



2017

ANNUAL REPORT

COUNCIL AT A GLANCE

3,718 Practising pharmacists (as at 30 June 2017)

229 New pharmacists registered over the last year

234 Intern pharmacists registered over the last year

46% The proportion of practising pharmacists under the age of 36

65% The proportion of practising pharmacists that are female

7.75 Practising pharmacists per 10,000 population

22 Submissions made by Council in response to a variety of health policies and discussion papers

21 Formal complaints about pharmacist practice or conduct were triaged by Council

102 Informal queries or concerns about pharmacist practice or conduct were resolved

31 Cases from Health and Disability Commissioner (HDC) managed

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CHAIR AND CHIEF EXECUTIVE REPORT

Council is pleased to present this annual report for the year ending 30 June 2017. It has been a successful year but also disruptive with the impacts to our office because of the Kaikoura earthquake.

Some of the key successes for the year include:

- Online registration (as opposed to the previous time consuming manual processes) for issuing 3718 Annual Practising Certificates (APC) to practising pharmacists
- Managing an increasing number of informal and formal complaints
- Culture Competency recertification requirement
- Financial results under budget.

As pharmacists are increasingly recognised for the instrumental and growing part they can play in a more patient focused healthcare system, the Council must deliver more as part of its functions under the Health Practitioners Competence Assurance Act 2003 (HPCAA). The Council's organisational strategy 2016 – 2020 plans a path for regulation to be proactive and enabling to help respond to the growing demands. The financial year ending 30 June 2017 has been successful in laying several significant foundations to ensuring proactive and enabling regulation.

Our Business Capability Improvement Programme phase one – Online Registration – was the first of a five-phase project that will ultimately result in Council being able to extract more information from its data to better target regulation. Increasingly Council will be able to target its regulation to those areas that have the greatest risk of public safety. Not only does the online registration provide a critical data foundation but it now means pharmacists can complete their APC far more efficiently.

Council successfully managed over the period 102 informal complaints (an increase of 17 on the previous year). It also managed 31 formal complaints.

The Council is delighted at the acceptance of its mandatory cultural competency requirements by 2019-2020. Pharmacists are being urged to strengthen their core cultural competency skills to ensure that peoples' health needs are understood

and met through interactions that are culturally safe and respectful. The health disparities that are evident in New Zealand must be reduced. The Council needs to be assured that pharmacists are culturally competent to help in reducing these disparities. We are extremely appreciative of the hard work that the Pharmacy Reference Group for Implementation of Strategy for Māori Health (PRISM) played in the development of the new requirement.

Council did budget to end the year with an operating deficit of just over \$288,000 but it has achieved a surplus of just over \$167,000. Although a significant part of this result is due to the timing of a disciplinary case and its related costs, it does demonstrate consistent and careful management of Council's finances.

The Kaikoura earthquake in November 2016 caused significant disruption for the Council office and its team. Our sincere thanks to the patience of the Council team – who continued to deliver at a high standard despite having to work from home or temporary offices for extended periods of time. From November 2016 through to February 2017 the Council team was required to exit and re-enter the building (at 80 The Terrace) for extended periods of time at least twice, before we finalised more permanent temporary offices at Plimmer Towers (Gilmer Terrace in Wellington) in late February 2017. We are now waiting on engineers and the owner of the building to determine when we might return to 80 The Terrace – maybe at the latter part of the next financial year.

The Council membership was consistent throughout the financial year, which was extremely valuable in building on the commitment and passion of former Councils. I wish to thank my colleagues sincerely for their hard work and commitment, many members going well beyond the call of duty. I also wish to join Michael in thanking the unwavering commitment and dedication consistently demonstrated by the Council's operational team.




Mark Bedford
Chair




Michael Pead
Chief Executive

MEET THE

PHARMACY COUNCIL



COUNCIL MEMBERS



Mark Bedford

DipPharm, RegPharmNZ, AFNZIM

Chair (from December 2015)

Third term, first appointed 1 October 2009

– current terms ends 30 September 2018



Leanne Te Karu

Muaupoko/Whanganui

DipPharm (Distinction),

PG Cert Pharm (Prescribing), PG Cert

Pharm (Herbal Meds), PG Dip ClinPharm

(Distinction), MHSC (Hons),

RegPharmNZ

Deputy Chair (From February 2017)

Second term, first appointed 25 August

2011, current terms ends 15 April 2018



Arthur Bauld

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

DipPharm, RegPharmNZ

First term, appointed 17 December 2015,

current term ends 16 December 2018



Marie Bennett

Dip Pharm (Distinction), MNZCP, FPS,
RegPharmNZ

Second term, first appointed 8 November

2012, current terms ends 16 December 2018



Iain Buchanan

B.Pharm, RegPharmNZ

First term, appointed 17 December 2015,

current term ends 16 December 2018



Lynnette Flowers

Lay member

First term, appointed 17 December 2015,

current term ends 16 December 2018



Viv Gurrey

Lay member

Second term, first appointed 8 November

2012, current terms ends 16 December 2018



Jeff Harrison

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

Second term, first appointed 8 November

2012, current terms ends 16 December 2018



Jeff Galt

Independent Member

Finance Audit and Risk Management
Committee (FARMC) Chair

CA, Canada and New Zealand
(Chartered Accountant), BComm Hons,
CMIInstD

Appointed 28 April 2016

CORPORATE GOVERNANCE

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

COUNCIL MEETINGS

In the period 1 July 2016 to 30 June 2017, Council met six times for full Council meetings. Additionally, full Council met for four special meetings either in person or via teleconference plus numerous sub committee decisions.

Finance Audit and Risk Management Committee (FARMC) as at 30 June 2017:

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

PHARMACY COUNCIL REPRESENTATION ON OUTSIDE BODIES:

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

COUNCIL TEAM



Michael Pead Chief Executive

Overall responsibility for strategic and operational functions of the Pharmacy Council



Owain George Registrar

Overall responsibility for the regulatory functions under the HPCAA.

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

COUNCIL'S PURPOSE

OUR PRIMARY ROLE IS TO PROTECT THE HEALTH, SAFETY AND WELLBEING OF THE PUBLIC BY ENSURING PHARMACISTS ARE COMPETENT AND FIT TO PRACTISE.

WHAT COUNCIL DOES

The Pharmacy Council ('Council') was established under the Health Practitioners Competence Assurance Act 2003 (HPCAA) and has a duty to protect public safety and promote best pharmacist practice.

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

FUNCTIONS OF COUNCIL

Under Section 118 of the HPCAA the Council has several functions, which are summarised under the following four headings:

1. Assurance of qualifications and competence
2. Registration, complaints and discipline
3. Scope and Standards
4. Organisational support

Assurance of qualifications and competence

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

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

Organisational support

Scope and Standards

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

We authorise the registration of interns, pharmacists and pharmacist prescribes under the HPCAA, consider applications for Annual Practising Certificates and maintain the register of pharmacists.

We protect patients and the public, and uphold public confidence in pharmacy. We do this by considering the cases of pharmacists who may not be meeting the required professional and ethical standards.

Registration, complaints and discipline



Our role is supported by our Mission and Vision, which we aim to achieve through six strategic themes:
The Vision, Mission and Values are consistent with the Council's Organisational Strategy 2016 – 2020.



ENHANCED HEALTH OUTCOMES IS OUR MISSION

WE DO THIS BY ENSURING PHARMACISTS ARE COMPETENT AND FIT TO PRACTISE.

IMPROVED WELLBEING IS OUR VISION

WE'LL ACHIEVE THIS THROUGH SAFE, EFFECTIVE PHARMACY PRACTICE.

WE'LL ACHIEVE THIS THROUGH OUR STRATEGIC THEMES

OVER THE NEXT FIVE YEARS WE WILL:

- ensure pharmacists are skilled, educated and qualified to practise safely within current models of practice and are adequately prepared for evolving models of care
- promote and support collaboration and integration within the New Zealand health system
- strengthen our engagement with stakeholders and enhance confidence in Council
- support safe innovation in pharmacy practice in response to New Zealand's changing health landscape
- drive operational excellence
- deliver best practice governance

WE'LL KNOW WE'VE SUCCEEDED THROUGH THESE MEASURES

- we increase collaborative opportunities and engagement with our stakeholders
- standards, guidelines and policies are responsive to current practice and consider evolving models of care
- we have no successful legal challenges to our decisions or processes
- our strategic initiatives are achieved in line with the annual business plan and budget

THESE ARE OUR VALUES

RESPECTFULNESS | COLLABORATION | FAIRNESS | ACCOUNTABILITY | EXCELLENCE

WHAT

WE'VE ACHIEVED



ENSURING PUBLIC SAFETY AND WELLBEING

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

In the year ended 30 June 2017 we continued to ensure public safety by delivering in the following key areas:

Assurance of qualifications and competence	Registration	Ongoing Competence and Compliance	Operational
<p>During 2016 Council introduced a new recertification continuing professional development requirement which mandates undertaking professional learning relating to cultural competence.</p> <p>Council re-accredited:</p> <ul style="list-style-type: none"> Auckland University Bachelor of Pharmacy Auckland and Otago Universities' Joint Prescriber Programme. <p>The following programmes were monitored as part of their accreditation cycles.</p> <ul style="list-style-type: none"> Otago University Bachelor of Pharmacy The Pharmaceutical Society EVOLVE Intern Programme. 	<p>234 graduates were registered in the intern scope.</p> <p>229 new pharmacists were registered.</p> <p>Two pharmacists were registered in the pharmacist prescriber scope.</p>	<p>3,718 pharmacists received APCs.</p> <p>52 pharmacists had conditions on their scope of practice.</p> <p>102 informal queries or concerns regarding pharmacists practice or conduct were received and responded to.</p> <p>31 formal complaints were received from the Health Disciplinary Commissioner (HDC) for assessment and action.</p> <p>The Complaints Screening Committee (CSC) triaged 21 formal complaints, while eight complaints were investigated by the Professional Conduct Committee (PCC) (in addition to eight ongoing investigations).</p> <p>18 pharmacists with health concerns were monitored.</p>	<p>Online Registration was successfully used for APC registration. Further phases of business capability improvements are being undertaken, including online registration of intern pharmacists and new pharmacists.</p> <p>234 suppliers managed</p> <p>91 contractors engaged for various Council activities.</p>



EDUCATION

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

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

UNDERGRADUATE PROGRAMMES

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

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

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

Accredited programmes are listed on the Council's website <http://www.pharmacycouncil.org.nz/Education-providers/Accreditation>

During 2017 the following programmes were re-accredited by Council:

- Auckland University Bachelor of Pharmacy
- Joint (Auckland and Otago Universities) post graduate Pharmacy Prescriber programme
- Pharmaceutical Society EVOLVE Intern Training Programme

REGISTRATION AS AN INTERN PHARMACIST

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

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

Intern registrations – year ended 30 June:

2016	2017	Change
238	234	-1.6%

PRACTICE STANDARDS, STATEMENTS AND GUIDELINES

Council provides practice information to the profession through articles in its newsletters, statements and alerts published on our website. Topics for newsletter articles usually comes from practice queries through our website, telephone calls and HDC notifications. Throughout the 2016-2017 year, we published five newsletters which included the following pharmacy-related articles:

August 2016 newsletter

- Safety alert – atropine 0.01% eye drops
- Safety alert – glacial acetic acid
- Provision of medicines information to patients
- Clinical checking of prescriptions
- Raising concerns about prescribers

October 2016 newsletter

- Safe work environments
- Internet pharmacy medicines sales
- Warfarin interaction – Miconazole oral gel
- Expiry dates
- Dispensing errors concerning fluoxetine and tramadol

December 2016 newsletter

- Visual check to verify medicine dispensed
- Ministry of Health information and links
- Dispensing to self prescribing health professionals – learning opportunity for pharmacists

February 2017 newsletter

- Standardised Formulae—Safety Concerns
- Insulin Errors
- Midwifery Prescriptions
- Near Miss Logs— learning and quality improvement
- Sale of Paracetamol

May 2017 newsletter

- Funded Flu Vaccine
- Accredited Pharmacist Vaccinators
- Supply of Pharmacy Only Medicines for the treatment of animals
- Companion selling with dispensed medicines
- Compounding Advisory Group (CAG)

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

- First aid requirements
- Pharmacist vaccinator requirements
- Midwifery prescribing scope queries
- Prescribers writing MPSOs for family members
- Sildenafil supply by pharmacists
- Supervision of pharmacies – non-pharmacist staff or workmen accessing pharmacy after-hours
- Management of forged prescriptions
- Concerns about pharmacist workload
- Pilocarpine eye drops 0.01% for nystagmus
- Retention of prescription records and medication charts
- Supervision of return to practise pharmacists
- Disposal of unwanted medicines
- Injection of vitamin B12 by pharmacists
- Requirements for pharmacist prescriber registration
- Paediatric oral formulation compounding

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

Regular review of guidelines and statements is vital to ensure content is current and accurate. During the year ended 30 June 2017 the following document was updated:

- Complementary and Alternative Medicines Statement (yet to be finalised)

Council collaborates with other organisations to develop joint guidelines or statements to optimise resources and expertise for the benefit of the pharmacy profession. For example, Council and the Pharmaceutical Society have been working on a framework to assess future medicine reclassification proposals in order to provide the Medicines Classification Committee with a greater level of assurance around pharmacist competence and additional training that may be required for pharmacists to assure patient safety. The Council's medicines reclassification process has been approved by the Medsafe Medicines Classification Committee and will be incorporated into the Medsafe document, 'How to change the legal classification of a medicine in New Zealand'.

COLLABORATION WITH SECTOR ORGANISATIONS

The Council team regularly meets with pharmacy sector organisations and contributes to joint workstreams and projects to promote and optimise pharmacist practice and improve patient safety. In addition, Council consulted on:

- Annual Practising Certificate Fee for the 2017-18 Practising Year
- Code of Ethics revision 2017 and supporting CAM statement

Council provided submissions to the following external consultations:

- Dental Council consultation on proposed changes to prescribed qualifications
- Dental Council consultation on an updated sedation practice standards
- Medical Council consultation – Prescribing performance enhancing medicines in sport
- Ministry of Health – Proposed classification of zolpidem as a class C5 controlled drug under the Misuse of Drugs Act 1975
- Ministry of Health – Proposed classification of zopiclone as a class C5 controlled drug under the Misuse of Drugs Act 1975
- Medsafe – Submission to changes to Medicines Classification Committee process proposal 57th Agenda
- PHARMAC proposal tramadol oral solution
- Chiropractic Board consultation on Cultural Competence
- Medical Council Consultation on strengthening recertification for vocationally registered doctors
- Pharmaceutical Society – Integrated Health Care Framework for Pharmacists and Doctors – Draft Consultation
- Ministry of Business Innovation and Employment – Accident Compensation Corporation consultation on new practitioner groups for registered health professional and treatment provider
- Dental Council New Zealand consultation – professional boundaries
- Council of Australian Governments Health Council – Submission to National Registration and Accreditation Scheme for health professions discussion paper
- Submission to Health Workforce New Zealand investment approach to training
- Ministry of Health Consultation on Ambulance New Zealand's proposal to regulate the paramedic workforce under the HPCAA
- Nursing Council consultation on accreditation and monitoring
- Medsafe- Update to Medicines Classification Committee processes
- Ministry of Health – Proposed reclassification of fentanyl and precursors
- Ministry of Health – Proposed scheduling of flubromazolam as a Class C1 CD
- PHARMAC consultation – Change of access to funded Nicotine Replacement Therapy and Emergency Contraceptive Pill



REGISTRATION

GRADUATES OF THE BACHELOR OF PHARMACY QUALIFICATION CAN BEGIN THE PROCESS OF REGISTERING TO BE A PHARMACIST. THIS INVOLVES COMPLETING A FORMAL INTERN TRAINING PROGRAMME AND PASSING TWO COUNCIL ASSESSMENTS.

COUNCIL ASSESSMENTS

In addition to completing the EVOLVE intern training programme (ITP), intern pharmacists are required to pass two Council Assessments that are prescribed qualifications for Pharmacist registration.

These two assessments are:

- **Written Examination:** the Written Examination is taken by intern pharmacists once they have completed at least 50% of their supervised practice. The Written Examination assesses clinical knowledge, application of pharmaceutical calculations, health and medicine management, supply and administration of medicines and professional practise in pharmacy.
- **Assessment Centre:** the Assessment Centre is taken by intern pharmacists once they have completed the ITP and have passed the Written Examination. The Assessment Centre is an Objective Structured Clinical Examination. Whilst the Written Examination tests interns on their knowledge, the Assessment Centre tests that knowledge in a practical setting, and sees interns undertaking ten stations, all with different patients to counsel.

The materials for both Council assessments are developed by New Zealand registered pharmacists currently practising in a variety of pharmacy environments and models of patient care. This ensures that the knowledge and skills being tested reflects New Zealand practice.

Assessment results – year ended 30 June 2017

	Assessment Centre	Written Exam
Assessed	280	258
Passed	209	211
Pass Rate	74.6%	81.8%

Intern Assessment Advisory Committee (IAAC) as at 30 June 2017

Council has designated an external group of pharmacists to provide assurance that the Assessment Centre provides appropriate assurance for registering interns in the Pharmacist scope of practice. IAAC ensures the processes used for each Assessment Centre are valid, consistent and fair. This group scrutinises processes as they relate to individual borderline results and considers any complaints or appeals about the assessment.

Functions	Members
Provide assurance that assessments are appropriate for the qualification, and registration in the scope of pharmacist	M Bennett – <i>Committee Chair</i>
Confirm the validity, consistency and procedural fairness of the summative assessments of interns	J Sheridan – <i>Pharmacist</i>
Scrutinise the process as it relates to individual borderline Assessment Centre results	A Kurth – <i>Pharmacist</i>
Consider any complaints or appeals received from candidates or the profession regarding assessment	D Wright – <i>Pharmacist</i>
Confirm the assessments have been based on the range of Competence Standards.	

OTHER EXAMINATIONS AND ASSESSMENTS

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

- **Knowledge Assessment of Pharmaceutical Sciences (KAPS):** Overseas qualified pharmacists from countries other than Australia, Canada, Ireland, Northern Ireland, the UK and the USA are required to pass this exam as part of the process of applying to practise in New Zealand.
- **Competency Assessment of Overseas Pharmacists (CAOP):** Overseas qualified pharmacists from Canada, Ireland, Northern Ireland, the UK and the USA are required to sit this examination before registering as pharmacists.
- **Law and Ethics Interview Assessment:** Overseas qualified pharmacists from Canada, Ireland, Northern Ireland, the UK and the USA are also required to complete a Law and Ethics Interview following a period of supervised practice. This interview is to provide Council assurance that pharmacists entering New Zealand have sufficient knowledge and understanding of the legal and ethical codes which they will be complying within their practice. The assessment is delivered by Council in collaboration with a pool of pharmacists, who help to develop the interview questions and who act as interviewers contracted to Council. Australian pharmacists can register automatically because of the Trans-Tasman Mutual Recognition Agreement, but must complete a competence programme within three months of registering. This programme includes the Law and Ethics Interview. Pharmacists returning to practice and who have been out of NZ pharmacy practice for between three and eight years are also required to complete the Law and Ethics Interview following a period of supervised practice.

Law and Ethics Interview Assessors

Functions	Assessors as at 30 June 2017
<p>Pharmacists are required to complete supervised practice on return to practice, or when registering under the Trans-Tasman Mutual Recognition Agreement from Australia or under REQR (UK, Ireland, USA and Canada).</p> <p>Their knowledge and understanding of New Zealand pharmacy law and ethics is assessed at the end of the specified period.</p>	<p>V Hollings, <i>Northland</i> J Cade, <i>Auckland</i> J Earwaker, <i>Auckland</i> D Earles, <i>Mt Maunganui</i> D Vicary, <i>Hawkes Bay</i> C Keenan, <i>New Plymouth</i> G Caves, <i>Palmerston North</i> A Stanfield, <i>Wellington</i> A Kotrotsos, <i>Wellington</i> C Budgen, <i>Nelson</i> D Sayer, <i>Christchurch</i> K Shaw, <i>Christchurch</i> P Napier, <i>Dunedin</i> B McKone, <i>Gore</i> J Bunn, <i>Hamilton</i></p>

Examination and Assessment Results – year ended 30 June 2017

	KAPS	CAOP	Law and Ethics
Assessed	23	19	37
Passed	12	16	37
Pass Rate	52.2%	84.2%	100%

OTHER REGISTRATION REQUIREMENTS

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

Council may require an intern pharmacist to provide additional evidence of their English competency. A small number of interns have undertaken remediation in English during the 2016-2017 year.

REGISTRATION AND MOVEMENTS ON AND OFF THE PRACTISING REGISTER

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

As at 30 June 2017, there were 5,049 pharmacists on the Register:

Register numbers as at 30 June	2012	2013	2014	2015	2016	2017
Practising pharmacists	3,304	3,351	3,406	3,502	3,577	3,718 ¹
Non practising pharmacists	968	978	1,005	1,112	1,132	1,068 ²
Intern pharmacists	215	223	218	235	238	234
TOTAL	4,487	4,552	4,629	4,849	4,947	5,049

The following table shows the numbers registered, by registration route, from 2012 -2017:

Registrations route	2012	2013	2014	2015	2016	2017
Graduates (New Zealand and Australia)	197	186	200	194	206	204
TTMRA (Australia)	4	10	8	4	9	8
REQR (Canada, Ireland, Northern Ireland, UK, USA)	11	8	11	12	9	13
Non REQR (other overseas)	12	11	6	7	6	4
TOTAL	224	215	225	217	230	229

Changes for the last year include:

- The number of practising pharmacists at 30 June 2017 increased to 3,718; up 141 (3.9%) from 30 June 2016
- Since 2012, the number of practising pharmacists has increased by 414 (12.5%)
- 229 new registrations were processed – one less than 2016
- 87 pharmacists returned to practice
- 133 pharmacists were removed from the Register. The reasons for removal are personal requests, Council revisions and death of a pharmacist.

¹ Includes 14 pharmacist prescribers

² Includes 1 pharmacist prescriber

PROTECTING PUBLIC SAFETY

Council is responsible for determining whether a pharmacist is practising competently and, where they are deemed to be performing below the required standard, identifying specific areas where they need to raise their competence levels. The findings of an individual review may result in Council ordering the pharmacist to undertake a competence programme to remediate any areas identified.

There are a few mechanisms available to Council for determining whether a pharmacist is fit to practise.

Annual recertification

Recertification is a mechanism provided by the HPCAA to ensure pharmacists maintain their competence through continuing professional development. Each year, when applying for an APC, a pharmacist must complete a declaration to confirm they have met Council's recertification requirements.

The issue of an APC signals that a pharmacist has provided assurance to Council they are maintaining their competence and that Council does not have concerns about the safety of their practice. Council's recertification framework outlines the continuing professional development requirements that must be met by each practising pharmacist each year.

Recertification audit

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

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

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

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

During 2016/17 a quality review found that most audited pharmacists are engaging in professional development that is relevant to their practice and aligns with the recertification framework. Council used findings from this review, such as variation in the quality of documentation, to provide feedback to the Pharmaceutical Society for quality assurance purposes.

Conditions

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

In the year ended 30 June 2017, 52 pharmacists practised with conditions on their scope of practice:

Conditions placed at time of application as a result of policy	
Supervision – overseas qualified	13
Supervision – return to practice (>3 years)	27
Limited scope – practise excludes provision of direct-patient services	3
Conditions placed on case-by-case basis	
Health	3
Competence	4
Interim Measure (section 69 of HPCAA)	1
Health Practitioner Disciplinary Tribunal order	1
TOTAL	52

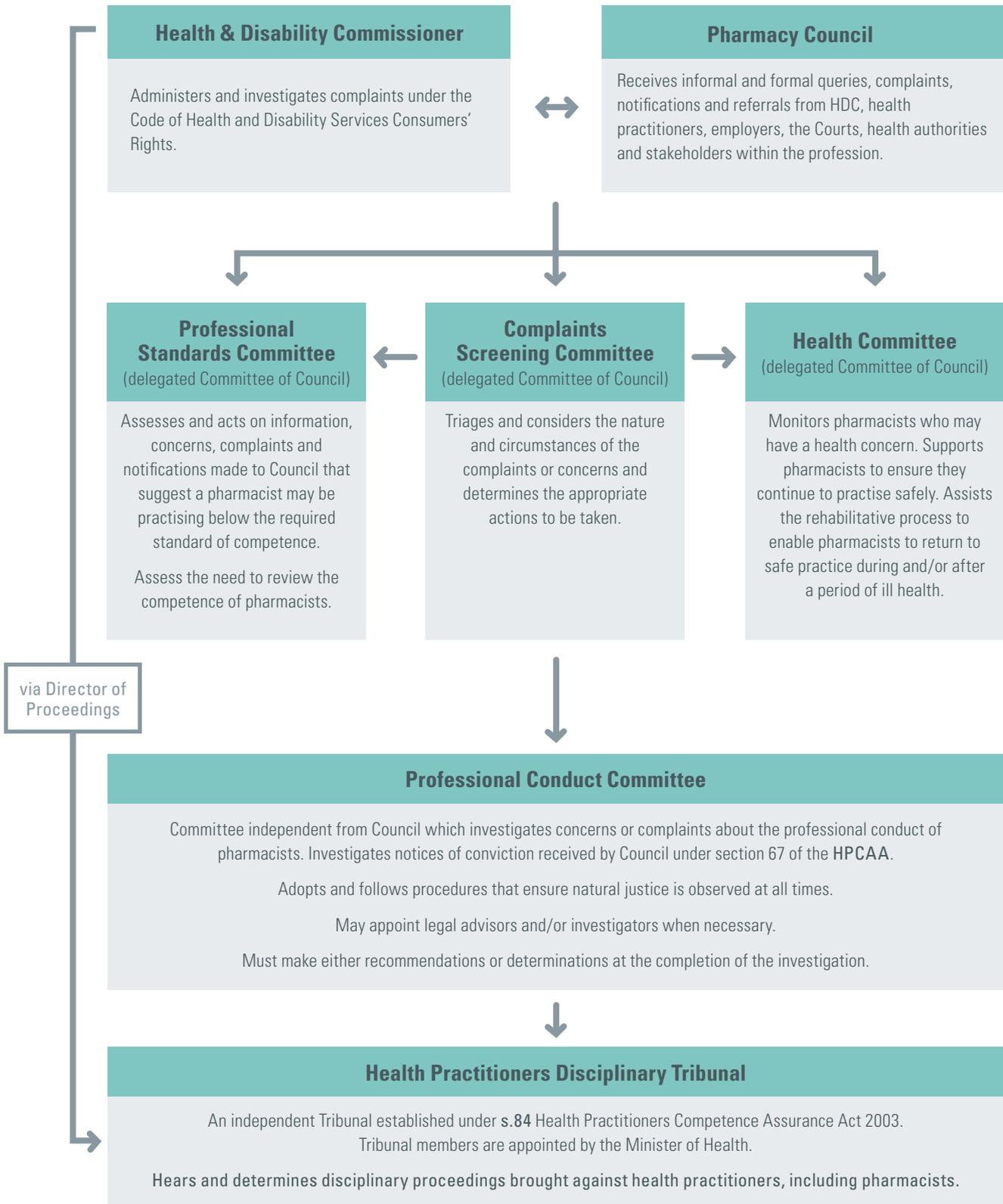


ONGOING COMPETENCE AND COMPLIANCE

COUNCIL IS RESPONSIBLE FOR DETERMINING WHETHER A PHARMACIST IS PRACTISING COMPETENTLY AND, WHERE THEY ARE DEEMED TO BE PERFORMING BELOW THE REQUIRED STANDARD, IDENTIFYING SPECIFIC AREAS WHERE THEY NEED TO RAISE THEIR COMPETENCE LEVELS.

HEALTH AND CONDUCT

Health and conduct process



HEALTH, COMPETENCE, FITNESS TO PRACTISE AND CONDUCT

The HPCAA provides Council with the framework and mechanisms to act when information is received that raises one or more concerns about a pharmacist's practice or wellbeing with the potential to compromise public health or safety. This information may be disclosed to Council directly by the pharmacist, or it may be conveyed to Council either informally or formally from a range of sources; e.g. members of the public, pharmacists, health practitioners, employers, government health sector organisations.

Council notes an increase in the number of concerns, queries or complaints received during the 2016/2017 year.

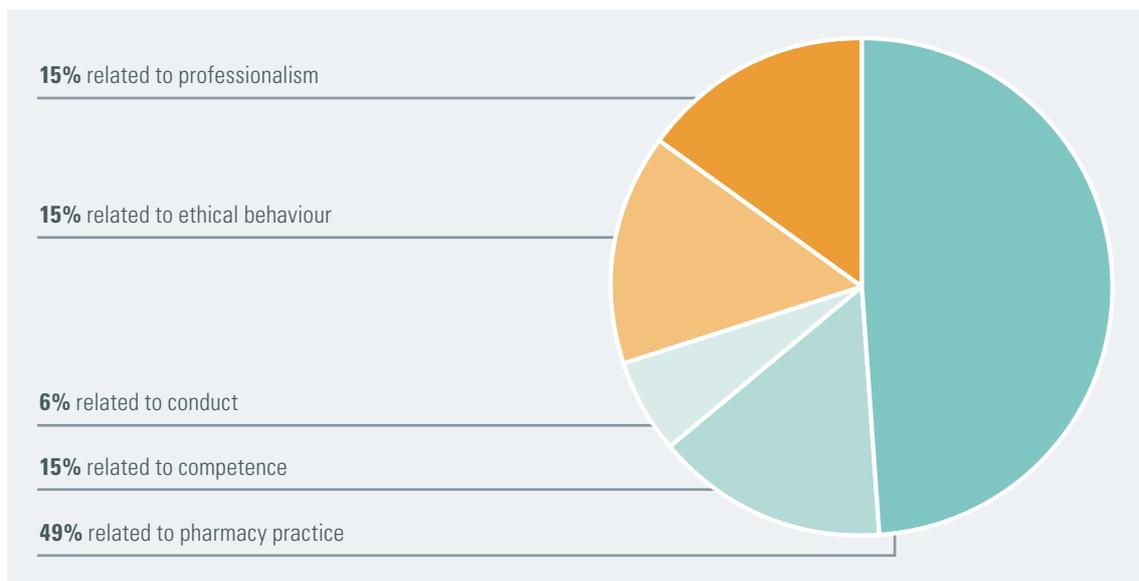
In the year ending 30 June 2017 a total of 102 informal queries or concerns regarding pharmacist practice or conduct were received by the Council team.

Of these, five were from other health professionals, 24 were from pharmacists and 73 from members of the public.

Five complaints were received from pharmacists relating to concerns about prescribing behaviour of other health professionals which were managed by Council and/or referred to the respective regulatory authority. Two complaints were from pharmacists regarding rude and abusive patients who had threatened to report the pharmacist to Council if their demands were not met.

Most related to informal queries or concerns and were resolved in most cases by the Professional Standards Advisor contacting the pharmacist concerned, clarifying the situation and providing advice so the situation could be appropriately managed between both parties. In many instances the member of the public needed reassurance and information regarding current pharmacist practice, such as medicine out of stocks, emergency supply provisions, prescription charges and stat supply requirements. We continue to encourage pharmacists to ensure they communicate effectively with their patients and the public to prevent misunderstandings. In many cases the pharmacist had provided best practice patient information but the patient just required reassurance from Council that the pharmacist had provided the correct advice. Others, which remained unresolved, or were more serious in nature, were referred to HDC or were managed through formal Council processes.

Of the 102 queries or concerns received regarding pharmacist practice or conduct:



Of interest this year were seven concerns raised relating to workload pressures/expectations and six relating to employment conditions/contractual arrangements. As Council cannot advise on employment contracts or arrangements between employers and employees these were referred to appropriate organisations.

A flavour of some of the pharmacy practice concerns handled by Council over the 2016/17 year included:

- Overcharging for prescriptions
- Inappropriate storage of medicines
- Close control dispensing when three month's supply has been previously received in one dispensing
- Short supplied medication
- Refusals to dispense prescriptions
- Medication errors
- Lack of patient privacy
- Expired or short-dated over the counter products
- Internet advertising of medicines

Formal complaints received by Council which relate specifically to the health of a patient must be referred to the HDC under the provisions of the Act. HDC also receive complaints from patients or consumers directly. HDC will assess and when appropriate, investigate the complaint. At the completion of this investigation, HDC refers the investigation outcome to Council and may recommend a specific course of action, for example a review of the pharmacy's Standard Operating Procedures, or a review of the pharmacist's competence.

Council was advised of 31 complaints against pharmacists by the HDC during the year. Council assessed each case and agreed on the required course of action. Of the total 31 complaints, 13 were resolved during the year. A further 18 complaints were ongoing from the previous year bringing the total ongoing complaints now being managed to 49.

The majority of the complaints related to pharmacy practice, e.g. dispensing and labelling errors, non-adherence to Standard Operating Procedures and lack of clinical checking.

How has Council managed the 49 cases?

Status or Outcomes of complaints from HDC	Number
Further information required and/or awaiting HDC publication of final investigation report	14
Professional Standards Advisor involvement including Standard Operating Procedure Review, pharmacy visit	4
Referred directly to the Professional Standards Committee	3
Referred to the Complaints Screening Committee 2016/17 (of which one was referred to a Professional Conduct Committee)	12
No further action	16

Complaints Screening Committee (CSC)

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

Functions	Members as at 30 June 2017
To consider the nature and circumstances of complaints or concerns received by the Council and determine what, if any, action or actions are appropriate to be taken in response.	<p>M Bedford <i>Committee Chair, Council Chair</i></p> <p>L Flowers <i>Lay Council Member</i></p> <p>O George <i>Registrar</i></p> <p>P Duncan <i>Professional Standards Advisor</i></p>

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

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

The CSC triaged complaints or concerns received during the year relating to 21 pharmacists. These complaints included dispensing errors/competence, professional misconduct and alleged breaches of the Code of Ethics.

Complaint/concerns triaged by the Council Complaints Screening Committee

Source	Outcome						
	Total	No further action	Educational Letter	PSA / monitoring	Professional Conduct Committee	Professional Standards Committee	Health Committee
Member of public	1	–	–	–	1	–	–
HDC ³	15	9	–	1	1	4	–
Employer/peer	2	1	–	–	1	–	–
Regulatory / governmental organisations	1	–	–	–	1	1	–
Council concern	1	–	–	–	1	–	–
Educational organisations	1	–	–	–	1	–	–

Professional Conduct Committees

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

Functions	Members as at 30 June 2017
<p>To investigate concerns or complaints relating to professional conduct which have been referred from Council with respect to professional conduct issues.</p> <p>To investigate notices of conviction received by Council under section 67 of the HPCAA.</p>	<p><i>Pharmacist Members</i></p> <p>N Anderson M Naseem Asghar K Azer P Cooke M Copland K Croucher R Eaton P Fraser D Mitchell J Munn C Schimanski</p> <p><i>Lay Members and Convenors</i></p> <p>H Algar K Harvey J Johnston Z Wisniewski</p>

³ Some HDC complaints relate to more than one pharmacist, and as the CSC considers each pharmacist separately the HDC information in this table differs from the previous table.

On completing its investigation, the PCC must either make:

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

Professional Conduct Committee investigations

Nature of Issue	Number of Investigations	Status/Outcomes of Investigations
Concerns about standards of practice, legal and professional obligations and conduct including honesty and integrity	13 – in total 7 ongoing from the previous year 6 new investigations	4 – HPDT charge to be laid 1 – refer to counselling 7 – not completed at 30 June 2017 1 – no further action
Conviction against the Land Transport Act 1998	2 – new	2 – completed, PCC found no further action required
Conviction against Films Videos & Publications Classification Act 1993	1 ongoing from previous year	1 – completed – recommend counselling

Note: Professional Conduct Committees totals are calculated from the date the Committee was appointed by Council.

Health Practitioners Disciplinary Tribunal (HPDT)

The APC fee includes a Discipline Levy that allows Council to meet a large percentage of the costs for pharmacist hearings at the HPDT.

Functions	Members as at 30 June 2017 ⁴
To hear and determine disciplinary proceedings brought against health practitioners, including pharmacists.	<p><i>Chair</i> D Carden</p> <p><i>Deputy Chairs</i> M Dew K Johnston</p> <p><i>Pharmacists</i> B Clayton-Smith J Dawson S Drake D Earles K Govind M Morrison C MacKenzie M O'Rourke D Sayer K Shaw D Vicary</p>

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

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

The following table summarises HPDT decisions that were charged to Practitioners during 2016/17:

HPDT Summary 2016/17	
Number of HPDT charges raised	4
Number of new PCC referrals to HPDT – PCC completed but hearing not scheduled as at 30 June 2017	4
Tribunal costs and disbursements Incurred	76,877
Professional Conduct Committee costs and disbursements incurred	38,662
Total PCC & HPDT costs used by the HPDT to calculate costs to be awarded	115,539
Overall percentage of PCC & HPDT costs used by the HPDT to calculate costs to be awarded	42%
Total costs awarded by HPDT	48,079
Fines charged	8,050
Total costs and fines awarded by HPDT	56,129

In total, from six decisions charged during the year, total costs and fines of \$56,129 were awarded.

HEALTH MONITORING

Health Committee

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

Functions	Members as at 30 June 2017
To consider notifications made under section 45 of the HPCAA, concerning pharmacists who may be unable to perform the required functions of a pharmacist because of health conditions, and to monitor and assess their performance.	J Harrison <i>Committee Chair, Council Member</i> A Bauld <i>Council Member</i> V Gurrey <i>Lay Council Member</i> O George <i>Registrar</i>

Council (the Health Committee or Council team) received two new fitness to practice notifications and monitored 16 additional pharmacists (including intern pharmacists) with health concerns. Depending on the nature of the case, Council:

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

COMPETENCE

Competence Review Team and Practice Counsellors

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

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

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

Professional Standards Committee (PSC)

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

Functions	Members as at 30 June 2017
To respond to notifications made to Council or information that Council has, that suggest that a pharmacist may pose a risk of harm to the public by practising below the required standard of competence.	I Buchanan <i>Committee Chair, Council Member</i>
To make enquiries into, and decide whether to review, the competence of pharmacists (a function described under section 36 of the HPCAA).	V Gurrey <i>Lay Council Member</i>
	L Te Karu <i>Alternate Member, Council Member</i>
	O George <i>Registrar</i>
	P Duncan <i>Professional Standards Advisor</i>

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

- order competence review (one pharmacist)
- take no further formal action, but ensure that support was in place (seven pharmacists).
(A final decision was still pending for one pharmacist).

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

One pharmacist continued a competence programme which had been set in a previous year, having failed to demonstrate in a reassessment that all the previous competency concerns had been addressed.

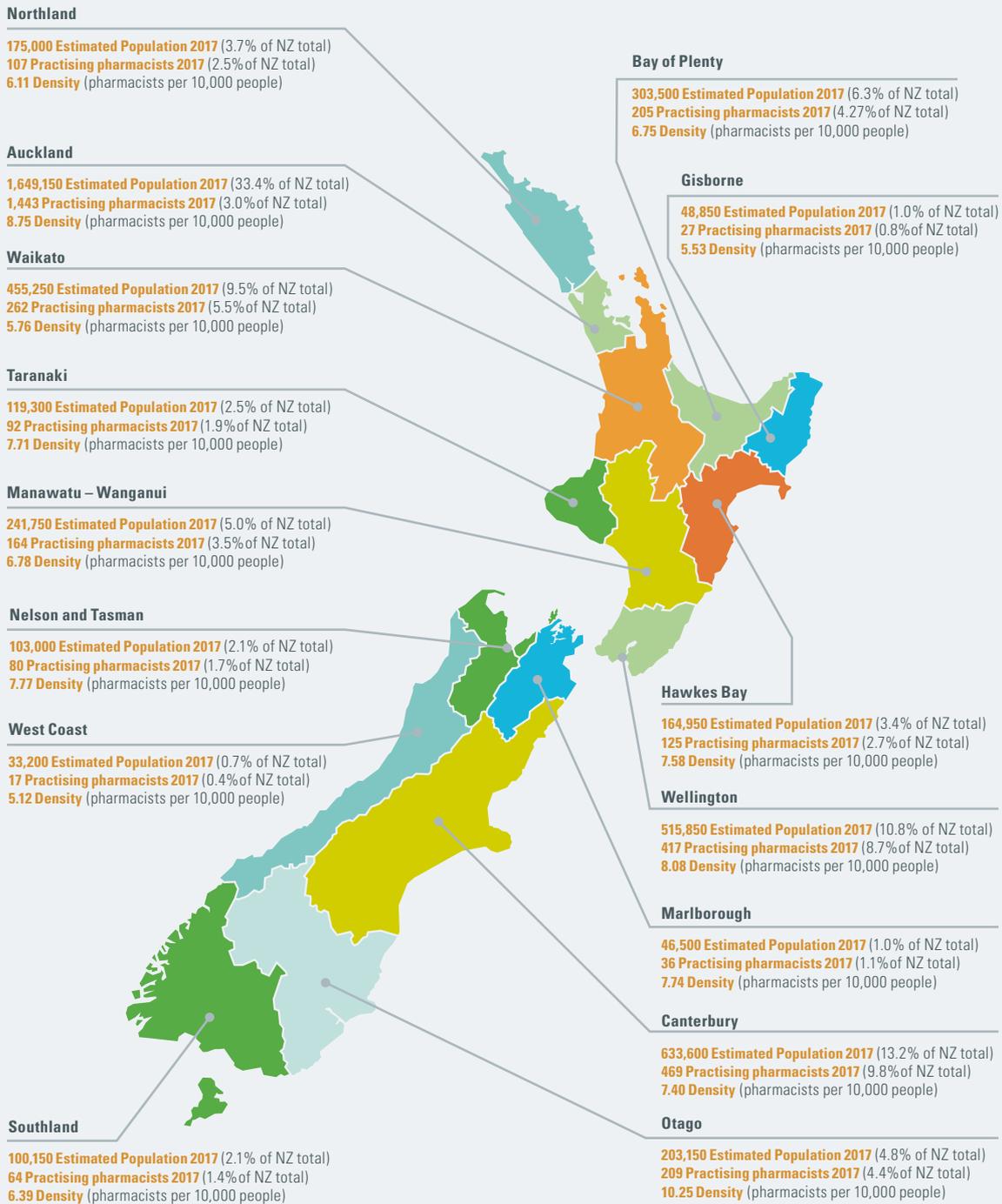


WORKFORCE

DEMOGRAPHICS

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

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



Ratio of pharmacists per 10,000 population based on estimated regional data 2016, adjusted based on estimated 2017 total population. The Pharmacy Council plans to use work address information combined with estimated or actual population data in the future.

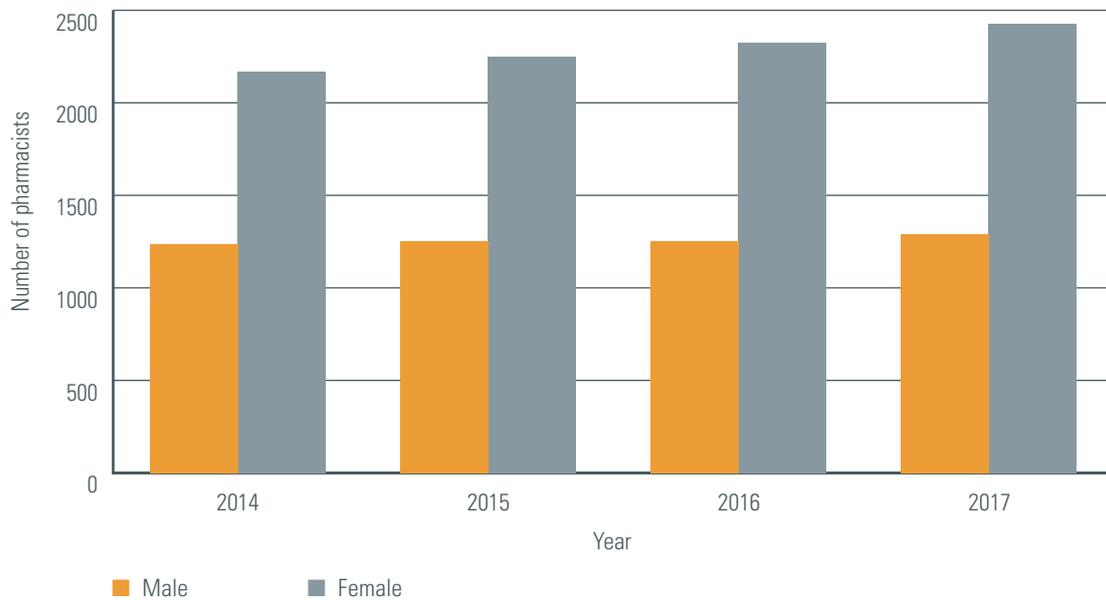
TOTALS	
4,793,700	Estimated Population 2017
3,718	Practising pharmacists 2017
7.75	Density (pharmacists per 10,000 people)

Gender and Age

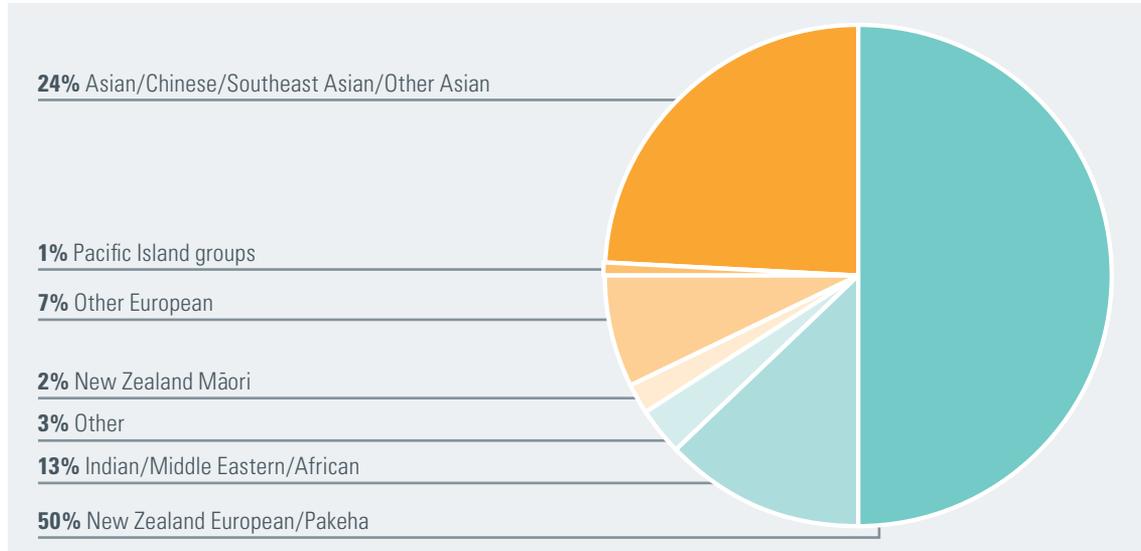
Age	Male	Female	Total
<25	117	281	398
26-35	432	882	1,314
36-45	197	466	663
46-55	215	488	703
56-65	236	278	514
65>	93	33	126
TOTAL	1,290	2,428	3,718

The following graph shows the change in gender distribution of practising pharmacists from 2014-2017:

Gender of practising pharmacists



Ethnicity



TRENDS AND OBSERVATIONS

Further workforce demographic material can be found on the Council's website www.pharmacycouncil.org.nz. Highlighted in the material is a number of trends that may stimulate discussion and debate.



LOOKING AHEAD

COUNCIL WILL CONTINUE TO DELIVER ITS ORGANISATIONAL STRATEGY (2016-2020) AND THE DELIVERY OF THE MINISTRY OF HEALTH'S PHARMACY ACTION PLAN (2016-2020).

FUTURE OUTLOOK

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

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

Council is continuing to support the increasingly important role of pharmacists through ensuring we have a regulatory framework that is proactive and enabling. Under the Council’s four broad functional areas, our intended 2017/18 work programme and deliverables is expected to involve:

Assurance of qualifications and competence

- Review and development of the intern training programme
 - Renewal and accreditation services with the Australian Pharmacy Council and/or consideration of an alternative accreditation service provider
 - Consider and plan possible changes to the recertification framework
 - Assessment of intern pharmacists and their progress to pharmacist scope (through Objective Structured Clinical Examinations and Written Examinations)
 - CPD Audit and mid-year quality review
-
- Effective Stakeholder management
 - Financial and management reporting
 - Cashflow management
 - Business Capability Improvement Programme (BCIP) – implementation of phases 2 to 5

Organisational support

Scope and Standards

- Revised Code of Ethics implemented
 - Role framework for pharmacist defined
 - “Open” culture created of information sharing, in terms of near misses and errors; feedback loops offered; significant risks identified
 - Standards and guidelines for pharmacists in general practice developed and released
 - Understanding and development of likely changes to competence standards resulting from Therapeutics Products regulation
 - Monitoring of competence standards to detect likely changes or requirements for new scopes of pharmacist practice
-
- Annual Practising Certificate recertification and registration
 - Disciplinary and complaints case management streamlining

Registration, complaints and discipline



OUR FINANCIAL

PERFORMANCE

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OUR FINANCIAL PERFORMANCE 2016-17

Council has returned an operating surplus of \$167,666 for the year ended 30 June 2017. This is a positive result compared to the budgeted deficit of \$288,288. The surplus is largely due to the timing of disciplinary cases moving forward to the next financial year. The Council's Accumulated Funds total \$2,479,940. The General Fund has a retained balance of \$1,795,033 and the Disciplinary Fund has a retained balance of \$684,907.

Council continues to carefully manage pharmacist funds. The total APC fee increased to \$666 (including GST) from 1 April 2017, an increase of \$17 from the previous year. This was the third increase in the levy (with the exception of a GST adjustment) since 2006, and reflects an increase in the volume and complexity of disciplinary cases along with increased overall running costs.

Financial projections indicate Council will operate at a deficit for 2017/18, which is largely due to disciplinary costs that were originally expected to occur in 2016/17, along with costs associated with maintaining a new integrated IT platform and increased staffing levels to manage the work programme. Subject to consultation on any proposed fee increase, Council will also return a small surplus in the following year to maintain reserve levels for any unforeseen events. Council will continue to review financial projections and consult with pharmacists on any proposed fee increase.

Accumulated Funds

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

Total APC Fees

For the APC year commencing 1 April 2017, the total APC fee which comprises the APC fee and Disciplinary Levy increased from \$649.00 to \$666.00 (GST inclusive). Operational costs are recorded in the General Fund and disciplinary costs are recorded in the Disciplinary Fund.

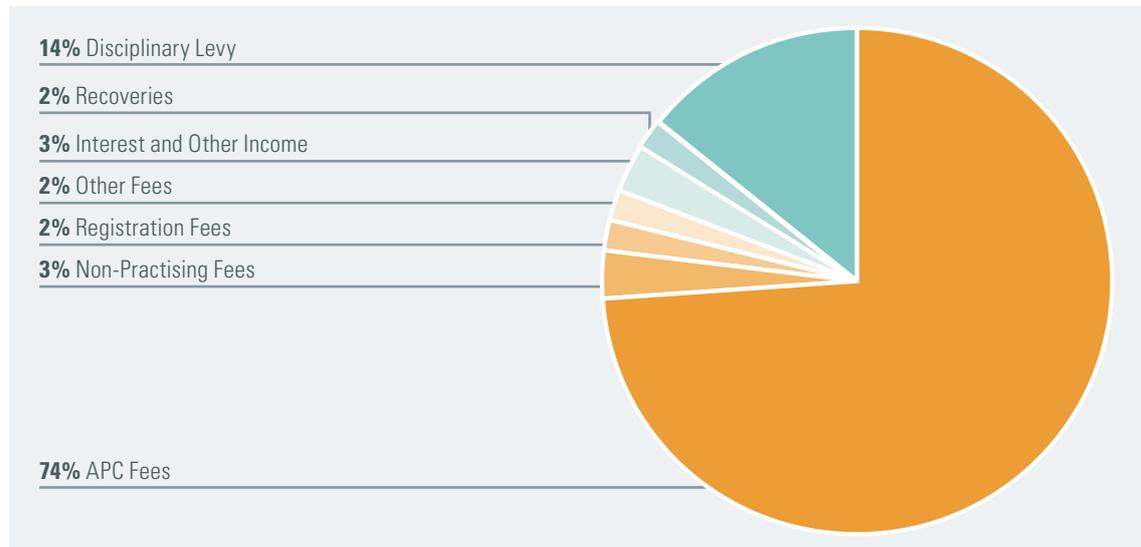
APC Fees

APC Fees are received from interns and pharmacists and represent 74 percent of total revenue. The APC fee covers all operational and policy setting costs and is included within the General Fund.

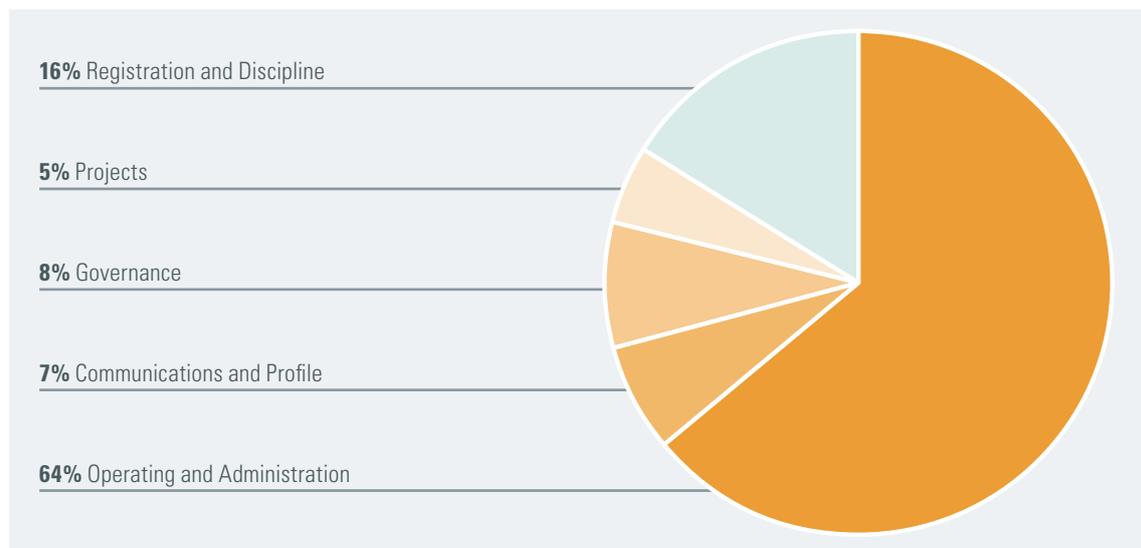
Disciplinary Levy

The Disciplinary Levy is charged to fund the costs of Professional Conduct Committees and Health Practitioners Disciplinary Tribunal hearings. The Disciplinary Levy is currently set at \$106.38 (GST inclusive) and represents 14 percent of the Total Income. Further increases to the Disciplinary Levy are likely to be necessary in the future as Council is seeing an increase in the volume and complexity of disciplinary cases.

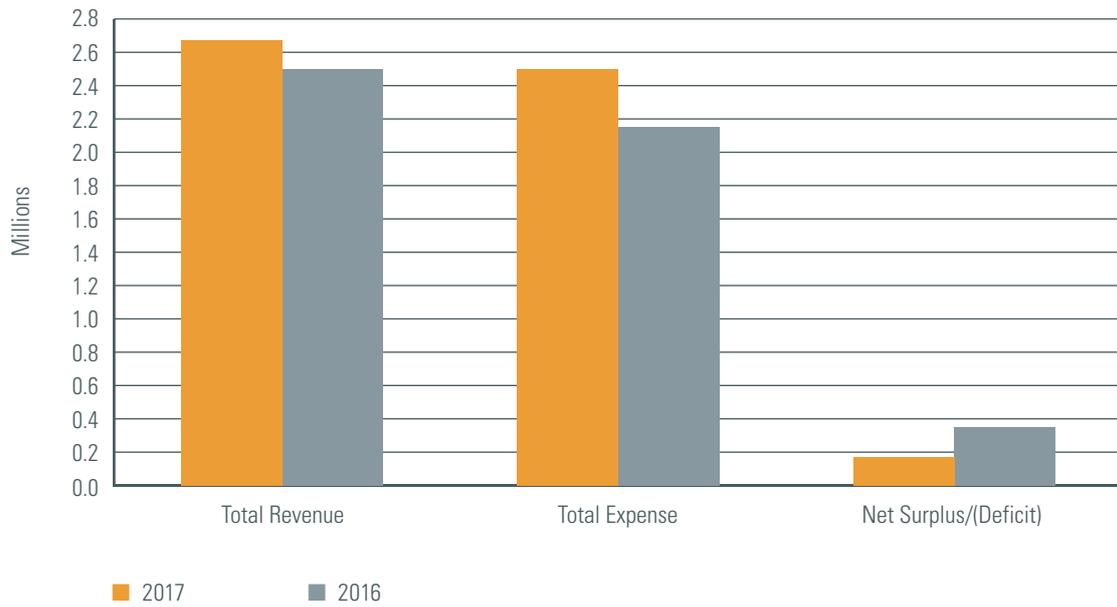
2017 revenue



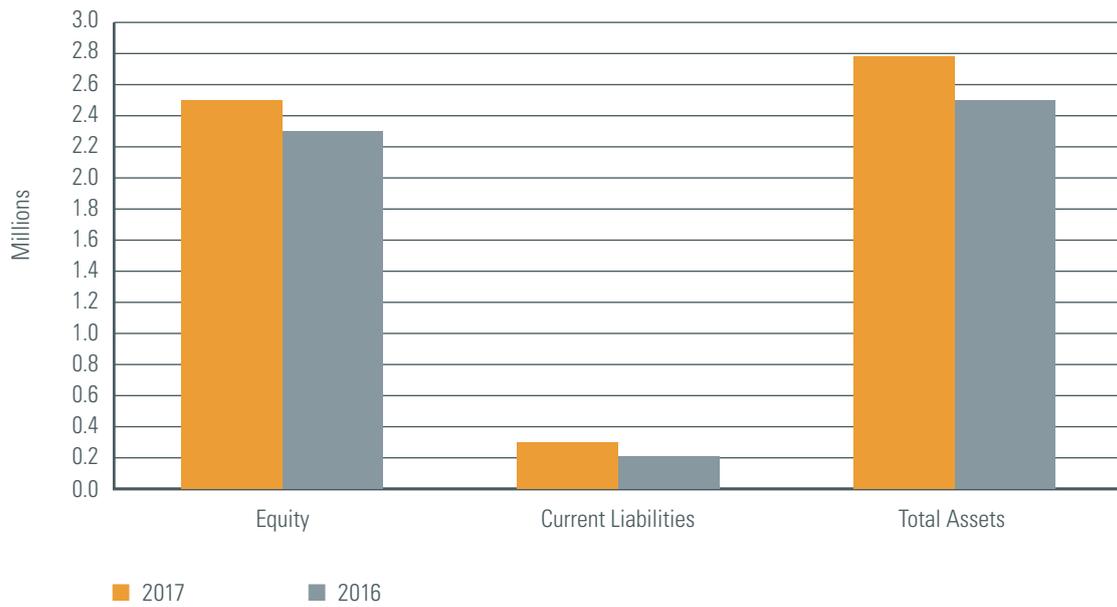
2017 expenditure



2017 Financial Performance



2017 Financial Position



STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 \$	2016 \$
Revenue from non-exchange transactions			
Annual Practicing Certificate fees		1,970,324	1,849,290
Disciplinary levies		373,866	348,535
Disciplinary recoveries		56,139	48,500
		2,400,329	2,246,325
Revenue from exchange transactions			
Registration fees		48,260	47,924
Non-practising fees		74,953	82,717
Overseas pharmacist fees		45,399	31,605
Other fees		13,248	13,711
Interest income		44,793	58,451
Credit card recoveries		31,844	19,014
Other income		2,175	865
		260,672	254,288
Total revenue		2,661,001	2,500,613
Expenses			
Registration and discipline	6	389,078	199,762
Projects		131,428	103,210
Governance		189,784	180,804
Communication and profile		183,167	121,241
Operating and administration	7	1,599,878	1,531,540
Total expenses		2,493,335	2,136,557
Total surplus for the year		167,666	364,056
Total comprehensive revenue and expense for the year		167,666	364,056

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

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2017

	Accumulated comprehensive revenue and expense \$	Total equity \$
Opening balance 1 July 2016	2,312,274	2,312,274
Surplus for the year	167,666	167,666
Other comprehensive income	–	–
Closing equity 30 June 2017	2,479,940	2,479,940
Opening balance 1 July 2015	1,948,218	1,948,218
Surplus for the year	364,056	364,056
Other comprehensive income	–	–
Closing equity 30 June 2016	2,312,274	2,312,274

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

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	9	2,331,634	771,918
Investments	10	–	1,450,000
Receivables from non-exchange transactions		37,718	68,061
Prepayments and other receivables		30,568	49,957
		2,399,920	2,339,936
Non-current assets			
Intangible assets	11	214,648	14,972
Property, plant and equipment	12	167,898	182,917
		382,546	197,889
Total assets		2,782,466	2,537,825
Current liabilities			
Accounts payable		67,568	46,653
Other payables and accruals		159,038	126,399
Employee entitlements		75,920	52,499
Total liabilities		302,526	225,551
Net assets		2,479,940	2,312,274
Equity			
Accumulated comprehensive revenue and expense	16	2,479,940	2,312,274
Total net assets attributable to the owners of the controlling entity		2,479,940	2,312,274

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

Signed for and on behalf of the Council Members who authorised these financial statements for issue on 27 September 2017:



Chair of Council



Chief Executive

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 \$	2016 \$
Cash flows from operating activities			
<i>Receipts</i>			
Receipts from APC fees		1,998,399	1,875,239
Receipts from Disciplinary Levy		373,866	348,535
Receipts from other exchange transactions		181,816	175,957
Receipts from other non-exchange transactions		90,159	17,000
Interest received		54,624	65,743
		2,698,864	2,482,474
<i>Payments</i>			
Payments to suppliers and employees		2,351,233	2,136,773
Interest paid		120	417
		2,351,353	2,137,190
Net cash flows from operating activities		347,511	345,284
Cash flows from investing activities			
<i>Receipts</i>			
Sale of property plant software and equipment		–	–
Redemption of investments		1,450,000	–
		1,450,000	–
<i>Payments</i>			
Purchase of property, plant and equipment and intangibles		237,795	26,717
Investments in short term deposits		–	250,000
		237,795	276,717
Net cash flows from investing activities		1,212,205	276,717
Net cash flows from financing activities			
Net increase in cash and cash equivalents		1,559,716	68,567
Cash and cash equivalents at 1 July 2016		771,918	703,351
Cash and cash equivalents at 30 June 2017	9	2,331,634	771,918

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

NOTES TO THE FINANCIAL STATEMENTS

1 REPORTING ENTITY

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

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

These financial statements have been approved and were authorised for issue by the Council Members on 27 September 2017.

2 STATEMENT OF COMPLIANCE

The Financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Public Sector entities. For the purposes of complying with NZ GAAP, the Council is a public sector public benefit entity and is eligible to apply Tier 2 Public Sector PBE IPSAS on the basis that it does not have public accountability and its expenditure is less than \$30m.

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

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

This is the second set of financial statements of the Council that is presented in accordance with PBE standards. The Council had previously reported in accordance with "Old NZ GAAP". The accounting policies adopted in these financial statements are consistent with those of the previous financial year.

4. SUMMARY OF ACCOUNTING POLICIES

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

4.1 Basis of measurement

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

4.2 Functional and presentational currency

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

4.3 Revenue

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

Revenue from non-exchange transactions

Disciplinary levies

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

Annual Practising Certificate (APC) fees

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

Disciplinary recoveries

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

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

Revenue from exchange transactions

Overseas pharmacist fees

Overseas pharmacist fees include the Application for Initial Consideration, Competency Assessment of Overseas Pharmacists and Knowledge Assessment of Pharmaceutical Sciences fees.

Other fees

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

Interest income

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

Other income

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

4.4 Financial instruments

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

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

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

Financial Assets

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

The Council's financial assets include: cash and cash equivalents, short-term investments, receivables from non-exchange transactions and receivables from exchange transactions.

Impairment of financial assets

There has been no impairment of financial assets for the year ended 30 June 2017.

Financial liabilities

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

All financial liabilities are initially and subsequently recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit).

4.5 Cash and cash equivalents

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

4.6 Short term investments

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

4.7 Property, plant and equipment

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

Depreciation is charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

- Leasehold Improvements 10 years
- Furniture & Fittings 10 years
- Office equipment 5 years
- Computer equipment 3 years

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

4.8 Intangible assets

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

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

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

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

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

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

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

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

- Website 3 years
- Computer Software 3 – 5 years

4.9 Leases

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

4.10 Employee benefits

Wages, salaries, annual leave and sick leave

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

4.11 Income Tax

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

4.12 Goods and services tax (GST)

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

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

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

4.13 Equity

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

Accumulated comprehensive revenue and expense

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

5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Judgements

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

Estimates and assumptions

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

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

Useful lives and residual values

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

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

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

6 REGISTRATION AND DISCIPLINE

	2017 \$	2016 \$
Registration	76,605	73,271
Discipline	273,065	107,358
Competence and health	39,408	19,132
Total Registration and Discipline	389,078	199,762

7 OPERATING AND ADMINISTRATION

Operating and administration expenses include the following specific expenses:

	2017 \$	2016 \$
Accountancy advice	–	15,849
Amortisation costs	18,672	8,167
Audit fees	11,625	11,410
Bank Fees	1,575	6,248
Bad Debts and Debt Collection	29,021	52
Depreciation	34,467	30,819
Eftpos fees	39,280	15,611
Information technology costs	57,465	38,745
Insurance*	49,207	13,979
Interest	120	417
Legal costs	37,130	34,631
Loss on disposal of assets	–	261
Premises and occupancy costs	126,899	123,602
Sundry costs	13,395	17,558
Personnel costs	1,147,325	1,173,458
Printing and stationery	11,816	16,393
Postage and courier	5,831	8,930
Telecommunications	16,050	15,410
	1,599,878	1,531,540

* Includes business interruption claim amounts.

8 AUDITOR'S REMUNERATION

Staples Rodway provides audit services to the Council. The audit fees charged for the 2017 audit were \$11,625 (2016: \$11,410).

No non-audit services are provided by Staples Rodway.

9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	2017 \$	2016 \$
Cash at bank	130,782	(28,082)
Short-term deposits with maturities of less than 3 months	2,200,852	800,000
Total cash and cash equivalents	2,331,634	771,918

10 INVESTMENTS

	2017	2016
	\$	\$
Term deposits – Maturing within 12 months of balance date	–	1,450,000
Total investments	–	1,450,000

11 INTANGIBLE ASSETS

2017	Website	Software	Total
	\$	\$	\$
Cost	64,229	253,505	317,734
Accumulated depreciation	46,413	56,673	103,086
Net book value	17,816	196,832	214,648

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

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

2017	Website	Software	Total
	\$	\$	\$
Opening balance	–	14,972	14,972
Additions	19,585	199,852	219,437
Disposals	–	–	–
Amortisation	(1,769)	(17,992)	(19,761)
Closing balance	17,816	196,832	214,648

12 PROPERTY PLANT AND EQUIPMENT

2017	Computer Equipment	Furniture and Fittings	Leasehold Improvements	Office Equipment	Total
	\$	\$	\$	\$	\$
Cost	102,830	70,769	157,040	26,653	357,292
Accumulated depreciation	93,498	51,508	32,675	11,713	189,394
Net book value	9,332	19,261	124,365	14,940	167,898

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

2017	Computer Equipment \$	Furniture and Fittings \$	Leasehold Improvements \$	Office Equipment \$	Total \$
Opening balance	17,244	20,837	140,069	4,767	182,917
Additions	4,734	1,130	0	12,496	18,360
Disposals	–	–	–	–	–
Accumulated depreciation	(12,646)	(2,706)	(15,704)	(2,323)	(33,379)
	9,332	19,261	124,365	14,940	167,898

13 RELATED PARTY TRANSACTIONS

Total fees paid to Council members for attending to Council, Council sub committee's (FARMC, PCC, and CSC) and working party meetings and participating in other forums, as disclosed below:

	2017 \$	2016 \$
Councillors Fees*	131,519	122,417
Councillors Expenses	34,169	37,732
	165,688	160,149
*Fees paid to Councillors		
A Bary	–	19,721
J Harrison	7,327	8,776
K Crump	–	5,847
L Te Karu	14,707	9,687
M Bedford	42,972	34,591
M Bennett	14,270	12,227
T Kani Kingi	–	6,211
A Bauld	10,849	4,969
I Buchanan	11,260	5,374
J Galt*	12,232	–
L Flowers	9,399	4,863
V Gurrey	8,503	10,151
Total fees paid to Council members	131,519	122,417

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

* Appointed as independent Chair of FARMC (Finance, Audit and Risk Management Committee) and attends Council meetings.

There were no other related party transactions (2016: nil).

Key Management Personnel

The key management personnel, as defined by PBE IPSAS 20 PS Related Party Disclosures, are the members of the governing body which is comprised of the Council Members, the Chief Executive, Registrar and the Corporate Services Manager, which constitutes the governing body of the Council. The remuneration paid the Council Members is set out above. The aggregate remuneration of key management personnel and the number of individuals, determined on a FTE basis, receiving remuneration as follows:

	2017	2016
Total remuneration	556,267	435,101 ¹
Number of full time equivalents (FTE)	3.5	2.7 ¹

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

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

During the reporting period, total remuneration and compensation of \$1,034 (2016: nil) was provided by the Council to employees who are close family members of key management personnel.

14 LEASES

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

	2017	2016
	\$	\$
Not later than one year	151,118	80,390
Later than one year and no later than five years	343,223	314,537
Later than five years	109,824	183,480
	604,165	578,406

The Council is jointly and severally liable for the premises lease at 80 The Terrace. The total liability is:

Total Premises Lease	2017	2016
	\$	\$
Not later than one year	389,661	317,177
Later than one year and no later than five years	1,297,393	1,268,706
Later than five years	427,881	740,079
	2,114,935	2,325,961

15 CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of financial instruments presented in the Statement of Financial Position relate to the following categories of assets and liabilities:

	2017	2016
	\$	\$
Financial assets		
Cash and cash equivalents	2,331,634	771,918
Short term investments	–	1,450,000
Receivables from non-exchange transactions	37,718	68,061
	2,369,352	2,289,979
Financial liabilities		
Accounts payable	67,568	40,568
Employee entitlements	75,920	52,499
	143,488	93,067

16 ACCUMULATED COMPREHENSIVE REVENUE AND EXPENSE

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

	2017	2016
	\$	\$
General Fund		
Opening balance	1,689,186	1,525,798
Movements during the year	105,847	163,388
Closing balance	1,795,033	1,689,186

	2017	2016
	\$	\$
Disciplinary Fund		
Opening balance	623,088	422,420
Movements during the year	61,819	200,668
Closing balance	684,907	623,088
Total accumulated comprehensive revenue and expense	2,479,940	2,312,274

17 CAPITAL COMMITMENTS

There were no capital commitments at the reporting date. (2016: \$Nil).

18 CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities at the reporting date. (2016: \$Nil).

19 EVENTS AFTER THE REPORTING DATE

The Council has been unable to occupy the premises located at 80 The Terrace since 17 February 2017 due to remedial work required on the building following the Kaikoura earthquake on 14 November 2016. The Council has withheld monthly lease payments of \$8,863 from the 1st of April and then signed a temporary lease agreement to occupy part of level 18, 2-6 Gilmer Terrace, Wellington. Subsequently an annual lease was signed commencing 1 September 2017. This lease agreement has one right of renewal for an additional three-month period.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF PHARMACY COUNCIL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

The Auditor-General is the auditor of the Pharmacy Council (the Council). The Auditor General has appointed me, Robert Elms, using the staff and resources of 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 on pages 42 to 54, that comprise the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in net assets and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the Council on pages 42 to 54, present fairly, in all material respects:

- its financial position as at 30 June 2017; 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 Standards Reduced Disclosure Regime

Our audit was completed on 10 October 2017. 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 governing body 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 Governing Body for the financial statements

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

The Governing Body 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.

In preparing the financial statements, the Governing Body is responsible on behalf of the Council for assessing the Council's ability to continue as a going concern. The Governing Body are 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 Governing Body'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 Governing Body 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 section 15 of the Public Audit Act 2001 and section 134(1) of the Health Practitioners Competence Assurance Act 2003.

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.



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

GENERAL CONTACT DETAILS

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Wellington 6143

Claro Law

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Wellington 6011

Auditors

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Te Pou Whakamana Kaimatu o Aotearoa