u>(1,819)</u>	<u>(265,606)</u>
Other Comprehensive Income	-	-
Total Comprehensive revenue and expense for the year	<u>(1,819)</u>	<u>(265,606)</u>

Statement of Changes in Net Assets
For the year ended 30 June 2020

	Accumulated comprehensive revenue and expense \$	Total \$
Balance at 1 July 2018	2,603,644	2,603,644
Surplus for the year	(265,606)	(265,606)
Other comprehensive income	-	-
Balance at 30 June 2019	<u>2,338,038</u>	<u>2,338,038</u>
Surplus for the year	(1,819)	(1,819)
Other comprehensive income	-	-
Balance at 30 June 2020	<u><u>2,336,220</u></u>	<u><u>2,336,220</u></u>



Statement of Financial Position

For the year ended 30 June 2020

	2020 \$	2019 \$
Current Assets	3,072,807	2,683,892
Non-Current Assets	290,536	357,107
Total Assets	3,363,344	3,040,998
Current Liabilities	715,598	329,630
Non-Current Liabilities	311,526	373,330
Total Liabilities	1,027,124	702,960
Net Assets	2,336,220	2,338,038
Equity	2,336,220	2,338,038

Signed for and on behalf of the Council Members who authorised these financial statements for issue on 22 September 2020:



Chair of Council



Chief Executive

Statement of Cash Flows

For the year ended 30 June 2020

	2020 \$	2019 \$
Net cash flows from operating activities	440,432	139,878
Net cash flows from investing activities	(490,706)	(83,656)
Net cash flows from financing activities	-	-
Net Change in Cash and Cash Equivalents	(50,274)	56,222
Cash and Cash Equivalents at the Beginning of the Financial Year	323,693	267,471
Cash and Cash Equivalents at the End of the Financial Year	273,419	323,693

Notes to the Financial Statements

For the year ended 30 June 2020

Notes to the Summary Financial Statements

Statement of compliance

The information set out in these Summary Financial Statements has been prepared in accordance with PBE FRS 43: Summary Financial Statements and extracted from the full financial statements of the Pharmacy Council of New Zealand for the year ended 30 June 2020.

The Council's full 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 has taken advantage of all applicable Reduced Disclosure Regime (RDR) disclosure concessions.

The full financial reports were authorised for issue on 22 September 2020 and given an unmodified opinion by the Council's auditors.

The summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial report. A copy of the full financial report can be obtained from the e-mail address below. For further information please e-mail enquiries@pharmacycouncil.org.nz or see <https://www.pharmacycouncil.org.nz/news-and-publications/annual-reports/>.

The Council's auditor has examined the summary financial statements for consistency with the audited financial report and has issued an unmodified opinion.

Basis of measurement

These summary financial statements are prepared on the basis of historical cost. The summary financial statements are presented in New Zealand Dollars and rounded to the nearest dollar.

Estimates and assumptions

At the date of issuing the financial statements, the Pharmacy Council is not expecting a sustained impact of COVID-19 on the continued operation of the Council other than the reduction in expenditure related to some parts of its work programme for the year under review and the coming financial year. Applications for annual APCs remain a statutory requirement for practising pharmacists and the Council will continue to receive APC fees from practitioners.

Related party transactions

Related party transactions include fees paid to Council members for attending to Council, Council sub committees (FARMC, PCC and CSC), working party meetings and participating in other forums. Further information about Councillor fees and expenses is provided in the full financial statements.

Contingent assets and liabilities

Council has lodged a High Court appeal contesting a Health Practitioner Disciplinary Tribunal (HPDT) decision on a case involving Fraudulent Prescriptions. The hearing date has been set for 8 September.

Other than disclosed above, there are no contingent assets or liabilities at the reporting date. (2019: \$Nil)

Capital commitments

There are no capital commitments at the reporting date. (2019: \$Nil)

Events after the reporting date

On 25 June 2020 Council approved a 10% rebate in relation to the 2020/21 APC fees collected (refer also to note 19). Accordingly the entity has provided for a total rebate of \$241,244 which will be paid after 30 June 2020. Other than this there are no other events after the reporting date to be disclosed.



Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the Readers of Pharmacy Council of New Zealand's Summary Financial Statements for the Year Ended 30 June 2020

Opinion

The summary financial statements of the Pharmacy Council that comprise the summary statement of financial position as at 30 June 2020, the summary statement of comprehensive revenue and expenses, summary statement of changes in net assets, summary statement of cash flows for the year ended on that date, and related notes, are derived from the full financial statements for the year ended 30 June 2020 that we have audited.

In our opinion, the summary financial statements are consistent, in all material respects, with the full financial statements for the year ended 30 June 2020, in accordance with PBE FRS-43: Summary Financial Statements issued by the New Zealand Accounting Standards Board.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the full financial statements and the auditor's report thereon. The summary financial statements do not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the full financial statements in our auditor's report dated 29 October 2020.

Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the note disclosure that outlines the possible effects of the COVID-19 pandemic on the entity.

Council's Responsibility for the Summary Financial Statements

The Council is responsible for the preparation of the summary financial statements in accordance with PBE FRS 43 Summary Financial Statements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the full audited financial statements of the Pharmacy Council, based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor we have no relationship with, or interests in the Council.

A handwritten signature in blue ink, appearing to read 'CMurray', written over a light blue circular stamp.

Chrissie Murray, Baker Tilly Staples Rodway Audit Limited
On behalf of the Auditor-General

Wellington, New Zealand,
13 November 2020

Baker Tilly Staples Rodway Audit Limited, incorporating the audit practices of Christchurch, Hawkes Bay, Taranaki, Tauranga, Waikato and Wellington.

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Kensington Swan

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Wellington 6143

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Te Pou Whakamana Kaimatū o Aotearoa