

ANNUAL REPORT
OF THE
PHARMACY COUNCIL OF NEW ZEALAND
TO THE MINISTER OF HEALTH
FOR THE PERIOD ENDED 30 JUNE 2004

Report to the Minister of Health
Pursuant to s 134 of the
Health Practitioners Competence Assurance Act 2003



PHARMACY COUNCIL OF NEW ZEALAND

The Pharmacy Council of New Zealand was established under the Health Practitioners Competence Assurance Act (HPCA) 2003 and has a duty to protect the public and promote good pharmacist practice. The Pharmacy Council is responsible for registration of pharmacists, the setting of standards for pharmacists' education, scopes of practice and conduct.

VISION

The Pharmacy Council is instrumental in pharmacy practitioners being recognized as the trusted experts in medicines.

MISSION

To set the standard for the safe, modern practice of pharmacy in New Zealand while building community confidence.

FUNCTIONS OF THE PHARMACY COUNCIL

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

The functions of the Pharmacy Council under section 118 of the HPCA Act are:

- a) to prescribe the qualifications required for scopes of practice within the profession, and, for that purpose, to accredit and monitor educational institutions and degrees, courses of studies, or programmes;
- b) to authorise the registration of health practitioners under the Act and to maintain registers;
- c) to consider applications for annual practising certificates;
- d) to review and promote the competence of health practitioners;
- e) to recognise, accredit and set programmes to ensure the ongoing competence of health practitioners
- f) to receive and act on information from health practitioners, employers, and the Health and Disability commissioner about the competence of health practitioners;

- g) to notify employers, the Accident Compensation Corporation, the Director-General of Health, and the Health and Disability Commissioner that the practice of a health practitioner may pose a risk of harm to the public.
- h) to consider the cases of health practitioners who may be unable to perform the functions required for the practice of the profession;
- i) to set standards of clinical competence, cultural competence, and ethical conduct to be observed by health practitioners of the profession;
- j) to liaise with other authorities appointed under the Act about matters of common interest
- k) to promote education and training in the profession;
- l) to promote public awareness of the responsibilities of the authority
- m) to exercise and perform any other functions, powers, and duties that are conferred or imposed on it by or under this Act or any other enactment.

COUNCIL MEMBERS

The Pharmacy Council has eight members appointed by the Minister of Health. The Council held its inaugural meeting on 25 February 2004.

Eleanor Hawthorn ONZM, FPS (Chair) is an Auckland pharmacy proprietor and a past president of The Pharmaceutical Society of New Zealand (PSNZ).

Andi Shirtcliffe B.Pharm, PG Cert Pharm, MNZCP, MPS, (Deputy Chair) is a former pharmacy proprietor who currently works in the Wellington area as a consultant pharmacist. Andi is a previous Pharmaceutical Society of New Zealand Councillor.

Robert Fleming Dip Pharm, MClinPharm, ANZCP, MPS is a Christchurch pharmacist and a past member of the Council of the Pharmaceutical Society of New Zealand.

Brian Irvine Dip HA, DipClinPharm, FNZHPA, ANZIM, FPS of New Plymouth is involved in a Taranaki PHO through First Health. He is a Council member of the Commonwealth Pharmacists' Association and a past president of the Pharmaceutical Society of New Zealand (PSNZ).

Dr Judith Johnston BA (Hons), MA, PhD is a management consultant with many years of experience in the public and private sectors, including a term as Deputy Director General of Health.

Carolyn Oakley-Brown B.Pharm, MNZCP, MPS is a former pharmacy proprietor in Christchurch and is actively involved in medicines management programmes.

Darryn Russell is Maori Affairs Advisor in the Office of the Vice Chancellor at the University of Otago. He is also a director of Te Runanga o Otakou Incorporated (a local Ngai Tahu Marae Council), Ngai Tahu Seafood Ltd and Araiteuru Whare Hauroa (a Maori health provider in Dunedin City).

Professor John Shaw BSc, Dip ClinPharm, PhD, FNZCP, FRPharmS, FPS is Head of the School of Pharmacy at the University of Auckland. John is actively involved in current pharmacy practice and brings an academic perspective to the Pharmacy Council.

ACTIVIITES TO 30 JUNE 2004

Up until the Health Practitioners Competence Assurance Act became fully effective in September 2004, the Council with the assistance of the Pharmaceutical Society of New Zealand, prepared for the responsibilities and activities arising from the change to the legislation. On 18th September 2004 the HPCA 2003 came into full effect and the Pharmacy Council began on an operational level.

FINANCIAL STATEMENTS TO 30 JUNE 2004

For the period to 30 June 2004 the Pharmacy Council of New Zealand was not operational and no financial transactions were entered into by the Council.

Following advice from our auditors KPMG, the Council has prepared a full set of financial statements to 30 June 2004 in accordance with generally accepted accounting practice and an audit opinion has been expressed as at that date.

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2004

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STATEMENT OF FINANCIAL PERFORMANCE

FOR THE PERIOD ENDED 30 JUNE 2004

	2004 \$
Revenue	
Total Revenue	-
Expenditure	
Total Expenditure	-
Net surplus/ (deficit) for the period	<u>-</u>

STATEMENT OF MOVEMENTS IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2004

	2004 \$
Net surplus/ (deficit) for the period	<u>-</u>
Total Recognised revenue and expenses	-
Equity at the start of year	-
Equity at the end of year	<u>-</u>

These financial statements should be read in conjunction with the attached accounting policies and notes to the accounts.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2004

	2004 \$
Current assets	
Total Current assets	-
Non-Current assets	
TOTAL ASSETS	<u>-</u>
Current liabilities	
Total Current liabilities	-
Equity	-
TOTAL LIABILITIES AND EQUITY	<u>-</u>



Eleanor Hawthorn
Chair of Council

Date: 31 October 2005



Bronwyn Clark
Chief Executive/Registrar

These financial statements should be read in conjunction with the attached accounting policies and notes to the accounts.

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE 2004

	2004 \$
<u>Cash flows form operating activities</u>	
Net cash inflow/(outflow) from operating activities	-
<u>Cash flows from investing activities</u>	
Net cash (outflow)/inflow from investing activities	-
<u>Cash flows from financing activities</u>	
Net cash inflow/(outflow) from financing activities	-
Net increase in cash held	<u>-</u>
Add opening cash and bank balances	-
Closing cash and bank balances	<u>-</u>
Represented by:	
Cash and bank balances	<u>-</u>

These financial statements should be read in conjunction with the attached accounting policies and notes to the accounts.

STATEMENT OF ACCOUNTING POLICIES

FOR THE PERIOD ENDED 30 JUNE 2004

Reporting Entity

The Pharmacy Council is a statutory body constituted under the Health Practitioners Competence Assurance Act 2003 (HPCA Act 2003) and has a duty to protect the public and promote good pharmacist practice. The Pharmacy Council is responsible for registration of pharmacists, the setting of standards for pharmacists', accreditation of education programmes and ensuring pharmacists are competent to practise.

The Pharmacy Council was established under the HPCA Act 2003 on 18 December 2003 and commenced operations on 18 September 2004.

The Pharmacy Council has adopted a 30 June balance date. Section 134 of the HPCA Act 2003 and the NZ Accounting Framework requires an entity's first accounting period to not exceed 15 months after the date on which it was first established. To fulfill these requirements the Pharmacy Council has produced financial statements for the year ended 30 June 2004.

General Accounting Policies

These financial statements are a general purpose financial report as defined in the New Zealand Institute of Chartered Accountants of New Zealand Statement of Concepts and have been prepared in accordance with generally accepted accounting practice as defined in that Statement.

Measurement Basis

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by the Pharmacy Council.

Specific Accounting Policies

The following specific accounting policies that materially affect the measurement and reporting of financial performance and financial position have been applied:

- **Differential Reporting**

The Council is a qualifying entity by virtue of the fact that it has no public accountability and is small as defined by the *Framework for Differential Reporting*.

All available differential reporting exemptions allowed under the *Framework for Differential Reporting* have been adopted except for FRS-10 Statement of Cash Flows, as a statement of cash flows has been disclosed.

- **Fixed Assets**

Fixed assets are recorded at cost and depreciated over the estimated useful lives of the assets. Subsequent expenditure that extends or increases the asset's service potential is capitalised.

Depreciation is calculated on a straight-line basis at the following rates:

Leasehold Improvements	10 years
Furniture & Fittings	10 years
Office Equipment	5 years
Computer Hardware & Software	3 years

- **Goods & Services Tax (GST)**

The Statement of Financial Performance and Statement of Cash-flows has been prepared on a GST exclusive basis. All items in the Statement of Financial Position are stated net of GST with the exception of receivables and payables, which are stated inclusive of GST, if any.

- **Receivables**

Receivables are recorded at estimated net realisable value after due provision for doubtful debts.

- **Taxation**

The Pharmacy Council is exempt from taxation pursuant to Section CB 4 (1)(e) of the Income Tax Act 1994.

- **Revenue Recognition**

The Pharmacy Council's annual practising year for pharmacists is from 1 April to 31 March. Only those fees and levies that are attributable to the current financial year are recognised in the statement of financial performance. Fees and levies received in advance of their due dates are recognised in the statement of financial position.

- **Operating Leases**

Payments made under operating leases are recognised in the Statement of Financial Performance.

Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2004

(1) Operating cash flows reconciliation

Net operating surpl/ (deficit) for the year	-
Add/(Deduct) non-cash items	-
Add/(Deduct) working capital items	-
Net Cash inflow/(outflow) from operating activities	<u>-</u>

(2) Commitments

The Pharmacy Council had \$0 commitments, capital or operating, at 30 June 2004

(3) Contingent Liabilities

The Pharmacy Council had no known contingent liabilities at 30 June 2004

(4) Related Parties

There were no related party transactions for the period ended 30 June 2004

(5) Subsequent Events

Subsequent to balance date (18 September 2004) the Pharmacy Council began operations through the transfer of assets from The Pharmaceutical Society of New Zealand.

(6) Adoption of International Financial Reporting Standards

The New Zealand Institute of Chartered Accountants has announced that New Zealand entities will adopt International Financial Reporting Standards (NZIFRS) for financial years commencing after 1 January 2007. Entities may however, choose to adopt NZIFRS from 1 January 2005. The Council intends to adopt NZIFRS for the financial year commencing 1 July 2006.

The Council has yet to quantify the impact that the adoption of NZIFRS will have on the financial statements. The actual impact of adoption of NZIFRS may vary from the information presented, and that variation maybe material.

Audit report

To the members of the Pharmacy Council of New Zealand (“the Council”)

We have audited the financial statements on pages 2 to 7. The financial statements provide information about the past financial performance of the Council and its financial position as at 30 June 2004. This information is stated in accordance with the accounting policies set out on pages 5 to 6.

Council responsibilities

The Council is responsible for the preparation of financial statements which give a true and fair view of the financial position of the Council as at 30 June 2004 and the results of its operations and cash flows for the period ended on that date.

Auditors’ responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Council and report our opinion to you.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Council in the preparation of the financial statements;
- whether the accounting policies are appropriate to the Council’s circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements on pages 2 to 7:

- comply with New Zealand generally accepted accounting practice;
- give a true and fair view of the financial position of the Council as at 30 June 2004 and the results of its operations and cash flows for the period ended on that date.

Our audit was completed 31 October 2005 and our unqualified opinion is expressed as at that date.

A handwritten signature in black ink, appearing to be 'KPMG' with a stylized flourish underneath.

Wellington