

Annual Report 2023



 **pharmacy**council

Te Pou Whakamana Kaimatū o Aotearoa



Our Impact

Pharmacists are
competent and
fit to practise

The health and safety
of New Zealanders
is protected

The Pharmacy Council of New Zealand | Te Pou Whakamana Kaimatū o Aotearoa is pleased to submit this report, for the year ending 31 March 2023, to the Minister of Health. The report is presented in accordance with section 134 of the Health Practitioners Competence Assurance Act 2003 (HPCA Act).

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Our year in numbers

Pharmacists must hold an Annual Practising Certificate to practise pharmacy in Aotearoa New Zealand.

Overall, we have seen a 1.6% increase in practising numbers compared to the previous year and a 10.7% increase in Intern pharmacist registrations due to delivery of two Assessment Centres this year versus only one in the nine months of the previous reporting period.

The number of new pharmacist registrations in the period is 26.7% higher than the previous year.



4,299

Pharmacists practising on 31 March 2023

31 March 2022: 4,231



51

Pharmacist prescribers practising on 31 March 2023

31 March 2022: 44



185

New pharmacist registrations

31 March 2022: 146



342

Intern pharmacist registrations

31 March 2022: 309

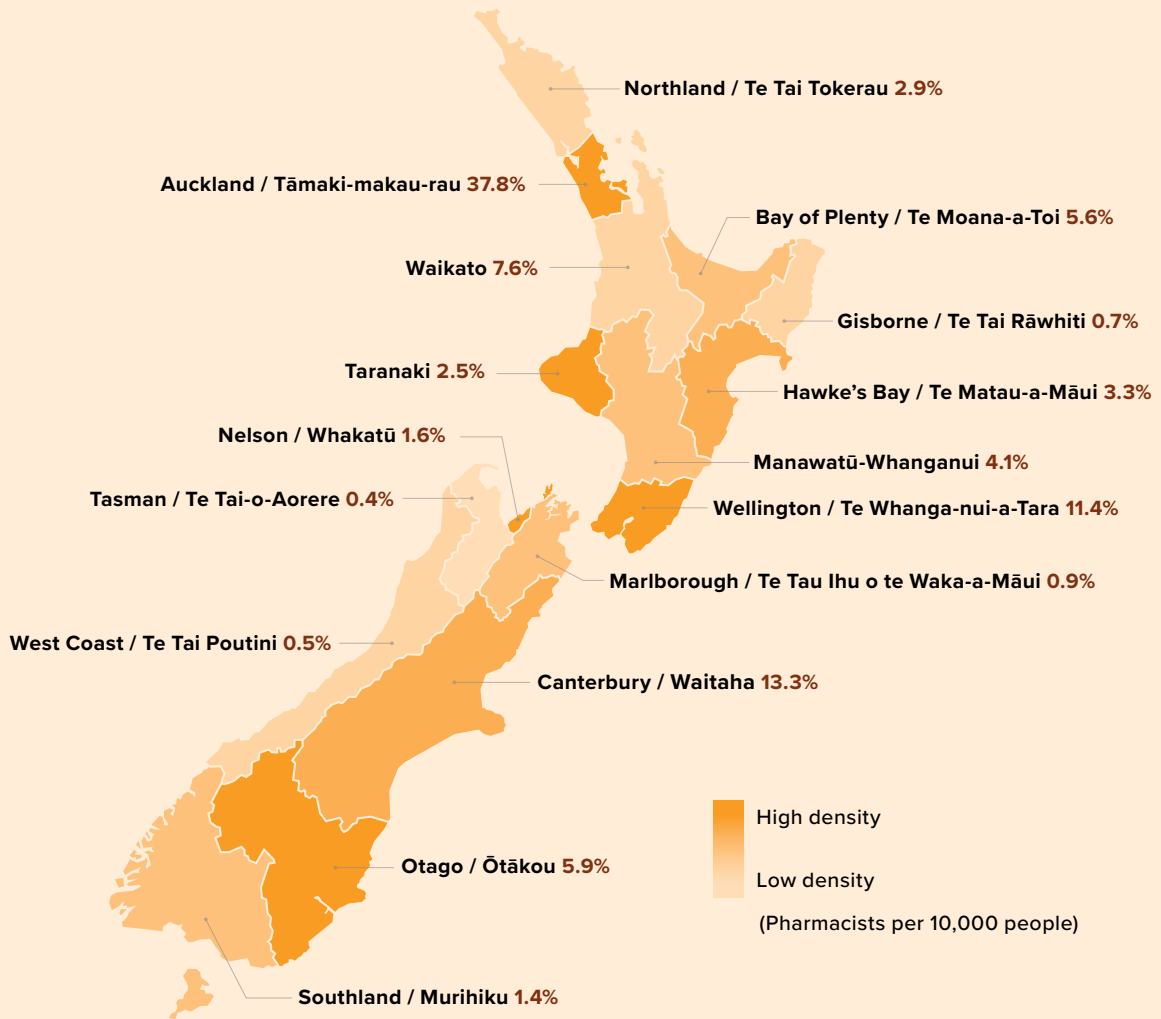


10

Professional Conduct Committee (PCC) cases investigated 2022/23

31 March 2022: 10

Practising pharmacists (including pharmacist prescribers) by location¹



4

Health Practitioners Disciplinary Tribunal (HPDT) cases heard

31 March 2022: 3



21

Health & Disability Commissioner (HDC) cases managed

31 March 2022: 20

¹ <https://pharmacycouncil.org.nz/public/workforce-demographics/>

Our year in review

‘Ehara taku toa I te toa takitahi engari, he toa takitahi’

(My successes are not mine alone, they are ours – the greatest successes we will have, are from working together)

Introduction from the Chair and Chief Executive

It was a year where we tried to move on from COVID and find a new norm. However, the impact of COVID still affected the profession and wider health sector, with high workloads an ongoing reality.

We want to express our appreciation to pharmacists who are working under sustained pressure and who despite the challenges continue to deliver critical healthcare services to New Zealanders without major notifications and regulatory compliance issues. This assures us that New Zealanders are receiving a growing number of pharmacy services safely. Congratulations and thank you, for your ongoing dedication to practising safely.

Performance highlights

For Council, 2022/23 was another busy year. We continued to ensure our business-as-usual was delivered to a high standard, while also working to develop critical areas. Some of the key performance highlights for the year include:

– Recertification

The year ended March 2023 marked the first full year of recertification requirements being recorded on the MyRecert platform. The high trust recertification approach used by Council to ensure professional development continues to be used by pharmacists to help maintain their fitness and competence. The MyRecert platform is proving to be increasingly successful, with every year it is used. The approach is recognised locally by other regulatory authorities and is commended when discussed in international regulatory forums.

– Competence, accreditation and prescriber standards

The release of a complete refresh of all the standards, a critical regulatory tool set, was a significant achievement. The credit for this belongs to the careful consideration of expert advisors, a superb Council team, and the profession who contributed through effective consultation. The standards will now need to be progressively embedded and come into effect 1 April 2024.

– Māori and health equity

Council has accepted its obligations under Te Tiriti o Waitangi, and is making good progress, but recognises that this is a journey. The Māori and Health Equity Group (now called Te Tiriti Advisory Group) within Council has participated in considering several critical areas of work, for example, the suite of standards and the Therapeutics Products Bill submission. Council has employed a Senior Advisor, Māori and Health Equity who is leading the Council team in a work programme that considers all our processes to ensure cultural safety. This work and role are also being shared and completed collaboratively with our co-located Dental Council colleagues.

– Relief Fund

Council was pleased to have a further opportunity to administer the remaining Relief Fund for the Ministry of Health in providing locum support or relief for the equivalent of 47 full-time pharmacist weeks and 26 full-time technician weeks. Overall, the fund of \$1.7 million has now been fully used and through this initiative we were able to provide support to over 300 pharmacies throughout New Zealand between October

2020 and December 2022. The entire fund provided community pharmacies with the equivalent of 575 full-time pharmacist weeks, 323 full-time technician weeks, and the necessary travel and accommodation costs to provide locum support to where it was needed.

– Business as usual

Council has a number of functions that it must deliver under the Health Practitioners Competence Assurance Act 2003 (section 118). This includes:

- completing the Annual Practising Certificate (APC) renewal process and the database of registrants for access by all New Zealanders.
- providing robust assessment processes for entry into the pharmacists' scope of practice.
- maintaining qualifications and accreditation processes.
- effectively managing compliance and notification cases, in terms of sound practice advice and guidance for the less serious cases; and,
- then triaging and directing the more serious cases onto the independent professional conduct committees for investigation and laying of charges with the Health Practitioners Disciplinary Tribunal.

– New Council office

We had to vacate our original office (80 The Terrace) in February 2017 as a result of the Kaikoura earthquake in late 2016. We received an engineering report that indicated there may be a life-threatening risk and so, we undertook Council business whilst being housed in temporary office space. In June 2022 we were fortunate to move into our new permanent office, along with the Dental Council at 22 The Terrace, Wellington. The office is jointly tenanted with the Dental Council on the basis of a six-year shared lease, with right-of-renewal options after. The fit-out was completed by the landlord with our design input, is fit-for-purpose and provides a well-used space that facilitates the Pharmacy and Dental teams delivering to the best of their abilities. It was also a great relief that we were finally able to negotiate an early closure to the remaining lease term (that had been partially subleased) at 80 The Terrace, Wellington.

– Better than expected financial result

Council is pleased that in financial terms we did better than budgeted. The end of year deficit was around \$200,000 rather than the expected \$420,000. This does mean we called less on our reserves, but we are conscious we did still use some of the reserves to keep the cost of the APC as low as possible, whilst still delivering all regulatory functions successfully. Council is a cost recovery-based agency, that is, we set the APC fee at a level that just ensures we meet our costs. Therefore, a smaller deficit or a result close to breakeven is a position that we believe is appropriate.

We annually review and assess the reserves we maintain and adjust this as part of the process for setting the forthcoming APC fee.

Some key factors that helped us achieve a better-than-expected result include lower activity in some of the disciplinary functions, the redevelopment of standards, lower overhead costs, costs associated with the MyRecert platform now being fully expensed, and small savings on the early exit from 80 The Terrace office lease.

Key development priorities for 2023/24

The health reform programme now gathering momentum, changes in technology (with increased software options for how our team can work and the concerns of cyber security, etc) and the growing role of the pharmacy profession in the primary healthcare team is continuing to challenge how we deliver care, and what we must change and adapt to maintain our role as an enabling and right-touch regulator. In the next financial year, we will be:

– Embedding Competency Standards

The new standards for pharmacists and prescribing pharmacists are to be applied from 1 April 2024. We need to ensure the profession identifies and adapts to meet these new standards. Council must play an active leadership role to ensure this is achieved.

– Accreditation extensions

The accreditation cycles for the Auckland University School of Pharmacy programmes and the Pharmaceutical Society Intern Training Programme come to an end in 2023.

– Recertification portfolio reviews

A random sample of recertification portfolios will be reviewed in 2023 to confirm that serious commitment to ongoing professional development is being well reflected in Council’s mechanisms to enable us to assure the public of pharmacists’ fitness to practise and competency.

– Scopes of practice reviews and innovation

Scopes of practice definitions provide the boundaries of the expected public safety net. Council needs to review these definitions to ensure they remain fit-for-purpose and most importantly, that they are not constraining the profession from delivering better health outcomes for patients. These reviews will also be supported by Council developing a guiding innovative statement to further support the profession in its moves to be a bigger part of the primary healthcare team.

– Cultural safety and health equity

We have more to do to both advance our cultural safety journey and to encourage the profession on its journey. We continue to develop our team’s capacity and capability and to gradually review all our processes to make sure they are culturally safe to enable equity in practice.

– Communications and engagement

We are committed to the goal of ensuring Council is more transparent in all that it does. We are

undertaking various initiatives to achieve a better understanding of what Council’s role is and our activities (including, greater engagement initiatives, enhancing our newsletters, updating our website, etc).

– Technology advancement

We continue to automate some of our processes. We plan to complete development of our case management system to enable us to not only respond to notifications and complaints more effectively but to also analyse cases better for proactive professional attention. We will also be examining our Assessment Centre results database management system to ensure the software is adequately supported.

Acknowledgements

We acknowledge and recognise that pharmacists continue to do integral work to advance better health outcomes for all New Zealanders.

We are pleased to be able to report that despite the increased workload pressures on the profession we have not seen any noticeable trends or significant changes in the number of compliance and notifications of pharmacists not meeting the expected high standards of fitness and competency to deliver pharmacy services.

We also wish to sincerely thank the whole “village” that help Council deliver its regulatory role as efficiently and effectively as it can with limited resources. To the Council members, the operational team and all the advisors and pharmacist contractors we are grateful for your dedicated mahi. This mahi contributes towards Council being the best regulator it can be.



Arthur Bauld
Chair



Michael Pead
Chief Executive

Who we are

Aotearoa New Zealand's pharmacist regulator and a Responsible Authority constituted under the Health Practitioners Competence Assurance Act 2003 (HPCA Act).

Our mandate

Protect the health and safety of New Zealanders by ensuring pharmacists remain competent and fit to practise.

Our vision

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

We aspire to have pharmacists operate at the top of their scope of practice and to not only be competent and professional in their roles but to continually work towards being the best pharmacist they can be.

Our mission

To ensure that all pharmacists are competent and fit to practise in the multitude of roles they perform, in order to keep everyone's whānau safe and healthy.

Our principles

Be proportionate

We match our response and level of intervention to the circumstances

Be consistent

Our rules and standards are joined up and implemented fairly

Be targeted

Our regulation is focused on the problem, and minimises unintended consequences

Be transparent

We are open and keep our regulations simple and user friendly

Be accountable

We can justify our decisions to the public

Be agile

We anticipate risks and take timely action to mitigate them

Our values

Whaioranga

(our responsibility to strive for the pursuit of wellbeing)

- The wellbeing of our team and the pharmacists we work with is kept front of mind
- The public are protected from unsafe pharmacy practice

Tikanga

(our responsibility for correct processes)

- Clear, informative, and open practices and processes
- Stakeholders understand our work
- Pharmacy practice is safe

Ōritetanga

(our responsibility to ensure we embody equity in partnership)

- We work towards understanding our stakeholder perspectives and needs so we can meet them
- We are respectful, empathetic, fair, and open
- Everyone gets what they need to be successful

Rangatiratanga

(our responsibility to lead, facilitate, and act with integrity)

- We lead from a position of relevance, competency, and proactivity
- Our work programme clearly supports the future of pharmacy

Te Tiriti o Waitangi and co-governance

- We give effect to Tiriti o Waitangi through the four goals outlined by the Ministry of Health as the foundation of meeting Te Tiriti obligations, namely mana whakahaere, mana motuhake, mana tangata and mana Māori and the embedding of Te Tiriti principles in the work done.

What we do

Register intern pharmacists, pharmacists and pharmacist prescribers and maintain the public register.

Prescribe the qualifications for each scope of practice and accredit and monitor New Zealand pharmacy programmes.

Set standards of clinical competence, cultural competence (including competencies that will enable effective and respectful interaction with Māori), and ethical conduct for pharmacists.

Ensure pharmacists are competent and have the skills to practise within the scope of their registration.

Set requirements to ensure continuous professional development for pharmacists so they remain competent.

Act on notifications relating to concerns about a pharmacist's performance, professional conduct, or health.

Promote inter-disciplinary collaboration and co-operation in the delivery of health services.

We focus on ensuring pharmacists...

- Are registered (*qualified, competent, and fit and proper*)
- Uphold Council's Code of Conduct and meet the Council's Competence Standards
- Hold a current practising certificate (*maintain being qualified, competent and fit and proper*)
- Undertake continuing professional development to maintain and enhance knowledge and expertise

Context of our strategy

The Pharmacy Council regulates the profession of pharmacy in New Zealand in accordance with the HPCA Act.

The Act states our purpose is to ‘protect the health and safety of members of the public by providing for mechanisms to ensure that health practitioners are competent and fit to practise their professions.’

We set scopes of practice, qualifications, and professional standards, and manage registration, recertification, notifications, and complaints.

Council upholds public wellbeing through safe pharmacist practice by applying regulatory tools to ensure pharmacists’ fitness and competence to practise and responds proportionately when pharmacists do not comply with the expected professional standards.

We work in partnership with the profession to ensure that we safeguard pharmacists’ practice whilst professionalism prospers.

Pharmacists work within a wider health sector with increasing demands on resources arising from

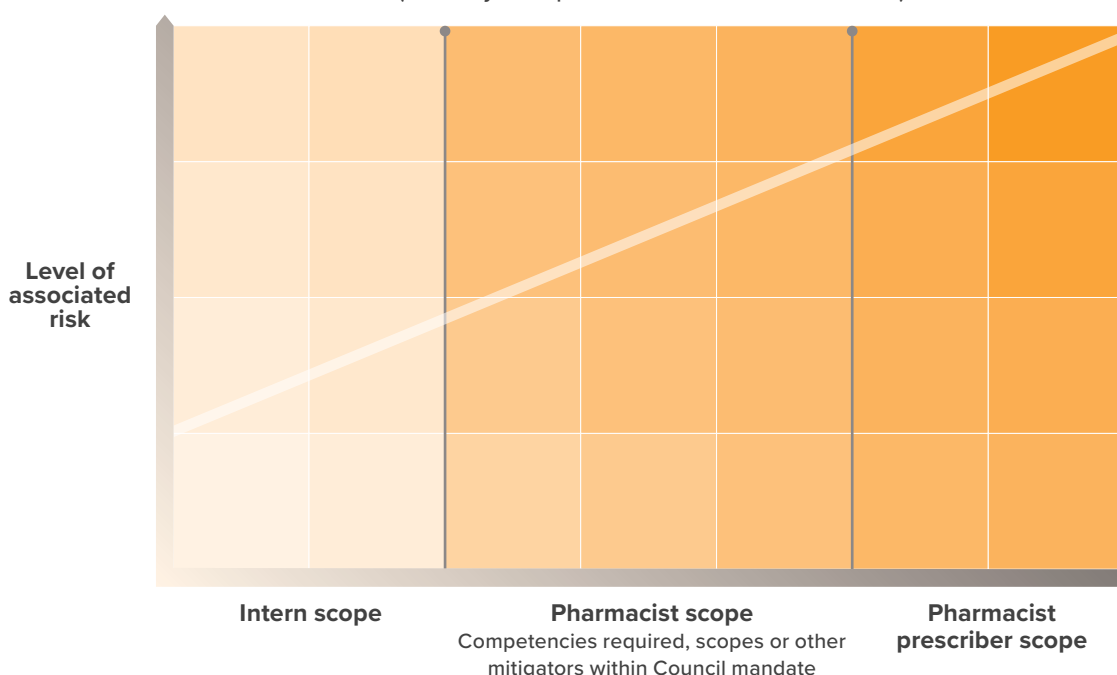
financial pressures, population changes and public health challenges. Aotearoa New Zealand is adopting healthcare models that optimise and integrate the contribution of all health professionals and make best use of technological advances. Pharmacy practice is therefore evolving beyond core dispensing services, elevating the profession’s medicines expertise, pharmaceutical knowledge, and consultation skills to optimise treatment outcomes for patients.

Council prioritises identifying and understanding the risks of harm to patients from current and emergent practice to ensure that pharmacists maintain their competence to effectively care for patients.

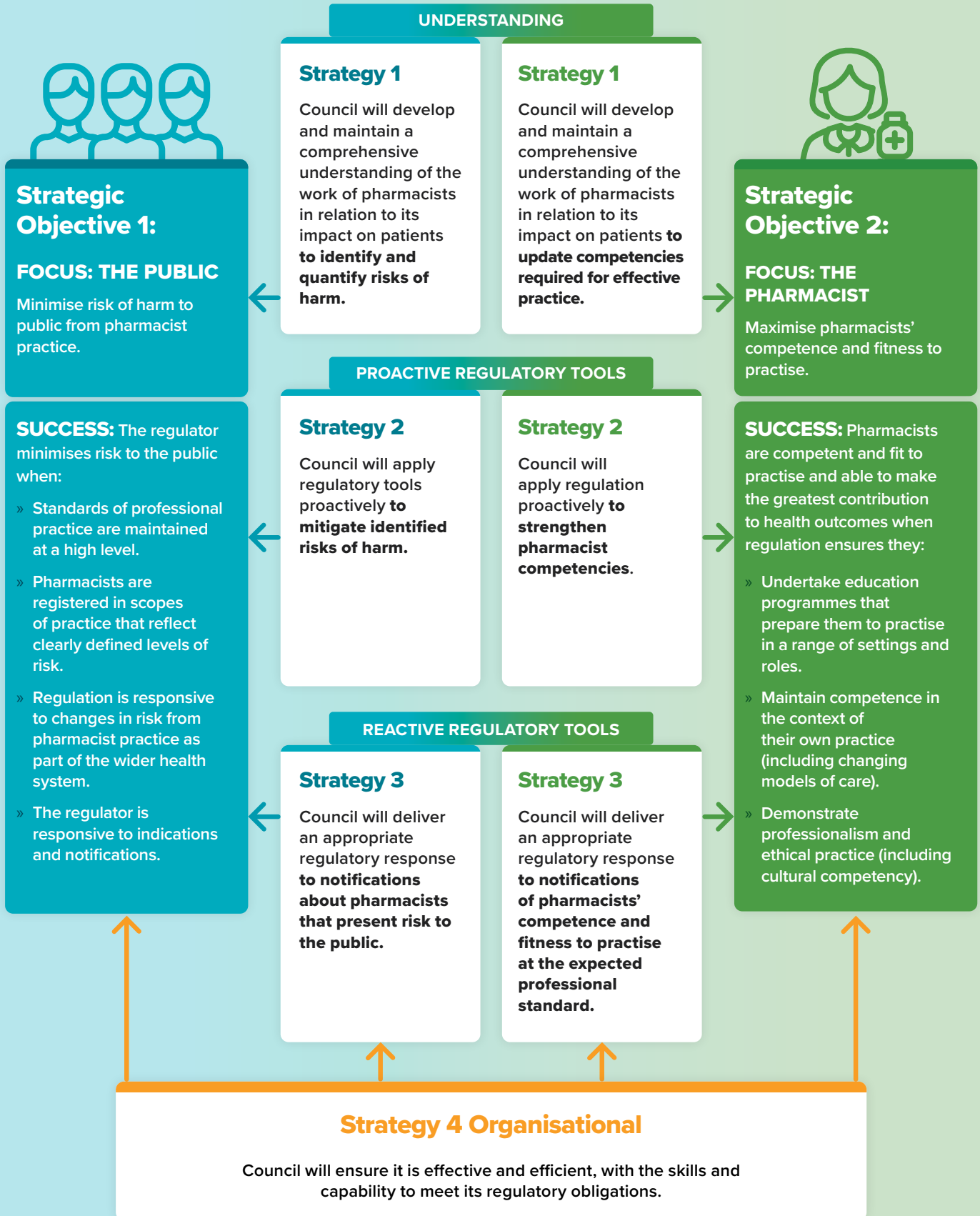
We are guided by best practice regulatory principles to understand problems, quantify risks, determine the type of proactive intervention required and, where necessary, apply regulation proportionate to the assessed level of risk.

The framework of environmental consideration for Council can be depicted as follows:

Pharmacy Council competence versus risk matrix
(will vary with practice area and environment)



Pharmacy Council Objectives and Strategies







02

Our
performance
story

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.

Strategic Framework Alignment

Strategic Objective 1
(Minimise Risk):

Strategy 2.1 Understanding

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



Strategic Objective 2
(Maximise Competence):

Strategy 1.2 Proactive Regulatory Tools

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.



How did we perform?

Accreditation

- The Council's new accreditation standards have been designed to set a high-quality bar for pharmacy education providers in Aotearoa New Zealand and are aligned with the new competence standards for pharmacists and pharmacist prescribers.
- A process of stakeholder consultation was undertaken in the period and the final version of the accreditation standards, and the guidance document were approved by Council in November 2022 (and formally published in June 2023). A transitional accreditation arrangement was made for Auckland University, given the standards were not finalised in sufficient time for inclusion in the accreditation expiry.

Competence Standards for the pharmacy profession

- Set up an independent competence standards working group and advisory group (CS-WAG) to support Council's development of robust, evidence-informed, and contemporary competence standards and guidance.
- Stakeholder consultation and the final version of the competence standards and guidance document completed for Council approval by January 2023. Work with key stakeholders to plan, implement, assess and continuously improve the standards by December 2023.

Responsible Authority (RA) joint statement on prescribing

- Based on feedback from the seven prescribing RAs, develop a refined version of the joint prescribing statement by January 2023.
- Wananga with the prescribing RAs to plan engagement, consultation, communication and operationalisation of the developed draft joint statement with our respective professions by May 2024.

Clinical governance and quality improvement

- Develop and update Council's regulatory tools to ensure clinical governance and quality improvement related competencies have been clearly incorporated.

Looking forward

Accreditation

- Publication of the final version of the Aotearoa New Zealand Accreditation Standards for Pharmacy Programmes by June 2023.

Scope of Practice

- We will review the likely impact of changes within the health sector on the future practice of pharmacists, and identify developmental work required for scopes of practices and competencies of pharmacists in the future.

Innovation

- We will develop a positional statement on Council's role in supporting safe, innovative practice. This will include understanding whether an innovation sits within current scope and standards and what should happen when this is not the case, and whether Council might need to develop further regulatory tools.

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.

Strategic Framework Alignment

Strategic Objective 2:

Strategy 2.2

Council will apply regulation proactively to strengthen pharmacist competencies.



How did we perform?

Assessment Centre

- For the November 2022 Assessment Centre (AC), we streamlined and standardised the process for interns to report AC adverse events. Before leaving the AC venue, interns are now required to complete an incident form outlining any significant incident that they believe adversely impacted on their performance during the assessment. Interns are no longer able to inform Council of incidents once they have left the AC venue.
- From November 2022 interns have had access to an exemplar AC case including the Global Rating Scale. This provides interns with greater clarity on the AC assessment criteria and is in line with the principles of good assessment.
- The Education Forum met on 1 February 2023. Council engaged with education providers (University of Otago, University of Auckland, The Pharmaceutical Society of New Zealand's EVOLVE Intern Training Programme) to identify possible factors that may have contributed to the low pass rate at the November 2022 AC. The forum concluded that the reasons were multi-factorial. Education providers and Council agreed to engage with key stakeholders to further explore and identify key contributing factors.

Accreditation

- Two rounds of consultation on the draft Aotearoa New Zealand Standards for Accreditation of Pharmacy Programmes were completed.
- The Accreditation Expert Advisory and Working Group (AE-WAG) membership was confirmed, and the group provided advice to Council on proposed changes to Accreditation Standards and/or guidance post-consultation.

- The Te Tiriti Advisory Group (TTAG) confirmed Accreditation Standards and development processes were culturally appropriate.
- Council's process for extension of current accreditation for the Auckland School of Pharmacy Programme was confirmed and the Expert Review Panel appointed.
- The Panel's review was completed 31 March 2023.

Recertification

- The new recertification framework was fully implemented for the 2022/2023 recertification year. Pharmacists applying for the new APC in March 2023 were required to demonstrate compliance with all six Continuing Professional Development (CPD) requirements.
- Commencing July 2022, Council did a series of reviews to evaluate how the MyRecert programme was working. This consisted of a user survey, focus group and expert review of a random selection of portfolios.

Looking forward

Assessment Centre

- Council will commence a project to source a cost-effective replacement for the current Assessment Manager software.
- We will review the current Assessment Blueprint and develop a new Blueprint that maps to the revised Competence Standards for Aotearoa New Zealand pharmacists.

Accreditation

- Before 30 June 2023, Council will extend accreditation for Auckland School of Pharmacy programmes pending consideration of the Expert Review Panel report and recommendations.
- During the year we will convene an Expert Review Panel to consider evidence to support the extension of current accreditation for the Pharmaceutical Society of New Zealand EVOLVE Intern Training programme (expires

31 December 2023).

- Commence engagement with Waikato University regarding accreditation of its proposed graduate entry Master of Pharmacy qualification.
- Establish Terms of Reference and call for expressions of interest for members of the Accreditation Advisory Group (AAG) and have it in place by 1 March 2024.

Recertification

- Council will review a random selection of MyRecert portfolios for the 2022/23 practising year. The purpose of this review will be to gain assurance that pharmacists are effectively engaging in professional development to maintain their competence.

Registration, complaints, and discipline

Strategic Framework Alignment

Strategic Objective 1: 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.

Strategic Objective 2: 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.

Strategic Objective 1: Strategy 2.1

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

Strategic Objective 2: Strategy 2.2

Council will apply regulation proactively to strengthen pharmacist competencies.



Strategic Objective 1: Strategy 3.1

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



How did we perform?

Registration

The Council authorises the registration of health practitioners and is responsible for maintaining a register of pharmacists. The register is a real-time public database and accessible on the Pharmacy Council website.²

More information is also available about pharmacists practising in Aotearoa New Zealand in the Workforce Demographic reports on the Pharmacy Council website.³

After a process of notification, 109 pharmacists were removed from the register in January 2023 after failing to recertify or renew their APCs for the 2022/23 APC year.

The online renewal process for the 2023/24 APC year was successfully completed. As of 1 April 2023:

- a total of 4,610 applications were received from registered pharmacists (4,700 applications 1 April 2022).
- Council issued 4,226 current (intern pharmacist, pharmacist) APCs:
 - Pharmacists = 3,984 (-0.01% on 2022) (including 51 pharmacist prescribers and four Emergency Practising Certificates).
 - Intern Pharmacists = 242 (215 new plus 27 reinstatements). Of the 215 new, 14 are overseas pharmacists.
- 332 practising pharmacists did not renew their APC in the recertification period:
- 162 transferred to inactive (non-practising) status.
- 11 requested their removal from the register.
- 159 made no application.

Notifications and concerns

- We managed 189 concerns raised about pharmacists' practice, of which 47 were new formal⁴ complaints or notifications.
- The total number of concerns raised for this reporting period is a 15% increase on that reported (164) for the previous reporting period (i.e., the 12 months to 31 March 2022).
- Formal concerns can arise due to multiple factors and may involve more than one concern. For example, one case may raise concerns about a dispensing error and professional conduct if there was a poor error response. The new formal concerns predominantly arise from dispensing errors where 22 cases were involved from the total of 47 formal concerns. Fourteen of the formal concerns relate to professional conduct of which three involve intern pharmacists, one relates to social media presence, one relates to advertising, one involves allegations of theft and two relate to convictions. Of the remainder of the formal concerns three relate to health concerns, two concerns relate to supply of medicines and four to competence concerns.
- One hundred and forty-two informal enquiries were received by Council in the period 1 April 2022 to 31 March 2023. Twenty-six per cent of the informal enquiries related to patients unable to easily access their medications. These were due to pharmacies that had to close due to staff shortages, pharmacists reluctant to dispense repeats earlier (for travel, asthma inhalers), stock shortages, pharmacists unwilling to compound medicines or unwilling to coordinate with doctors. Eight per cent were related to medication errors or safety incidents which could have resulted in patient harm. Thirty-one per cent of the enquiries were requests for information from both the public and from health practitioners relating to pharmacist conduct or skills. Twenty-four per cent of enquiries related to management, communication and discrimination issues. The remainder of the enquiries related to employment issues, advertising concerns, and the costs and charges of medication.

2 <https://pharmacycouncil.org.nz/search-register/>

3 <https://pharmacycouncil.org.nz/public/workforce-demographics/>

4 We sought a written response from the pharmacist about a notification or complaint against them. This contrasts with concerns that were raised verbally, were withdrawn, were equivocal about the expectation for formal action or did not fall within Council's mandate.

Nature of formal concerns	Raised	Percentage
Dispensing errors	22	47%
Professional conduct matters (interns, social media presence, advertising, allegations of theft, criminal convictions)	14	30%
Competence matters	4	9%
Health matters	3	6%
Supply of medicines	2	4%
Other	2	4%
	47	100%

The following table outlines the status of formal concerns on 31 March 2023.

Formal concerns	Open @ 31 March 2022	Prior Year Closed 2022/23	New 2022/2023	Current Year Closed 2022/23	Open @ 31 Mar 2023
HDC complaints	7	3	14	5	13
Notifications	12 ⁵	5	18	11	14
General complaints	12 ⁶	5	15	10	12
	31	13	47	26	39

5 Twelve notifications in total but only 10 were being actively managed by Council at the end of the previous year.

6 Twelve general complaints in total but only three were being actively managed by Council at the end of the previous year.

How we managed cases

Enhancements continued to be made to the Case Management System with detailed end-to-end administration of all cases, case data collection and standardised reporting functions. We improved technological support for committees' case management processes including more secure access to case information and tools for managing investigations.

Of the 78 formal concerns managed during the period, 39 were successfully closed (13 from the previous reporting period and 26 from within the new reporting period). In summary, the outcomes of those closed were:

No further action	12
Educational letter	22
Monitoring arrangements	0
Competence review	0
Referred to HDC	2
Referred to PCC	3
Total	39

Of the 12 no further action outcomes, three are a result of the practitioner non-practising and four due to the practitioner voluntarily requesting removal.

Thirteen of the 31 cases that were open at the end of March 2022 remained unresolved by 31 March 2023. Of these five cases remained pending HDC outcomes, one pending outcomes of Professional Conduct Committee processes and the remainder became active pending outcomes of Council's consideration.

Health information was mostly disclosed by pharmacists at the time of renewal of their APC (137 total disclosures, 62 being health related), although many were either for a self-monitored condition, or those previously advised to the Council.

Statutory Processes

Conduct: Professional Conduct Committee (PCC) and the Health Practitioners Disciplinary Tribunal (HPDT)

The following table summarises the number of cases investigated by PCCs during this period and cases referred to the HPDT.

Disciplinary investigations & hearings: annual caseload summary				
	Cases open at 31 March 2022	New cases	Cases closed	Cases open at 31 March 2023
PCC	5	5	6	4
HPDT	7	2	4	5
Total	12	7	10	9

Five new PCC investigations were opened in the period, two investigations relate to convictions, one relating to allegations of theft of controlled drugs, one relating to professional boundaries with a patient and one relating to a notification from Medicines Control. Of the six PCC investigations concluded during the period, two PCCs laid charges in the HPDT. Four PCC investigations have carried forward to the next reporting period.

During the year we received four written decisions from HPDT. The timeline between referral by PCC to HPDT, the hearing, release and publication of the decision by HPDT can be significant and is beyond the control of Council to influence.

There are five cases with the HPDT waiting to be heard, or a decision issued.

HPDT summary of decisions received

	2022/23	2021/22
Number of HPDT hearings finalised	4	3
Tribunal costs and disbursements incurred	\$47,008	\$60,800
PCC costs and disbursements incurred	\$186,477	\$236,507
Total PCC and HPDT costs used by the HPDT to determine costs to be awarded	\$198,199	\$297,307
Total costs awarded to Council by HPDT	\$76,990	\$93,363
Fines charged	\$10,000	\$6,000
Total costs and fines awarded by HPDT	\$86,990	\$99,363

A Professional Conduct Committee v Caroline Kelly Phar21/517P – Ms Kelly’s conduct for practising without a practising certificate and two for repeated non-compliance with recertification requirements was found to be professional misconduct. Ms Kelly’s registration was suspended for six months, she was censured, conditions were placed on her return to practice, and she was ordered to pay 35 percent of costs.

The Director of Proceedings v Feras Dawood Phar21/514D – Mr Dawood’s conduct in making a dispensing error, then taking actions to cover it up by blaming a colleague was found to be professional misconduct. The Tribunal described his conduct as highly unethical and despicable. Mr Dawood’s registration was cancelled, he was censured, fined, and ordered to pay 35 percent of costs.

A Professional Conduct Committee v John Collett Phar21/529P – Mr Collett’s conviction for theft of methadone was found to reflect adversely on his fitness to practise, and his conduct in his handling of methadone: diluting with water, improper storage, entering the pharmacy outside usual working hours, disabling the security cameras and a further theft of methadone, was found to be professional misconduct. Mr Collett’s registration was cancelled, he was censured, and ordered to pay 20 percent of the PCC’s costs and 30 percent of the Tribunal’s costs.

A Professional Conduct Committee v Mr E Phar21/538P – Mr E had been before the Tribunal twice before. In 2019 the Tribunal ordered Mr E to undertake professional supervision and a course in ethics. He was found to have disregarded the conditions imposed by the Tribunal and to have lied

to his supervisor, which was found to be professional misconduct. His behaviour was described as that of a miscreant school child. Mr E’s registration was cancelled, and he was ordered not to apply for a period for 12 months. He was also censured and ordered to pay 50 percent of costs. NB: This decision is yet to be published on the Tribunal’s website.

A Professional Conduct Committee v Asma Shousha Phar20/538 – Ms Shousha was found to have engaged in professional misconduct in relation to nine particulars, including dispensing contrary to the pharmacy’s licence conditions, falsifying dispensing records, record keeping, safe storage of medicines and providing unauthorised vaccination services. The Tribunal cancelled Ms Shousha’s registration, censured her, ordered her to pay 35 percent of costs and imposed conditions if she reapplied for registration.

Asma Shousha v A Professional Conduct Committee [2022] NZHC 1457 – Ms Shousha appealed the penalty and costs portion of the decision to the High Court. The High Court quashed the cancellation of Ms Shousha’s registration and instead suspended her registration for nine months, imposed conditions on her return to practice and reduced costs to 30 percent.

Looking forward

Registration

- Annual review and modifications of APC online system architecture to optimise performance and capacity during peak APC renewal periods.
- Ongoing quality review of registration processes to ensure the online APC renewal process continues to function efficiently.
- Review of registration processes and requirements for overseas trained pharmacists to ensure delays in pathways to registration in Aotearoa New Zealand are minimised.

Notifications and concerns

- Continue to manage and evaluate all cases for trends, and particular areas of risk of harm to establish any proactive measures.
- Complete further development of our case management system to enable a more effective response to notifications and complaints and the ability to generate proactive case analyses to improve a targeted regulatory approach.



Organisational Support

Strategic Framework Alignment

Strategic Objectives 1 and 2:

Strategy 4.0

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

How did we perform?

Governance

Council

Council is charged with oversight of its regulatory functions under the HPCA Act. It met formally 11 times during the period to conduct its business.

Council member	Ordinary Council meetings	Special Council meetings
A Bauld (Chair)	5	5
M Wu (Deputy Chair from 1 March 2023)	5	6
M Lomax (Deputy Chair till 28 February 2023)	4	6
K Azer	5	6
A Chan	5	5
M Hudson	5	5
N Nu'u	5	6
A Zareh	5	6

Council's strategic planning workshop in September 2022 confirmed the direction for 2023/24 and beyond.

Finance Assurance and Risk Management Committee (FARMC)

FARMC is a 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 four times during the period to consider the performance reports, annual accounts, budget proposals, risk management (including Council's fraud control plan), insurance arrangements, policy statements, business continuity plans, health and safety, governance, professional development, and annual compliance requirements such as the registers for conflicts of interest and operational team gifts. FARMC obtains assurance from management to satisfy itself that the processes and policies of the Council are fit-for-purpose and makes recommendations to Council for its approval.

Risk

A comprehensive Risk Register is maintained, reviewed, and updated regularly by management for reporting to Council via FARMC. All identified and recorded risks were managed and mitigated appropriately during the review period.

Council has a standing agenda item for each meeting to discuss and approve the status of the Risk Register, confirm its risk appetite, and to provide management with any additional direction for mitigation actions.

Recruitment and retention

Council maintains a strong recruitment and team management process, and has a generally stable retention rate.

For the period ending 31 March 2023, the average length of service for permanent employees⁷ was 3.49 years (2022: 3.66 years).

Annual turnover	2023	2022
Permanent employees on 31 March	16	12
<i>FTE</i>	14.8	11.2
Resignations / retirements during the period	3	6
<i>FTE</i>	2.6	4.7
Turnover rate	21%	42%

2021 Statutory performance review

On behalf of the Ministry of Health, and as part of the RA accountability requirements under the HPCA Act, a formal external performance review⁸ of Council was completed for the very first time in December 2021.

The review found that:

- The Council's processes and systems are well established to register applicants, issue practising certificates, review and improve competence, and respond to complaints, conduct and health notifications.
- The Council demonstrates the principles of right-touch regulation through its policies, processes, systems, consultations, plans and how it works with the profession and stakeholders.

Of the 23 core performance standards that were assessed, 20 were ranked as fully attained, three ranked as partially attained, and none ranked as unattained. The three partial attainments were further rated in the report at a level of low risk.

⁷ Fixed-term employees and other 'piece-work' contractors have been excluded from this result.

⁸ <https://pharmacycouncil.org.nz/2021-performance-review/>

Assessment of core performance standards

Related core performance standards	FA	PA	UA
Function 1: Section 118a) 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.	3	1	-
Function 2: Section 118b) To authorise the registration of health practitioners under this Act, and to maintain registers. Section 118c) To consider applications for Annual Practising Certificates.	2	-	-
Function 3: Section 118d) To review and promote the competence of health practitioners. Section 118e) To recognise, accredit, and set programmes to ensure the ongoing competence of health practitioners. Section 118k) To promote education and training in the profession.	1	-	-
Function 4: Section 118f) To receive information from any person about the practice, conduct, or competence of health practitioners and, if it is appropriate to do so, act on that information. Section 118g) 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.	3	-	-
Function 5: Section 118h) To consider the cases of health practitioners who may be unable to perform the functions required for the practice of the profession.	1	-	-
Function 6: Section 118i) To set standards of clinical competence, cultural competence (including competencies that will enable effective and respectful interaction with Māori), and ethical conduct to be observed by health practitioners of the profession.	2	1	-
Function 7: Section 118j) To liaise with other authorities appointed under this Act about matters of common interest.	1	-	-
Function 8: Section 118ja) To promote and facilitate inter-disciplinary collaboration and cooperation in the delivery of health services.	1	-	-
Function 9: Section 118l) To promote public awareness of the responsibilities of the authority.	2	-	-
Function 10: Section 118m) 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.	4	1	-
	20	3	-

Progress on recommendations

Under s122B (2) of the HPCAA Council is required this year to publish in its Annual Report its progress in addressing the specific recommendations arising from any partially attained or unattained core performance standards.

Under S122B (3) of the HPCAA Council must also report which of the performance review recommendations it has chosen to implement including the time frame for their completion, and also, which of the recommendations it does not propose to implement, and its reasons for not doing so.

Function Ref #	Related core performance standards	Rating	Risk level	Recommendation	Time frame (months / date)
1.3	The RA has timely, proportionate, and transparent accreditation and monitoring mechanisms to assure itself that the education providers and programmes it accredits deliver graduates who are competent to practise the relevant profession.	PA	L	To continue to complete (currently part way through) setting up its own accreditation standards, structures, processes, and policies. This work will include cultural safety and an ongoing monitoring framework for annual reporting.	9 months (up to 31 August 2022)
6.1	The RA sets standards of clinical and cultural competence and ethical conduct that are: <ul style="list-style-type: none"> – Informed by relevant evidence – Clearly articulated and accessible. 	PA	L	To continue to evolve the clinical and cultural standards via the projects for Clinical Governance (CG) & Quality Improvement (QI), Cultural Safety and Health Equity and the Prescriber Standards.	6-9 months (up to 31 August 2022)
10.1	The RA: Ensures that the principles of equity and of Te Tiriti o Waitangi / the Treaty of Waitangi (as articulated in Whakamaua: Māori Health Action Plan 2020-2025) are followed in the implementation of all its functions.	PA	L	To complete the recruitment of a specific health equity and cultural safety lead and continue the journey for improvement of health equity and cultural safety (embedded within a refresh of regulatory tools).	6 months (up to 31 May 2022) and ongoing

Additionally, and outside the scope of the core performance standards framework, the performance review identified a need for Council to update references to privacy legislation in identified policies to refer to the Privacy Act 2020 and continue to implement an ongoing and timely policy and SOP review process.

How have we done?

As Council was already committed to the work programmes to implement the recommendations arising from the review process, it was all simply a matter of following them to their conclusion. Council is pleased to note that all these work programmes and recommendations were either fully completed during the year or are very close to being finalised.

Function Ref #	Related core performance standards	Recommendation
1.3	To continue to complete (currently part way through) setting up its own accreditation standards, structures, processes, and policies. This work will include cultural safety and an ongoing monitoring framework for annual reporting.	Reporting and Monitoring Framework established, new Accreditation Standards complete and expected to be published in June 2023.
6.1	To continue to evolve the clinical and cultural standards via the projects for Clinical Governance (CG) & Quality Improvement (QI), cultural Safety and health equity and the Prescriber Standards.	Refreshed Prescriber and Competence Standards (including cultural safety and health equity) complete and expected to be published in June 2023.
10.1	To complete the recruitment of a specific health equity and cultural safety lead and continue the journey for improvement of health equity and cultural safety (embedded within a refresh of regulatory tools).	Successful recruitment of an FTE Senior Advisor Māori Health and Equity was finalised in July 2022.

Capability and capacity

- Work continued this year on the integration of our internal planning and reporting processes. We are developing a more holistic view of Council’s operations and progress made towards achieving our strategic objectives.
- We successfully recruited a Senior Advisor Māori & Health Equity to progress Council’s commitment to its Te Tiriti obligations and to add weight to the adoption of new cultural safety standards through a capability uplift within the team.
- The new role of Communications Advisor was successfully recruited and good progress was made to promote understanding of Council’s regulatory role to stakeholders and ensuring that pharmacists receive the right information at the right time to maximise professional and public benefit.
- The year saw a continuation of Council’s Digital Investment Programme with benefits focused on strategic value and risk mitigation / cost avoidance i.e.,
 - Service improvement – improving the stakeholder experience with Council’s IT applications and continuing to build on internal efficiencies.
 - Organisational resilience – enhancing Council’s cyber security approach and ensuring best use of cloud options to improve organisational resilience.
 - Business / strategic insights – using data and information to better inform Council decision-making and application of right touch regulation principles.
 - Council relocated (along with the Dental Council) from its temporary Willis Street premises to smaller shared and permanent premises in June 2022.

Looking forward

- To govern in a manner consistent with tikanga as well as the established rules of good governance and the HPCA Act legislation, Council will finalise the development and publication of its Governance Charter outlining the governance principles it upholds and the tenets it observes as an organisation. It will form the basis for maintaining a consistent approach to addressing the matters facing the organisation to achieve its goals.
- In conjunction with our Dental Council colleagues the Council team will participate in a comprehensive programme focusing on two discrete workstreams; the capability uplift of team members in Te Ao Māori and Te Reo knowledge, and the review of some internal processes to ensure that, where appropriate, health equity and cultural safety approaches can be woven effectively into the delivery of regulatory functions.
- Building on the successful recruitment of a permanent Communications Advisor and the work that has been completed this year in building a comprehensive stakeholder engagement strategy, Council will continue to focus on building and nurturing sector relationships through appropriate engagement activities.
- As part of determining the level of ongoing investment required for digital capability and capacity over the next three to five years, Council will undertake a comprehensive stocktake of its information technology platforms, and support services and capabilities. This stocktake will be used to identify any potential areas of risk to the organisation and to prioritise resources to address these.



Our priorities

Outcomes – Next 10 years			
The public has trust and confidence in the pharmacy profession	Pharmacists have a strong professional identity and practice		
Council is an active partner with Māori	Pharmacists are responsive to the diverse communities in Aotearoa New Zealand		
Areas of focus - Next 4 to 6 years			
<p>We are an active partner with Māori</p> <p>The aims, aspirations, involvement, and engagement of Māori as tangata whenua continue to be integral to our priorities</p> <p>We have ready access to the views of Māori as tangata whenua</p>	<p>We work with others for greater impact</p> <p>We have strong connections and collaborations with others</p> <p>We have ready access to the views of Pacific peoples and ethnic and cultural groups</p>	<p>We use research, surveys, and data analysis to inform our work</p> <p>We know where to focus our effort and how to get the highest impact</p> <p>We support and encourage the professionalism of pharmacists</p> <p>Our regulation is targeted and supports and encourages safe practice to minimise harm</p>	<p>We are accessible to pharmacists and others</p> <p>Our systems are simple to use, we are considerate and helpful, and requirements are clear, communicated effectively, and enforced fairly and consistently</p>
Priorities – Next 2 years (E)xternal and (I)nternal			
E. Developing Māori & Health Equity work programme for profession	E. Reviewing & refreshing Competence Standards	E. Scope of Practice Review	E. Statement on Innovative Services
E. Building framework for implementation of in-house accreditation processes	E. Review MyRecert portfolio sample to confirm assurance levels	E. Building sector relationships – greater focus on communications and engagement activities	E. Engaging on legislative changes
I. Developing Māori & Health Equity work programme for Council team	I. Establishing Practice, Policy & Research team	I. Needs analysis and replacement of Assessment Management system	I. Digital Investment strategy to support and build capability and capacity
Operational approach (Ongoing)	Responsive, public safety-focused and intelligence-led regulatory and compliance activities		

Our governance

Council member appointments

Council members are appointed by the Minister of Health for an initial term of between two and three years, with the possibility of renewal for two additional terms.

Member	Appointed	Reappointed
Arthur Bauld (Chair)	December 2015	November 2021
Ming-chun Wu (Deputy Chair)	September 2019	January 2023
Katrina Azer	September 2019	January 2023
Dr Amy Chan	November 2021	
Mariana Hudson	November 2021	
Michelle Lomax	September 2019	November 2021
Natalia Nu'u	November 2021	
Ahmad Zareh	September 2019	January 2023



Arthur Bauld (Chair)

Ngāti Wai / Ngāpuhi / Te Rarawa / Ngāti Toa / Ngāti Raukawa / DipPharm, RegPharmNZ

Arthur was appointed to the Pharmacy Council in 2015 and was reappointed in 2021 for a further three years. He has more than 30 years of pharmacy practice experience in retail and hospital pharmacies.

Arthur is an Addictions Pharmacist with the Auckland Opioid Treatment Service.

He was a Co-President of the Māori Pharmacists Association and was their

representative on the Auckland School of Pharmacy Board of Studies. His experience also includes academic, regulatory, and organisation board roles.

“My motivation comes largely from my whānau and a sense of duty, as well as from the people around me. I see pharmacists excelling in their hugely diverse professional roles and improving the quality of peoples’ lives every day, and that inspires me to contribute.”



Ming-chun Wu (Deputy Chair)

CMInstD, MBA, BSc, BBus, BEd, BA

Ming-chun was appointed to the Pharmacy Council in 2019 and is the Deputy Chairperson of the Council. She’s a Chartered Director with the Institute of Directors and has over 16 years’ experience in transforming and improving organisations.

Ming-chun has held senior strategy and policy roles in large public sector organisations and has in depth knowledge of governing legislation like the Health Practitioners Competence Assurance Act 2003. She is also on the regulatory board of the Chinese Medicine Council of New Zealand.

An experienced secondary teacher, Ming-chun is an educator with experience in training and development and

was a National Executive and the Auckland Regional Chairperson for the New Zealand Post Primary Teachers’ Association.

Ming-chun’s governance experience is broad having spanned across advisory boards, regulatory boards, professional bodies boards, volunteer organisation boards, and commercial boards.

She is passionate about good governance and making a difference for all New Zealanders through her governance work. Ming-chun is a Trustee for the Wellington Community Trust, a Board Member of the Plumbers, Gasfitters and Drainlayers’ Board, and a Board Director for Network for Learning Limited.



Katrina Azer

BPharm, RegPharmNZ, PGCertClinPharm, CertClinGov, CPGx

Katrina was appointed to the Pharmacy Council of NZ Board in 2019 and is currently serving her second three-year term.

Based in Christchurch, Katrina works as a Consultant Digital Pharmacist in primary care, alongside operating her own independent consulting practice.

Katrina is a thought leader in the pharmacy industry, specialising in digital health and promoting virtual care. She is also an award-winning pharmacist,

having won double awards in the 2020 NZ Primary Healthcare Awards.

She also got accredited as a Certified Pharmacogeneticist in 2022, becoming the first New Zealand pharmacist to earn membership to the Clinical Pharmacogenetics Implementation Consortium in the USA, where she helps to develop pharmacogenomic guidelines for safer medication prescribing. Katrina’s passion is ensuring every

patient receives ‘the right medication, at the right dose, and at the right time.’ Her long-term focus is on implementing precision medicine in New Zealand and advocating for accessible virtual healthcare in pharmacy.

“The biggest challenge that comes with my role as a Council member

is reminding myself that I am a knowledgeable observer of the profession of pharmacy, rather than an advocate for pharmacists. I am here to enact the HPCA Act’s mandate by ensuring pharmacists are fit and competent to provide safe and effective pharmaceutical care to patients.”



Dr Amy Chan

BPharm (Hons), PhD (Philosophy), RegPharmNZ

Amy was appointed to the Pharmacy Council in November 2021 and is serving her first three-year term.

She is a clinical academic pharmacist working at the University of Auckland and in community pharmacy. Amy has previously worked for over 15 years in hospital pharmacy, in patient-facing clinical roles to project delivery roles, to management of a clinical pharmacy service in mental health.

Amy is passionate about enhancing the health and well-being of New Zealanders through improving medicines use and outcomes and supporting workforce development.

She has experience working with public and commercial sectors, and with charities, at a national and global level, including with the Commonwealth Pharmacists’ Association, International Pharmaceutical Federation (FIP) and World Health Organisation, providing expert input to ensure safe and quality use of medicines and optimal health outcomes.

“One of the challenges of my role as a Council member is remembering that the key role of Pharmacy Council is to represent the public first and foremost, and to separate governance and operational activities.”



Mariana Hudson

BPharm, PGCertClinPharm, MPA, RegPharmNZ

Mariana was appointed to the Pharmacy Council in November 2021 and is in her first three-year term.

She is a community driven wāhine Māori pharmacist who is determined to identify gaps across the sector to influence the delivery of pharmacy services in Aotearoa.

As the President of Ngā Kaitiaki o Te Puna Rongoā – the Māori Pharmacists’ Association (MPA), Mariana aims to provide leadership through her governance learnings for all MPA members and provide Māori health leadership.

Mariana is building her rangahau (research) knowledge as a Māori

Cardiovascular Research Fellow through her Heart Foundation Fellowship. Her project will develop a roadmap to understand the research and practice environment in heart health to identify gaps which impact equity for Māori and Pacific.

Amongst all this, Mariana remains grounded in her whānau, hapū and iwi, representing Whakatōhea on Te Moana ā Toi Iwi Māori Partnership Board (IMPB). The IMPBs were established to reflect the voice of whānau and mātauranga Māori are visible across the health system. They will be involved in jointly agreeing on priorities and strategic plans for local services alongside Te Whatu Ora and Te Aka Whai Ora.



Michelle Lomax

LLB

Michelle was appointed to the Pharmacy Council in 2019 and was reappointed in 2021 for a further three years.

She is currently the manager and a lawyer at the Porirua Kāpiti Community Law Centre, which provides legal services and education to the Porirua Kāpiti community, particularly to people with barriers to accessing justice because of income, disability, or other reasons.

She was previously a disability advisor and lawyer at Community Law Canterbury, and deputy chair of

a Christchurch community board, and chaired a high school board.

She also served eight years on the West Coast District Health Board, and has been an advocate on disability, maternal and child issues.

Michelle is a mother of six now adult children and is enjoying watching them flourish in careers ranging from doctor and lawyer to soldier and tradespersons.

Her varied experience gives her a broad understanding of the diverse needs of the community and of the pharmacy profession.



Natalia Nu'u

BPharm (Hons), BSc, RegPharmNZ

Natalia was appointed to the Pharmacy Council in November 2021 and is serving her first three-year term. She is a pharmacist and co-owner of an Auckland pharmacy and has worked in community pharmacy since 2002.

She is an honorary academic at the University of Auckland School of Pharmacy and is a clinical mentor as part of the Pharmaceutical Society EVOLVE Intern Training Programme.

A proud Samoan, Natalia has a passion for helping the Pacific community and promoting the pharmacy profession to Pacific youth. She is a founding member and Executive Board Member

of the Pacific Pharmacists' Association; a network for the Pacific pharmacy workforce in New Zealand that acts as representation for their members on issues and initiatives that concern the profession and the delivery of health services to the Pacific community.

“My experience in community pharmacy has shown me the resilience and tenacity of pharmacists to continue to put patients first even in the most challenging situations. This is what motivates me to give back to the profession. In all that I do I am mindful that I represent my profession, my culture and my family and this serves to keep me honest and grounded.”



Ahmad F Zareh

BPharm (Hons), RegPharmNZ

Ahmad was appointed to the Pharmacy Council in August 2019 and is currently serving his second three-year term.

Ahmad is a community pharmacy owner from Hamilton (called by Ahmad the 'city of the future') and won the Good Sort Pharmacist of the Year Award in 2017.

Ahmad is a current preceptor and thoroughly enjoys training interns. He is the current chair of Council's Intern Assessment Advisory Group (IAAG). Ahmad was a board member

of Refugees as Survivors New Zealand, looking after refugee health and wellbeing.

Ahmad won the 2019 Kiwibank Local Hero Award in Waikato and was a finalist for the National Hero Award.

"I love working with patients and the community to provide health services and improve community and patient health. I strongly believe that as a pharmacist we can make a big difference to people's health and well-being."

Independent advisor



Jeffrey Galt

BCom (Hons)

Jeff has been Council Advisor and Chair of the Finance Assurance and Risk Management Committee (FARMC) since 2016. The FARMC Chair is appointed by the Council, not the Minister of Health, to make sure the Council has skills in finance, risk, and assurance. Accordingly, the FARMC Chair has no voting rights on Council matters under the HPCA Act.

Jeff is a member of Chartered Accountants Australia New Zealand, a Chartered Member of the Institute of Directors, and is a Fellow Member of the Institute of Internal Auditors in New Zealand.

He has extensive senior management experience in finance, accounting, assurance, and risk management. He's worked in the public and private sectors in Canada, Australia, and New Zealand. He's travelled extensively for work across North America, the United Kingdom, the Bahamas, and Azerbaijan. In New Zealand Jeff has held senior roles at Wellington Free Ambulance, the Earthquake Commission, ACC, Biosecurity NZ, Westpac NZ Limited, Audit New Zealand, the Reserve Bank of New Zealand, and Housing New Zealand.

Council committees

Statutory

Competence and Fitness to Practise Committee (CFPC)

CFPC is appointed by the Pharmacy Council under clause 16 Schedule 3 of the HPCA Act and has the power to carry out functions and duties under Council delegation (clause 17, Schedule 3 of the HPCA Act) by way of a Pharmacy Council delegation in respect of:

- Competence
- Health

Non-Statutory

Finance Assurance & Risk Management Committee (FARMC)

FARMC is a committee of Council and meets regularly throughout the year to assist Council to discharge its responsibilities relative to financial accountability, control frameworks and risk management assurance.

Remuneration Committee

The Remuneration Committee is a relatively new sub-committee of Council comprising the Council Chair and other Council members and the FARMC Chair. It meets to discuss setting objectives for the Chief Executive and undertakes a regular performance and remuneration review process.

Advisory Groups

– Te Tiriti Advisory Group (TTAG)

TTAG is autonomous in a manner consistent with the principle of Mana Motuhake and the group is invited to exercise its influence and help steer Council's decisions and activities in the spirit of partnership.



Our people

Our success as a regulatory organisation is underpinned by our people.

Number of permanent and fixed-term employees

Council's capacity and capability to deliver the full 13 regulatory functions described in section 118 of the HPCA Act (2003) continues to be a critical focus point for the team.

At the end of 2022/23 we had 16.125 full-time equivalent employees / contractors (FTEs) across 20 people, including the Chief Executive and the Registrar.

Of these 1.0 FTE was a fixed-term appointment for parental leave and 0.3 FTEs were contracted advisors with specialist skills (three people).

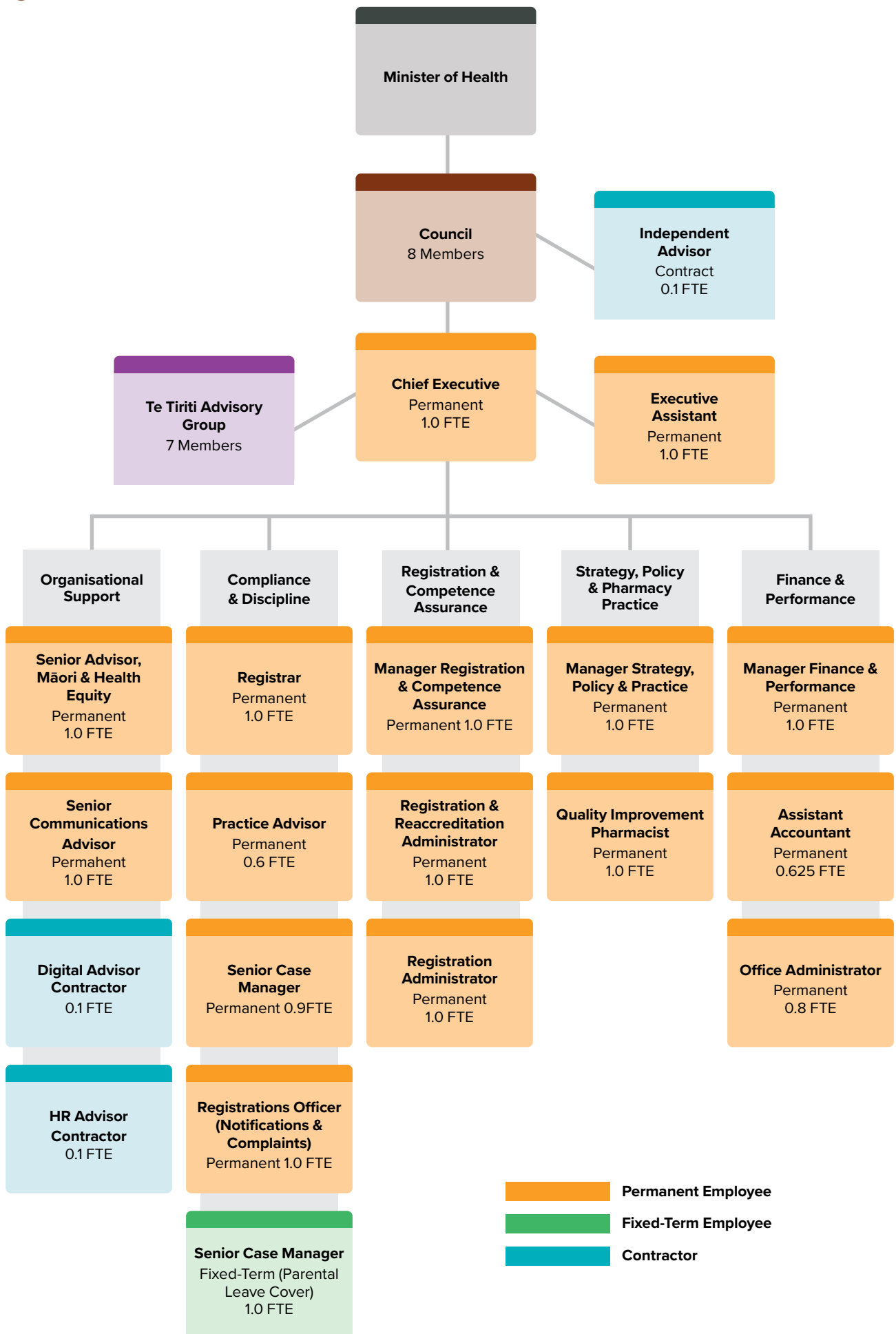
Council also calls upon the services of other independent contractors (for the most part these are practising pharmacists), to support the delivery of its regulatory work through their participation in advisory groups, working parties, focus groups, monitoring and supervision activities, and professional conduct committee processes. Council appreciates the willingness of the profession to engage and contribute considerable time and energy to Council's work programme.

Building our regulatory capability

As part of being a modern regulator, our operational team members are encouraged and supported to undertake and complete the Government Regulatory Practice Initiative (G-REG) Certificate in Regulatory Compliance (Core Knowledge) Level 3.

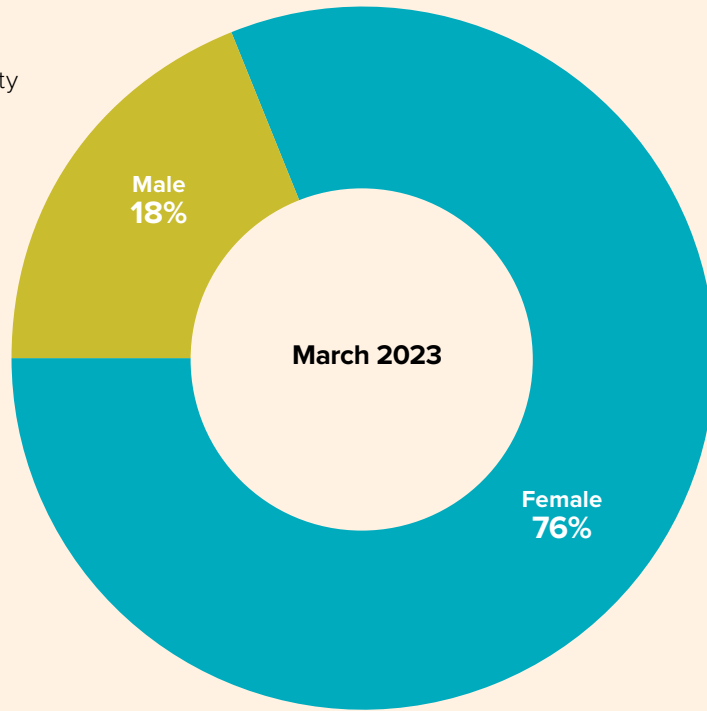
Council also encourages all new team members to undertake specific training around the scope and requirements of the HPCA Act.





Diversity

Council is committed to ensuring diversity is represented and respected in its recruitment processes.



For a small organisation, our operational team is made up of a range of ethnicities. Team members identify as:



Being a good employer

We are committed to being a good employer by ensuring our policies and practices are fair and proper in how we treat our employees in all aspects of their employment.

Our practices include

Leadership, accountability, and culture

- having up-to-date operational staff and governance handbooks
- actively engaging all staff in the development of policies and procedures that affect their roles
- supporting the development of effective leadership skills

Recruitment, selection, and induction

- following a recruitment process based on merit
- ensuring diversity is represented and respected as part of our recruitment process
- having a mix of full-time and part-time team members

Employee development, promotion and exit

- ensuring all our operational team have access to professional development opportunities
- conducting independent exit interviews as part of monitoring the culture of the organisation

Flexibility and work design

- working with team members to allow flexible working arrangements where business needs can enable this

Remuneration recognition and conditions

- reviewing team salaries annually, ensuring that relevant external factors are also considered
- maintaining a market aligned remuneration system

Harassment and bullying prevention

- operating a zero tolerance for workplace bullying and harassment
- encouraging all team members to raise issues immediately with the Chief Executive or Council members

Safe and healthy environment

- giving team members access to an Employee Assistance Programme providing confidential counselling and advice
 - providing access to annual flu vaccinations
 - providing team members with up-to-date emergency procedures (including fire warden training) and personal provisions to keep at their desks
 - providing health and safety equipment in the office in the event of a disaster
-

Our functions

Administration of the pharmacist registration regulatory framework is delivered through the 13 regulatory functions embedded in section 118 of the HPCA Act and is supported by specific funding sources.

Scope and Standards

Scope of practice

- determine scope of practice for interns, pharmacists, and pharmacist prescribers

Competence Standards / Code of Ethics

- set competence standards and *Code of Ethics*
- describe pharmacy practice standards, protocols and set competence programmes

Funded by:
Annual Practising Certificate fee

Assurance of Qualifications and Competence

Qualifications

- prescribe the qualifications for each scope of pharmacist practice
- accredit and monitor the educational institutions and degrees, courses of study and programmes that deliver these qualifications

Competence

- set the recertification requirements for pharmacists to provide assurance of ongoing competence.

Funded by:
Annual Practising Certificate fee

Registration, Complaints and Discipline

Registration and certification

- authorise registration of interns, pharmacists, and pharmacist prescribers
- consider applications for annual practising certificates
- maintain a public register of pharmacists

Complaints and notifications

- assess complaints and notifications
- consider whether professional, clinical, and ethical standards have been upheld by individuals
- co-ordinate Professional Conduct Committees
- Health Practitioners Disciplinary Tribunal (outsourced)

Funded by:
Annual Practising Certificate fee
Other Administrative fees
Disciplinary Levy

Organisational Governance

- council member meeting fees, travel & secretariat costs

Strategy, planning and performance

- advice to Council
- strategic policy development
- Responsible Authority obligations to the Minister of Health
 - performance monitoring and reporting requirements
 - Annual Report

Communications

- stakeholder engagement & relationship management
- external and internal communications
- website content development and maintenance

Business operations

- finance, legal & human resources
- IT, database, and information management
- operational policy

Funded by:
Annual Practising Certificate fee
Interest on investments



07

Our financial performance 2022/23

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Our financial performance 2022/23

Along with annual reports for prior years, the approved and audited 2022/23 financial statements can also be viewed and downloaded from Council’s website.⁹

Introduction

Council’s financial performance report for the 2022/23 year reflects the activities of its first full year under the new 31 March balance date.

Comparative figures for 2021/22 are included for the nine-month financial period ending 31 March 2022 and have not been restated for a 12-month period in these financial statements as Council does not believe that would be useful. While some income and expenditure items may be compared through a simple divide by nine and multiply by twelve, others are dictated by where they fall in the calendar year.

At balance date Council reported a working capital deficit of \$155,291. This could potentially be viewed as a going concern issue. However, the Income in Advance balance of \$2,890,208 becomes ‘cash’ on the 1 April 2023 and means that there is no issue with Council’s ability to pay its debts as they fall due.

Financial performance

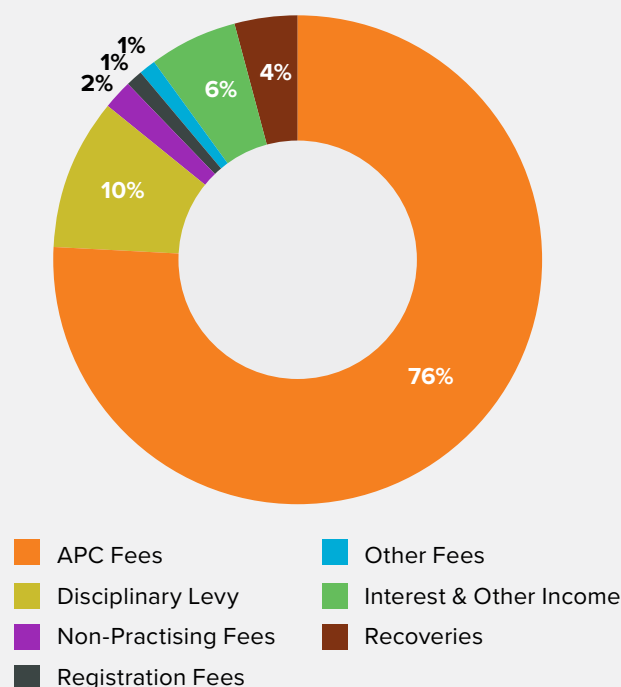


Council has reported an operating deficit of \$204,689 for the year ended 31 March 2023 against a budgeted deficit of \$420,174.

The favourable variance against budget was achieved through lower-than-expected costs incurred for:

- the volume of registration and general disciplinary activities required to be undertaken in the period
- redevelopment of Professional Competence Standards for Pharmacists and Pharmacist Prescribers
- development of new accreditation standards for Aotearoa New Zealand Pharmacy Programmes
- organisational support and overheads
- budgeted amortisation cost for the MyRecert platform
- finalisation of an early exit agreement for the shared lease agreement at 80 The Terrace.

Revenue



Council’s income for the 2022/23 financial year has now normalised in comparison with the transitional 2021/22 nine-month period which was limited only to APC fees for interns moving into the pharmacist scope of practice, graduates registering for the intern scope of practice, other regulatory and administrative fees collected, and other income received (i.e., interest on investments).

Council expects its income to be consistent with a small increase in overall practitioner numbers year on year.

9 <https://pharmacycouncil.org.nz/public/annual-reports/>

APC fees

For the registration year commencing 1 April 2022 the total APC fee (comprising both the APC fee and the Disciplinary Levy) was set at \$816.63 (GST inclusive) and was notified in the New Zealand Gazette in January 2022.¹⁰

Council’s reported APC fee income for 2022/23 is \$2,774,432.

The APC fee income is intended to cover Council’s operational, policy-setting, and capital costs.

Disciplinary Levy

The Disciplinary Levy is charged to fund the costs of PCC investigations and prosecutions and any subsequent HPDT hearings. The Disciplinary Levy was set at \$95.47 (GST inclusive) for the 2022/23 APC.

Disciplinary recoveries

A pharmacist who has been subject to HPDT proceedings may be held liable for contributions to PCC and HPDT costs incurred, and in some cases a fine may also be imposed. In general, the level of costs recoverable by Council is usually calculated by HPDT to begin at around 50 percent and is then further discounted by the Tribunal for any mitigating factors.

Costs of \$76,990 and fines of \$10,000 were awarded to Council by HPDT during this financial year (over four individual cases totalling \$233,485), and collectively represent less than forty percent of the actual costs incurred by Council over the lifespan of the proceedings.

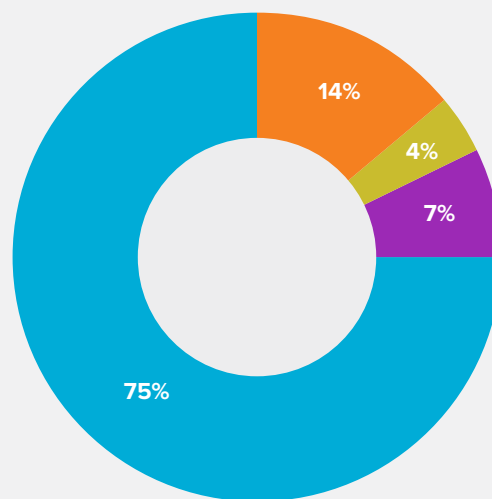
Further debt collection costs can also be incurred by Council in pursuing payment from some disciplinary debtors without a guarantee that either the original debt or the extra costs incurred will ultimately be reimbursed.

Pharmacy Team Relief Fund

On behalf of the Ministry of Health, Council was pleased to be able to administer a fifth (and final) tranche of Pharmacy Team Relief Funding (established to provide for situations where the impact of increased workloads on pharmacy staff due to COVID-19 could potentially affect public safety).

While this activity was not considered core business for Council, the total recognised income of \$165,512 for 2022/23 is material in the context of Council’s usual operations. It has been recorded and disclosed in the financial statements and is offset by the total of claims received from and paid to individual pharmacies of \$151,396 for the employment and travel-related costs of short-term locum pharmacists and technicians.

Expenses



- Registration & Discipline
- Review & Development
- Governance
- Operating & Administration

The improvement against budget was achieved through:

- A lower volume of registration and general disciplinary activities such as competence & fitness to practice committees and undertaking competence reviews and health assessments meaning less external costs were incurred.
- The redevelopment of Professional Competence Standards for pharmacists and pharmacist prescribers.
- Development of new accreditation standards for Aotearoa New Zealand Pharmacy Programmes are designed to set a high-quality bar for pharmacy education providers in Aotearoa New Zealand and align with the new competence standards for pharmacists and pharmacist prescribers
- Lower than budgeted costs for organisational support and overheads, some of which was directly related to decisions to delay timelines for planned activities around uplifts to our IT capability and capacity due to resourcing availability.
- Cost budgeted for the amortisation of the MyRecert platform was no longer applicable as it was fully expensed in the previous financial year.

¹⁰ <https://gazette.govt.nz/notice/id/2022-gs55>

Financial position



Closing asset and liability balances for this financial year are consistent with those reported for the previous year, however, the 31 March 2023 financial statements reflect both the inclusion of the 22 The Terrace premises fit-out finance lease as a fixed asset with a corresponding current / non-current liability as well as the impact on Council’s closing cash balance of the (better than budgeted) deficit result for the year.

Equity / Reserve funds

Council’s Accumulated Funds are separated into a General Fund and a Disciplinary Fund. The net movement in each fund for the year is detailed in Note 23 of the financial statements.

General Fund

The General Fund is marked for use in meeting Council’s ongoing regulatory, operational, and capital costs.

While the General Fund reserve policy recommends holding the average of one month’s budgeted /

forecasted operational costs calculated over the coming two budget years, at the end of this financial year the planned deficit result meant that the fund balance was reduced to \$164,676 which is below the minimum level recommended in the policy.

The annual APC funding cycle and associated cash flows must fully sustain Council’s regulatory workplan, disciplinary caseload, general operations, and capital programme until the APC renewal process in March of the following year.

To enable Council’s regulatory functions to continue unimpeded throughout the coming year, and after consultation with the profession in December 2022, the total APC fee for 2023/24 was increased to \$850 (including the Disciplinary levy and GST).

Disciplinary Fund

The Disciplinary Fund is solely for use in meeting the unpredictable nature of costs for PCC and HPDT cases.

This year disciplinary costs of \$545,803 were \$166,464 more than the overall levies charged. External costs for legal fees and committee proceedings are impacted by the volume and complexity of cases managed. While disciplinary recoveries awarded by the HPDT offset this shortfall by \$90,679 the net effect was still a reduction to the Disciplinary Fund of \$75,785 leaving the balance at \$18,146 at the end of the year.

While the provisions of the HPCAA do allow Council to make additional disciplinary levy collections during the year to cover increased costs, this action was not taken. Instead, the disciplinary levy for the 2023/24 year was increased to \$100 (GST inclusive) to help mitigate some of the impact on the future fund balance.

Equity

The closing equity position of \$182,823 this year represents the effect of continued investment by Council in delivering strong regulatory frameworks, systems, and processes for the benefit of the profession, while balancing its preference for the application of moderate inflationary increases to APC fee levels.

Council will focus during the coming year on strategies that will help strengthen and rebuild the two reserve balances to ensure delivery of its regulatory programme continues without disruption.

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF THE PHARMACY COUNCIL OF NEW ZEALAND'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The Auditor-General is the auditor of the Pharmacy Council of New Zealand ('the Council'). The Auditor-General has appointed me, Chrissie Murray, using the staff and resources of Baker Tilly Staples Rodway Audit Limited, to carry out the audit of the financial statements of the Council on his behalf.

Opinion

We have audited the financial statements of the Council, that comprise the statement of financial position as at 31 March 2023, the statement of comprehensive revenue and expense, the statement of change in net assets and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the Council:

- present fairly, in all material respects:
 - its financial position as at 31 March 2023; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime

Our audit was completed on 28 August 2023. 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 relating to the financial statements 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 Professional and Ethical Standards and International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the Auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Council for the financial statements

The Council is responsible for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

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

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

Baker Tilly Staples Rodway Audit Limited is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.



In preparing the financial statements, the Council members are responsible for assessing the Council's ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Council or to cease operations, or there is no realistic alternative but to do so.

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

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the governing body.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the governing body and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.



- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibility arises from the Public Audit Act 2001.

Independence

We are independent of the Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1(Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

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

A handwritten signature in blue ink, appearing to read "Chrissie Murray".

Chrissie Murray
Baker Tilly Staples Rodway Audit Limited

On behalf of the Auditor-General
Wellington, New Zealand

Pharmacy Council of New Zealand
Statement of Comprehensive Revenue and Expense
For the year ended 31 March 2023

		(9 months)	
	Notes	2023	2022
	3	\$	\$
Revenue from non-exchange transactions			
Annual Practising Certificate fees	6	2,774,432	162,650
Disciplinary levies		379,339	32,185
Disciplinary recoveries		90,679	99,363
		3,244,450	294,198
Revenue from exchange transactions			
Registration fees		43,564	39,742
Non-Practising fees		77,864	4,745
Overseas pharmacist fees		16,800	9,000
Other fees	7	16,249	9,951
Interest income		24,064	7,437
Credit card recoveries		44,968	42,077
Other income	8	183,855	357,856
		407,364	470,809
Total revenue		3,651,814	765,007
Expenses			
Registration and discipline	9	527,509	362,726
Review & development		176,448	98,687
Governance	19	270,506	122,625
Stakeholder engagement		13,598	35,861
Operating and administration	10	2,868,440	2,291,593
Total expenses		3,856,502	2,911,493
Total (deficit) for the year		(204,689)	(2,146,486)
Other Comprehensive Income		-	-
Total Comprehensive (expenses) and revenue for the year		(204,689)	(2,146,486)



Pharmacy Council of New Zealand
Statement of Changes in Net Assets
For the year ended 31 March 2023

	Notes	Accumulated comprehensive revenue and expense \$	Total \$
Balance at 1 July 2021		2,533,997	2,533,997
Surplus for the year		(2,146,486)	(2,146,486)
Other comprehensive income		-	-
Balance at 31 March 2022		<u>387,511</u>	<u>387,511</u>
(Deficit) for the year		(204,689)	(204,689)
Other comprehensive income		-	-
Balance at 31 March 2023	23	<u>182,823</u>	<u>182,823</u>



Pharmacy Council of New Zealand
Statement of Financial Position
As at 31 March 2023

	Notes	2023 \$	2022 \$
Current Assets			
Cash and Cash Equivalents	13	2,254,266	4,118,253
Investments	14	1,500,000	-
Receivables from non-exchange transactions	15	78,170	48,596
Provision for doubtful debts	15	(39,235)	(37,763)
Prepayments and other receivables	15	11,069	7,739
		<u>3,804,270</u>	<u>4,136,825</u>
Non-Current Assets			
Intangible assets	16	150,613	243,819
Property, plant and equipment	17	433,706	39,733
Work in progress	18	24,418	-
		<u>608,736</u>	<u>283,552</u>
Total Assets		<u>4,413,007</u>	<u>4,420,377</u>
Current Liabilities			
Accounts payable		132,755	193,856
Other payables and accruals	20	663,293	639,593
Income in advance	22	2,980,208	2,874,959
Employee entitlements		123,452	96,420
Finance Leases	21	59,854	-
Provision for onerous lease	26	-	108,348
		<u>3,959,562</u>	<u>3,913,176</u>
Non-Current Liabilities			
Finance Leases	21	270,623	-
Provision for onerous lease	26	-	119,689
		<u>270,623</u>	<u>119,689</u>
Total Liabilities		<u>4,230,184</u>	<u>4,032,865</u>
Net Assets		<u>182,823</u>	<u>387,511</u>
Equity			
Accumulated comprehensive revenue and expense	23	182,823	387,511
Total Equity		<u>182,823</u>	<u>387,511</u>

Signed for and on behalf of the Council Members who authorised these financial statements for issue on 23 August 2023:



 Chair of Council



 Chief Executive



Pharmacy Council of New Zealand
Statement of Cash Flows
For the year ended 31 March 2023

	Notes	(12 months) 2023 \$	(9 months) 2022 \$
Cash flows from operating activities			
<i>Receipts</i>			
Receipts from APC fees		2,774,432	162,650
Receipts from Disciplinary Levy		379,339	32,185
Receipts from other exchange transactions		287,001	429,015
Receipts from other non-exchange transactions		295,120	3,053,172
Interest received		22,691	11,217
		<u>3,758,583</u>	<u>3,688,239</u>
<i>Payments</i>			
Payments to suppliers and employees		<u>3,607,949</u>	<u>2,829,678</u>
Net cash flows from operating activities		<u>150,634</u>	<u>858,561</u>
Cash flows from investing activities			
<i>Receipts</i>			
Sale of property, plant and equipment and intangibles		<u>16,487</u>	-
		16,487	-
<i>Payments</i>			
Purchase of property, plant and equipment and intangibles		508,056	84,025
Investments in short term deposits	22	1,500,000	(2,100,000)
		<u>2,008,056</u>	<u>(2,015,975)</u>
Net cash flows from investing activities		<u>(1,991,569)</u>	<u>2,015,975</u>
Net cash flows from financing activities			
Interest Paid		<u>(23,051)</u>	-
Net Cash Flows from/(used in) Financing Activities		<u>(23,051)</u>	-
Net Change in Cash and Cash Equivalents			
Cash and Cash Equivalents at the Beginning of the Financial Year		4,118,253	1,243,717
Cash and Cash Equivalents at the End of the Financial Year	13	<u>2,254,266</u>	<u>4,118,253</u>



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2023

1 Reporting entity and statutory base

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 practise.

The financial statements for the Pharmacy Council are for the year ended 31 March 2023, and were approved and authorised for issue by the Council Members on 23 August 2023.

2 Statement of compliance

The Financial Statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the year.

As at balance date there is a working capital deficit of \$155,291 (current assets less current liabilities). This could indicate that the Council is unable to pay its debts as they fall due, and potentially indicate a Going Concern issue for readers of these financial statements. The income in advance balance of \$2,980,208 that forms part of working capital is only held as such because it relates to the next reporting period, and will not require repayment. With this considered, the Council does not have a working capital issue, and is able to pay its debts as they fall due.

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 (Reduced Disclosure Regime or RDR) 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 RDR disclosure concessions.

All transactions in the Financial Statements are reported using the accrual basis of accounting.



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2023

3 Changes in accounting policies

Change of Financial Year End

At its September 2020 meeting, Council approved a change of financial year end from 30 June to 31 March to take effect for the financial year ending 31 March 2022. These financial statements represent the activities of Council for the twelve month period following the transition. Comparative figures for 2022 are included for the nine month financial period ending 31 March 2022, as per the Pharmacy Council's last Annual Report. In the opinion of the Council and management there is no sound basis or need to present twelve-month actual comparative results.

Adoption of PBE IPSAS 41 Financial Instruments

The Council has adopted PBE IPSAS 41 Financial Instruments with effect from 1 April 2022. In accordance with the transitional provisions of PBE IPSAS 41, the Council has elected not to restate the information for previous years to comply with PBE IPSAS 41. The comparative information continues to be reported under PBE IPSAS 29. No adjustments arising from the adoption of PBE IPSAS 41 are recognised in opening accumulated comprehensive revenue and expenses as the impact of adoption is trivial.

Accounting policies have been updated to comply with PBE IPSAS 41. The main updates are:

- Notes 4.7 & 15 Receivables from exchange transactions and non-exchange transactions: The policy has been updated to reflect that the impairment of short-term receivables from exchange and non-exchange transactions is now determined by applying a lifetime expected credit loss model.
- Note 4.6 Investments: Investments in term deposits policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

On the date of the initial application of PBE IPSAS 41, 1 April 2022, the classification of financial instruments under PBE IPSAS 29 and PBE IPSAS 41 are as follows, and carrying amounts for financial assets have not changed between the closing of 31 March 2022 and opening 1 April 2022 dates as a result of the transition to PBE IPSAS 41 as the impact is trivial:

	Measurement category	
	Previous PBE IPSAS 29 Category	New PBE IPSAS 41 Category
Cash and cash equivalents	Loans and receivables	Amortised cost
Investments in term deposits	Loans and receivables	Amortised cost
Receivables from exchange and non-exchange transactions	Loans and receivables	Amortised cost



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2023

The measurement categories and carrying amounts for financial liabilities have not changed between the closing of 31 March 2022 and the opening of 1 April 2022 dates as a result of the transition to PBE IPSAS 41.

Financial Instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Council becomes a party to the contractual provision of the financial instruments.

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 41 – Financial Instruments are initially recognised at fair value plus transaction costs unless they are measured at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit. The Council classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive revenue and expenses, or fair value through surplus or deficit based on requirements as per PBE IPSAS 41 – Financial Instruments.

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. Cash and cash equivalents are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

Investments

Investments in term deposits are initially measured at the amount invested, as this reflects fair value for these market-based transactions. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2023

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

Long-term investments comprise term deposits that have a term of greater than 12 months.

Receivables from exchange and non-exchange transactions

Short-term receivables from exchange and non-exchange transactions are recorded at the amount due, less an allowance for credit losses. Council applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed collectively as they share credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables from the exchange and non-exchange transactions are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

The previous year's allowance for credit losses was based on the incurred credit loss model. An allowance loss was recognised only when there was objective evidence that the amount would not be fully collected.

Financial Liabilities

The Council's financial liabilities include accounts payable (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. Such liabilities are subsequently measured at fair value.

There have been no other changes in accounting policies during the financial period other than those disclosed.



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2023

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 periods presented in these financial statements.

4.1 Basis of measurement

These financial statements have been presented based on 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, fines and recoveries

Disciplinary levies imposed and collected as part of the annual recertification cycle are recognised in full on the first day of the recertification year, that is on 1 April for pharmacists and pharmacist prescribers and 15 December for interns. Levies received within the recertification year to which they relate are recognised in full on receipt.

Disciplinary fines and costs recovered represent fines and costs awarded against practitioners by the Health Practitioners Disciplinary Tribunal (HPDT). Costs represent recoveries of a portion of the costs of Professional Conduct Committees (PCCs) and the HPDT.

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



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2023

Annual Practising Certificate (APC) fees

The Council's annual recertification cycle runs from 1 April to 31 March for pharmacists and pharmacist prescribers and from 15 December to 14 December for intern pharmacists. Fees received in advance of the start of the recertification cycle are recognised on the first day of the recertification year, that is, either 1 April or 15 December. Fees received within the recertification year to which they relate are recognised in full on receipt.

Revenue from the provision of other services is recognised when the service has been provided. Where provision of services is extended over a period, the stage of completion is estimated and revenue recognised when the degree of service has been provided.

Revenue from exchange transactions

Overseas pharmacist fees

Overseas pharmacist fees are recognised when invoiced and reported in the financial period to which they relate.

Overseas pharmacist fees include the Application for Initial Consideration and the administration fees imposed by the Australian Pharmacy Council for delivery of the Competency Assessment of Overseas Pharmacists (CAOP) and Knowledge Assessment of Pharmaceutical Sciences (KAPS) examinations.

Other fees

Other fees are recognised when invoiced, and reported in the financial period to which they relate.

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

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.



Pharmacy Council of New Zealand Notes to the Financial Statements For the year ended 31 March 2023

4.4 Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Council becomes a party to the contractual provisions of the financial instruments.

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 41 - Financial Instruments are initially recognised at fair value plus transaction costs unless they are measured at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit. The Council classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive revenue and expenses, or fair value through surplus or deficit based on requirements as per PBE IPSAS 41 – Financial Instruments.

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, receivables from exchange transactions and non-equity investments.

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.



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2023

Impairment of financial assets

The Council assesses at the end of each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired, and impairment losses are incurred, if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has affected 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 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 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.

There has been no impairment of financial assets for the year ended 31 March 2023.



Pharmacy Council of New Zealand Notes to the Financial Statements For the year ended 31 March 2023

Financial liabilities

The Council's financial liabilities include accounts payable (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. Such liabilities are subsequently measured at fair value.

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. Cash and cash equivalents are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

4.6 Investments

Investments in term deposits are initially measured at the amount invested, as this reflects fair value for these market-based transactions. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

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

Long-term investments comprise term deposits that have a term of greater than 12 months.

4.7 Receivables from exchange and non-exchange transactions

Short-term receivables from exchange and non-exchange transactions are recorded at the amount due, less an allowance for credit losses. Council applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed collectively as they share credit risk characteristics. They have been grouped based on the days past due.



Pharmacy Council of New Zealand Notes to the Financial Statements For the year ended 31 March 2023

Short-term receivables from the exchange and non-exchange transactions are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery included the debtor being in liquidation.

The previous year's allowance for credit losses was based on the incurred credit loss model. An allowance loss was recognised only when there was objective evidence that the amount would not be fully collected.

4.8 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. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

• 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.

4.9 Work in progress

Work in progress is stated at cost and not depreciated. Depreciation on work in progress starts when assets are ready for their intended use and are capitalised.

4.10 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 their exchange.

Following initial acquisition, 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.



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2023

The useful lives of intangible assets are assessed as either finite or indefinite. The Council does not hold any intangible assets that have an indefinite life.

Intangible assets with finite life 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 amortisation periods for the Council's assets are as follows:

- | | |
|---------------------|---------|
| • Website | 3 years |
| • Computer Software | 3 years |

4.11 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.

Finance lease agreements are reported as current and non-current assets and liabilities in the statement of financial position. Interest expenses are recognised and lease costs are amortised in the statement of financial performance on the basis of the lease term.

4.12 Employee benefits

Wages, salaries and annual leave

Liabilities for wages, salaries and annual 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.



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2023

4.13 Income Tax

The Council is exempt from Income Tax. The Council registered as a charitable entity under the Charities Act 2005 on 30 June 2008 (Registration Number CC29809) to maintain its tax exemption status.

4.14 Goods and services tax (GST)

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

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

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

4.15 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.



Pharmacy Council of New Zealand Notes to the Financial Statements For the year ended 31 March 2023

Judgements

Leases as a lessee - Council (along with the Dental Council of New Zealand as an equal partner) has entered into a lease agreement with its landlord whereby the costs of the building fitout have been borne by the landlord and will be repaid, plus interest, over a term of six years. This has been presented in the financial statements as a right-of-use asset - property, plant and equipment (see notes 10, 17 & 21).

Council has presented interest expense on the fit-out lease liability separately from the depreciation charge for the right-of-use asset. Interest expense on the fit-out lease liability is a component of finance costs, which are presented separately in the statement of financial performance.

Estimates and assumptions

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

Council based its assumptions and estimates on parameters available when the 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:

- condition of the asset
- nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- 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 4.8 & 4.10.



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2023

6 Annual practising certificate fees

	2023	2022
	\$	\$
Pharmacist	2,579,275	41,781
Pharmacist Prescriber	31,071	-
Intern Pharmacist	123,581	108,251
Return to Practise	37,896	11,615
APC Application fee	2,610	1,004
Total Annual practising certificate fees	2,774,432	162,650

APC revenue for the 2022/23 recertification year received in March 2022 was recognised as income on 1 April 2022.

APC fees received by Council in March 2023 for the 2023/24 recertification year beginning 1 April 2023 were recorded as income in advance (Note 29).

7 Other fees

	2023	2022
	\$	\$
Transfer within Register	6,697	4,797
Interview Assessment Fee	8,226	4,278
Certificate of Identity	1,326	876
Total Other fees	16,249	9,951

8 Other income

	2023	2022
	\$	\$
Miscellaneous Income	23,228	220
Pharmacy Team Relief Fund	160,626	357,637
Total Other income	183,855	357,856

Council was contracted by the Ministry of Health to administer the Pharmacy Team Relief Fund. The fund was established by the Ministry of Health in the 2020/2021 financial year to provide short term locum resourcing of pharmacists and technicians to pharmacies where the effects of increased workloads on staff due to Covid-19 could potentially impact on public safety. A fifth tranche was administered during the reporting year to allocate the remaining funds.

Total contract income recognised: \$160,626 (\$150,784 relates to claims payable to pharmacies, and \$9,842 to the recovery, at cost, of Council's administration of the application and claims process).



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2023

9 Registration and discipline

	2023	2022
	\$	\$
Registration	14,985	9,296
Discipline	428,729	259,785
Competence and health	83,795	93,645
Total Registration and discipline	527,509	362,726

Discipline costs are incurred through Professional Conduct Committees (PCCs) and Health Practitioner Disciplinary Tribunals (HPDTs) and are funded from disciplinary levy revenue.

During the year costs of \$45,751 were incurred for an appeal (now concluded) of an HPDT decision to the High Court. (2022: \$9,609)

Disciplinary Caseload	In Process @ 31Mar22	Opened This Year	Prior Year Cases Closed	Current Year Cases Closed	In Process @ 31Mar23
PCC	5	5	5	1	4
HPDT	7	2	4	0	5
TOTAL	12	7	9	1	9

The volume of HPDT cases closed during the period was affected by backlogs in HPDT committee processes affecting all Responsible Authorities.

Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2023

10 Operating and administration

Operating and administration expenses include the following specific expenses:

	Notes	2023 \$	2022 \$
Accountancy advice		3,090	4,259
Advisory services		19,842	56,765
Amortisation costs		108,413	77,060
Audit fees	12	15,046	14,362
Bank fees		428	117
Bad debts and debt collection		1,472	37,763
Credit Card and Account to Account bank fees		45,624	53,206
Depreciation	^	82,390	18,320
Finance Lease Costs		23,051	-
Information technology costs		308,939	280,509
Insurance		18,269	15,741
Legal costs		8,212	22,346
Loss on write off / disposal of assets		12,441	-
Movement in onerous lease provision	26	(22,725)	(7,379)
Premises and occupancy costs		164,917	187,482
Sundry costs		7,597	7,957
Personnel costs		1,902,106	1,162,708
Pharmacy Team Relief Fund Claims	11	150,784	347,390
Printing and stationery		6,487	4,939
Postage and courier		2,468	1,537
Telecommunications		9,592	6,511
Total Operating and administration		2,868,440	2,291,593

^ Increase in depreciation costs relating to premises fitout of 22 The Terrace.



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2023

11 Pharmacy team relief fund

	Notes	2023 \$	2022 \$
Ministry of Health funding		165,512	500,000
Residual <i>Tranche Three</i> funding not fully disbursed 2021/22		-	23,150
Tranche Four claims paid		(12,539)	(347,390)
Tranche Five claims paid		(138,857)	-
Council administration costs recovered		(9,842)	(10,248)
Reimbursement of unclaimed funds to Ministry of Health		(4,274)	-
Total Pharmacy team relief fund	20	-	165,512

Council was contracted by the Ministry of Health during the year to administer a fifth and final tranche of the Pharmacy Team Relief Fund, that being the residual funds remaining from previous tranche activities.

Applications to the fund from individual pharmacies were based on their own assessment of need. The funds were managed from a separate bank account to that of Council's normal operational activity.

Funds unclaimed after final disbursements were made (\$4,274 excl GST) were returned to the Ministry of Health at the expiry of the contract term as required.

12 Auditor's remuneration

Baker Tilly Staples Rodway provides are the Council's auditors on behalf of the Office of the Auditor General. The audit fees charged for the 2023 year are \$15,046. (2022 \$14,362)

Non-audit services are not provided by Baker Tilly Staples Rodway.

13 Cash and cash equivalents

Cash and cash equivalents include the following components:

	2023 \$	2022 \$
Cash at bank	1,254,266	1,318,253
Short term bank deposits	1,000,000	2,800,000
Total Cash and cash equivalents	2,254,266	4,118,253



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2023

14 Investments

	2023	2022
	\$	\$
Term deposits - Maturing within 12 months of balance date	1,500,000	-
	1,500,000	-

15 Receivables

	2023	2022
	\$	\$
Receivables from exchange transactions	9,427	7,469
Interest receivable : exchange	1,642	269
Receivables from exchange transactions	11,069	7,738
Receivables from non-exchange transactions	78,170	48,596
Provision for doubtful debts :- non-exchange	(39,235)	(37,763)
Receivables from non-exchange transactions	38,935	10,833
Total Receivables	50,004	18,571

16 Intangible assets

2023	Website	Software	Total
	\$	\$	\$
Cost	47,038	763,660	810,698
Accumulated depreciation	27,439	632,646	660,085
Net book value	19,599	131,014	150,613
2022	Website	Software	Total
	\$	\$	\$
Cost	47,038	776,274	823,312
Accumulated depreciation	11,759	567,733	579,492
Net book value	35,278	208,541	243,819



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2023

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

2023	Website \$	Software \$	Total \$
Opening balance	35,278	208,541	243,819
Additions	-	15,206	15,206
Disposals	-	-	-
Amortisation	15,679	92,733	108,413
Closing balance	19,599	131,014	150,613

17 Property, plant and equipment

2023	Leased Assets \$	Computer Equipment \$	Furniture & Fittings \$	Office Equipment \$	Total \$
Cost	375,320	88,844	88,606	19,597	572,368
Accumulated depreciation	54,758	61,181	7,070	15,654	138,662
Net book value	320,562	27,663	81,536	3,944	433,706

2022	Leased Assets \$	Computer Equipment \$	Furniture & Fittings \$	Office Equipment \$	Total \$
Cost	-	134,100	43,212	24,752	202,064
Accumulated depreciation	-	109,872	28,071	24,389	162,332
Net book value	-	24,228	15,141	363	39,733

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

2023	Leased Assets \$	Computer Equipment \$	Furniture & Fittings \$	Office Equipment \$	Total \$
Opening balance	-	24,228	15,141	363	39,733
Additions	375,320	25,859	87,094	4,577	492,849
Disposals	-	2,364	14,122	-	16,487
Depreciation	54,758	20,059	6,577	996	82,390
Closing balance	320,562	27,663	81,536	3,944	433,706

The net carrying amount of leased assets held under finance leases is \$375,320. Note 21 provides further information about finance leases.



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2023

18 Work in progress

Capital work in progress at the reporting date. \$24,418 (2022: \$nil)

19 Related party transactions

The Council has related party transactions with respect to fees paid to Council members and its independent advisor and with respect to Council members who pay to the Pharmacy Council APC fees and disciplinary levies as pharmacists.

Fees paid to Council members and its independent advisor for attending Council, other Council statutory and non-statutory committees (Finance Assurance & Risk Management [FARMC], Competence & Fitness to Practise [CFTP] and the Intern Assessment Advisory Group [IAAG]), and participating in other fora are disclosed below.

	2023	2022
	\$	\$
Councillors / Advisor Fees	180,445	99,385
Councillors / Advisor Expenses	^ 42,640	448
Total	223,084	99,832
Fees Paid		
K Azer	12,088	6,184
A Bauld (Chair)	64,853	45,623
A Chan	12,770	3,320
M Hudson	12,508	4,980
M Lomax (Deputy Chair till February 2023)	12,307	7,880
N Nu'u	14,394	3,486
M Wu (Deputy Chair from March 2023)	13,162	8,198
A Zareh	15,274	6,339
Total Fees Paid to Councillors	157,355	86,009
J Galt (Advisor)	# 23,089	13,376
Total Fees Paid to Advisor	23,089	13,376
Total Fees Paid	180,445	99,385

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

^ Formal Council meetings were held on a face to face basis this year.

Employed by Council as independent advisor and is also chair of FARMC. Attends Council meetings in an advisory capacity only.

There were no other related party transactions. (2022: \$Nil).



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2023

Key management personnel

The governing body of the Council with authority and responsibility for planning, directing and controlling the activities of the entity is constituted of the Council Members, Independent FARMC Chair, the Chief Executive, Registrar, Manager Strategy Policy & Practice, Chief Strategic Advisor, Manager Registration & Competence Assurance and the Manager Finance & Performance. These are the Council's key management personnel, as defined by PBE IPSAS 20 PS Related Party Disclosures.

The remuneration paid to Council Members and the FARMC Chair is set out above. The aggregate remuneration of key management personnel and the number of individuals, determined on a full time equivalent basis, receiving remuneration is as follows.

	2023	2022
	\$	\$
Total remuneration	992,174	662,402
Number of full-time equivalents (FTE)	5.9	5.6

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

During the reporting period, total remuneration and compensation of \$Nil (2022: \$Nil) was provided by the Council to employees who are close family members of key management personnel.

20 Other payables and accruals

	Notes	2023	2022
		\$	\$
Exchange payables			
Pharmacy Team Relief Fund	11	-	165,512
Accruals		121,321	110,186
Final settlement of onerous lease		93,332	-
Total exchange payables		214,653	275,699
Non exchange payables			
GST to IRD		400,248	363,894
PAYE to IRD		48,392	-
Total non exchange payables		448,640	363,894
Total other payables and accruals		663,293	639,593



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2023

21 Leases

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

a) The operating lease agreement at 80 The Terrace (start date 1 November 2014) is in the names of the Dental Council, Physiotherapy Board of New Zealand, Medical Sciences Council of New Zealand, New Zealand Medical Radiation Technologists Board, and the Pharmacy Council of New Zealand (five responsible authorities) all of which have joint and several liability.

This lease was contracted to expire on 31 October 2023. Negotiations for the early exit of this lease were concluded with the landlord in May 2023 with the early termination date of the lease agreed as 20 May 2023.

Lease of premises 80 The Terrace (Pharmacy Council Share)	2023	2022
	\$	\$
Not later than one year	96,033	89,995
Later than one year and no later than five years	-	53,809
Later than five years	-	-
	<u>96,033</u>	<u>143,804</u>

Lease of premises 80 The Terrace (five responsible authorities)	2023	2022
	\$	\$
Not later than one year	388,747	364,089
Later than one year and no later than five years	-	217,695
Later than five years	-	-
	<u>388,747</u>	<u>581,784</u>

b) The lease agreement for 22 The Terrace (commencing 2 June 2022, expiring 2 June 2028 with two rights of renewal) is in the names of the Dental Council and the Pharmacy Council of New Zealand (two responsible authorities), both of which have joint and several liability for the total lease costs. The two Councils have agreed to meet total lease costs and operating expenses on an equal share basis.

The lease, disclosed as a commitment in 2022; has operating (fixed rental and variable service charges) and finance lease components (relating to the landlord's fitout costs). Service charges are assumed to increase by 7% at each future anniversary date of the lease.



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2023

Operating component - Premises Lease

Lease of premises 22 The Terrace (Pharmacy Council Share)	2023	2022
	\$	\$
Not later than one year	149,300	-
Later than one year and no later than five years	625,309	-
Later than five years	27,224	-
	801,833	-

Lease of premises 22 The Terrace (two responsible authorities)	2023	2022
	\$	\$
Not later than one year	298,600	-
Later than one year and no later than five years	1,250,618	-
Later than five years	54,447	-
	1,603,666	-

Finance component - Fitout Lease

The finance lease in respect of the premises fitout is unsecured at 8% per annum and matures in June 2028

Future minimum finance lease payments (Pharmacy Council Share)	2023	2022
	\$	\$
Not later than one year	49,684	-
Later than one year and no later than five years	243,543	-
Later than five years	12,253	-
	305,480	-

Future minimum finance lease payments (two responsible authorities)	2023	2022
	\$	\$
Not later than one year	99,369	-
Later than one year and no later than five years	487,085	-
Later than five years	24,506	-
	610,960	-



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2023

c) The operating lease agreement at 109 Willis St (start date 1 March 2019) was in the names of the Dental Council and the Pharmacy Council of New Zealand (two responsible authorities), both of which had joint and several liability. This lease expired on 31 May 2022 and was not renewed.

Lease of premises 109 Willis Street (Pharmacy Council Share)	2023	2022
	\$	\$
Not later than one year	-	16,707
Later than one year and no later than five years	-	-
Later than five years	-	-
	<u>-</u>	<u>16,707</u>

Lease of premises 109 Willis Street (two responsible authorities)	2023	2022
	\$	\$
Not later than one year	-	33,415
Later than one year and no later than five years	-	-
Later than five years	-	-
	<u>-</u>	<u>33,415</u>

d) The Pharmacy Council has entered into a 3 year non cancellable finance lease agreement with Ricoh NZ Ltd for audio visual (AV) equipment, (start date 2 August 2022, ending 1 August 2025). Separately, the Pharmacy Council has agreed with the Dental Council to share lease costs and operating expenses on an equal share basis.

Lease of AV equipment from Ricoh NZ Ltd (Pharmacy Council Share)	2023	2022
	\$	\$
Not later than one year	10,169	-
Later than one year and no later than five years	14,827	-
	<u>24,997</u>	<u>-</u>



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2023

22 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:

	2023	2022
	\$	\$
Financial assets		
Cash and cash equivalents	2,254,266	4,118,253
Investments	1,500,000	-
Receivables from non-exchange transactions	78,170	48,596
	<u>3,832,436</u>	<u>4,166,849</u>
Financial liabilities		
Accounts payable	132,755	193,856
Accruals	214,653	503,736
Income in advance	2,980,208	2,874,959
Finance leases	330,476	-
Employee entitlements	123,452	96,420
	<u>3,781,544</u>	<u>3,668,971</u>

23 Accumulated comprehensive revenue and expense

To provide greater transparency for stakeholders, Council's accumulated comprehensive revenue and expense was separated to a General Fund and a Disciplinary Fund during the 2010/11 financial year.

	2023	2022
	\$	\$
General Fund		
Opening balance	293,580	2,208,553
Movements during the year	(128,903)	(1,914,973)
Closing balance	<u>164,676</u>	<u>293,580</u>
Disciplinary Fund		
Opening balance	93,931	325,445
Movements during the year	(75,785)	(231,513)
Closing balance	<u>18,146</u>	<u>93,931</u>
Total accumulated comprehensive revenue and expense	<u>182,823</u>	<u>387,511</u>



Pharmacy Council of New Zealand
Notes to the Financial Statements
For the year ended 31 March 2023

24 Capital & operating commitments

There are no capital commitments at the reporting date. (2022: \$Nil)

25 Contingent assets and liabilities

There were no contingent assets or liabilities at year-end. (2022: \$Nil)

26 Onerous lease

As per note 21, the Council is jointly and severally liable for the lease of 80 The Terrace with the Dental Council of New Zealand, Medical Sciences Council of New Zealand, New Zealand Medical Radiation Technologists Board, and the Physiotherapy Board of New Zealand.

As the Council continued to meet its share of the lease commitment for 80 The Terrace but was unable to occupy the premises, the lease commitment was considered onerous.

Post balance date the joint lessees have completed negotiations with the lessor to exit the lease with effect from 20 May 2023, reducing the total cost to the Council. The liability has been re-calculated as the amount payable under the contract to its new termination, together with the contracted "make good" cost on exit.

As the final lease arrangement had not previously been agreed with the landlord, in the 2022 statements the onerous lease was recorded as a provision. Due to the signing of a contract that agrees a defined final payment, the amount due to the landlord has been reclassified as a liability in the current financial year.

	2023	2022
Provision for Onerous Lease	\$	\$
Opening balance	228,037	302,255
Amounts incurred and charged against the provision	(109,279)	(66,839)
Gain on provision from reassessment	(30,499)	(14,108)
Unwinding of discount	7,774	6,729
Reclassification of onerous lease to payables	(93,332)	-
Closing balance	-	228,037

	2023	2022
Provision for Onerous Lease	\$	\$
Current	-	108,348
Non Current	-	119,689
Closing balance	-	228,037

27 Events after the reporting date

There are no other events after the reporting date to be disclosed.



Contact details

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The logo for the Pharmacy Council of New Zealand. It features a stylized graphic of three orange dots of varying sizes arranged in a slight curve to the left of the text "pharmacycouncil". The word "pharmacy" is in a bold, lowercase, sans-serif font, and "council" is in a regular weight of the same font. The text is in a dark blue color.

Te Pou Whakamana Kaimatū o Aotearoa